



# SUSTAINABLE DEVELOPMENT REPORT



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2011



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## FOREWORD

### **Giving meaning**

This is our third annual Sustainable Development Report. It brings together in a single document all social, workforce-related, environmental and ethical information relating to the Group, and complements and illustrates chapter 5.3 of the annual Reference Document. That chapter includes information required by a French statutory instrument due to come into force in 2013 (the implementing order relating to Article 225 of the French act of 12 July 2010<sup>[1]</sup> on companies' transparency obligations regarding social and environmental matters).

This Sustainable Development Report, made available to stakeholders on the Group's website, confirms the strategies adopted last year. It remains inspired by the guidelines of the Global Reporting Initiative, the Global Compact and ISO 26000. The cross-reference table at the end of this report shows the location of information relating to these various standards.

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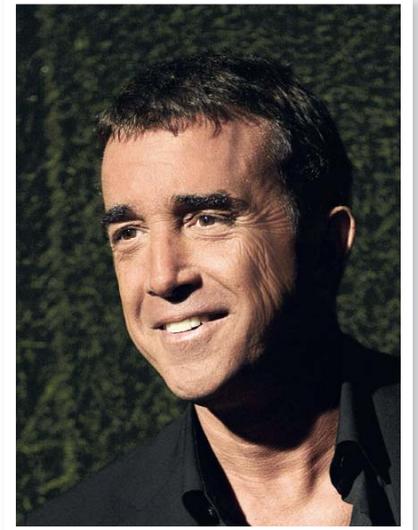
[1] Publication of the implementing order for Article 225 was still pending at the time of writing.

## MESSAGE FROM ARNAUD LAGARDÈRE

In 2011, the Lagardère group continued to implement its Corporate Social Responsibility strategy. The connection between CSR issues and Lagardère's values is now closer than ever. We will maintain our commitment to CSR in 2012, particularly as regards the theme of civil society, which will be emphasised by the Rio+20 summit taking place in Brazil in June.

We stepped up our labour, environmental and social initiatives in 2011, as well as awareness-raising activities across our four divisions.

In early 2012, Lagardère Publishing made a commitment to labelling the books it publishes, to inform readers of their carbon footprint and the origin of the paper used. Lagardère Active carried out its second carbon audit of its Magazine Publishing, Audiovisual and Digital businesses, which showed that digital media account for a very large proportion of our CO<sub>2</sub> emissions. Lagardère Services subsidiary Relay France underwent its first carbon audit, while Lagardère Unlimited raised awareness about disabilities among its employees in France.



The Group also pursued its solidarity initiatives. As part of these efforts, the Jean-Luc Lagardère Foundation supports the Sciences Po – Jean-Luc Lagardère Foundation Executive Education programme, which provides training for high-level sportspeople. Lagardère Active has also set up a system enabling employees to volunteer for solidarity initiatives adopted by the Elle Foundation and the Solidarity Department.

All of these initiatives and more are covered by this Sustainable Development Report, which is available online at [lagardere.com](http://lagardere.com) and intended for all of our stakeholders.

I am more confident than ever that Sustainable Development is an opportunity for our Group to drive innovation and performance, as well as being a way for all our employees to give more meaning to their work.

A handwritten signature in black ink, consisting of a large, stylized 'A' followed by a horizontal line and a smaller 'L'.

**Arnaud Lagardère**  
General and Managing Partner of Lagardère SCA



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# 1. Introduction: an approach integrated with our growth strategy

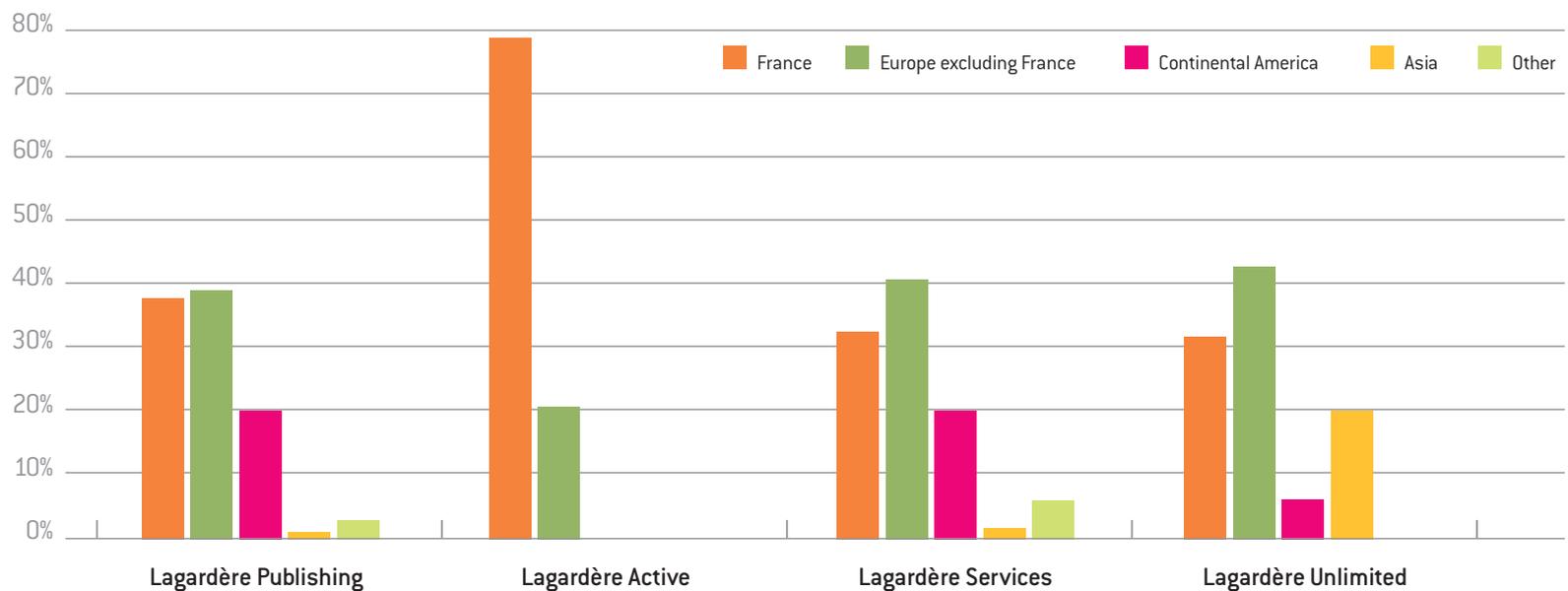
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## 1.1 A LEADING MEDIA GROUP

Division	Permanent workforce at 31/12/2011	2011 Net sales (€M)
Lagardère Publishing	6,534	2,038
Lagardère Active	3,880	1,441
Lagardère Services	9,664	3,724
Lagardère Unlimited	994	454

### • Breakdown of permanent workforce by division and geographic area at 31 December 2011



Lagardère is among the world's leading media groups, operating in around 30 countries the world over. It is a major communications group with a wide range of businesses, and 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. Despite the sale of the International Magazine Publishing business and the Russian Radio business in 2011, nearly 57% of our employees (versus 66% in 2010) are located outside France. France remains the Group's main country of operation with 43% of the total workforce, well ahead of Spain, Canada and the UK.

## A LAGARDÈRE PUBLISHING

Lagardère Publishing (or Hachette Livre) is the leading European trade publisher, and ranks number two worldwide. Lagardère Publishing is the leading publisher in France and the Commonwealth, the number two publisher in Spain and the number five publisher in the US. It is a federation of publishers (Hatier, Fayard, Grasset, Orion, Little Brown, Anaya, etc.), diversified across several editorial segments (Education, General Literature, Youth Works, Practical Guides, Tourism, Dictionaries, Partworks, etc.) and with a solid position in three languages (French, English and Spanish).

The advent of digital technology is a new opportunity for Lagardère Publishing. The division is strengthening its positions in the e-book market in the US and UK, expanding the functions of its Numilog platform and launching a range of content-development initiatives for the Internet, the iPad and the iPhone.

**B****LAGARDÈRE ACTIVE**

Lagardère Active consists of the Group's Magazine Publishing, Audiovisual (Radio, TV, Audiovisual Production), Digital and Advertising Sales Brokerage businesses.

Lagardère Active is the leading publisher of mass-market magazines in France, with 39 titles along with titles published under licence abroad. Women's magazines are central to the portfolio, which also covers News, Decoration, Youth Works and Leisure. The division's leading magazines include Elle, Paris Match and Télé 7 Jours.

Lagardère Active also operates 26 radio stations worldwide which attract nearly 30 million listeners per day<sup>(1)</sup>. In France, the division has a general-interest radio station, Europe 1, along with two music networks, RFM and Virgin Radio.

Lagardère Active produces 11 special-interest television channels around the world (Gulli, TiJi, Canal J, June, MCM, MCM Pop and MCM Top, Mezzo, Mezzo Live HD, TiJi Russia and Gulli Russia).

It also leads the French market for mobile phone applications, and is joint leader among media groups in audience terms, with 16 million unique visitors (Médiamétrie/Netratings figures, November 2011).

Lagardère Active is France's leading audiovisual production group for fictional works and the number two producer of programmes for immediate broadcast through Lagardère Entertainment, which combines all of the Group's audiovisual production and artistic rights management operations.

Finally, Lagardère Publicité sells space in more than 150 properties across six media (press, radio, TV, Internet, mobile and tablets).

**C****LAGARDÈRE SERVICES**

Lagardère Services is developing its growth strategy across two business lines:

- Travel Retail, which covers retail outlets aimed at travellers in three geographical areas (Europe and Middle East, Asia-Pacific and North America).
- Distribution of press materials to sales outlets, which include national distribution networks and integrated retail activities.

Lagardère Services operates more than 20 countries in Europe, North America, Asia and the Pacific. It runs the leading international network of shops dedicated to press sales and convenience services, cultural leisure products, duty-free shops and specialist concepts stores under both its international store names and store names with a strong local identity.

The subsidiary manages a network of 4,000 stores around the world (including 1,465 stores under the Relay store name in 14 countries, serving a million customers per day) and over 50,000 newsagents, which are supplied on a daily basis.

Lagardère Services also has a long-standing presence in hospitals, with 220 sales outlets, and is stepping up growth in food service in travel areas, with almost 300 service sales outlets in six countries.

**D****LAGARDÈRE UNLIMITED**

Lagardère Unlimited is a major player in Sport Industry and Entertainment and consists of eight main entities in France and abroad. It operates in six main areas:

- management of broadcasting rights;
- marketing of rights and associated products;
- organisation and management of events;
- talent representation;
- consulting in the management and operation of stadiums and multipurpose venues;
- management of sports training academies.

**E****OTHER ACTIVITIES**

The Lagardère group has stakes in various other companies 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.

[1] These figures take into account the Russian radio stations that were sold in late 2011.

Since 4 January 2007, Lagardère has had a 20% stake in Canal+ France.

In 2011, Matra Manufacturing & Services continued its strategy of developing light electric vehicles, including electric bicycles and scooters.

Lagardère sold its 49% stake in Presstalis and Transports Presse to publisher co-operatives for a nominal sum in 2011, and no longer has any specific role in the management or administration of these companies. The only functions it retains with respect to these activities are those of a publisher within the co-operatives.

## 1.2 GOVERNANCE AND ETHICS

### A GOVERNANCE STRUCTURE

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

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

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

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.

Lagardère SCA is currently managed by two Managing Partners:

- a natural person, Arnaud Lagardère;
- a legal entity, 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 is responsible for the ongoing and retroactive supervision of the Company's management, represents the limited partners (the shareholders). The Supervisory Board represents a diverse field of expertise, in line with the Group's operations and the Board's supervisory functions. It currently consists of 15 members, including three women since 2011, appointed by the shareholders at the Ordinary General Meeting.

In 2010 the terms of board members' mandates was shortened to four years at the most. This gives shareholders the opportunity to renew the board by half every two years. Over two-thirds of board 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 special committees that help it to prepare and organise its work:

- An Audit Committee (composed of seven members, over two thirds of whom are independent), which assists and prepares the work of the Board, including:
  - reviewing the 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 whom are independent, and which was created in April 2010 to assist the Supervisory Board in this area.

## B ORGANISING THE ROLE OF SUSTAINABLE DEVELOPMENT

### THE STEERING COMMITTEE

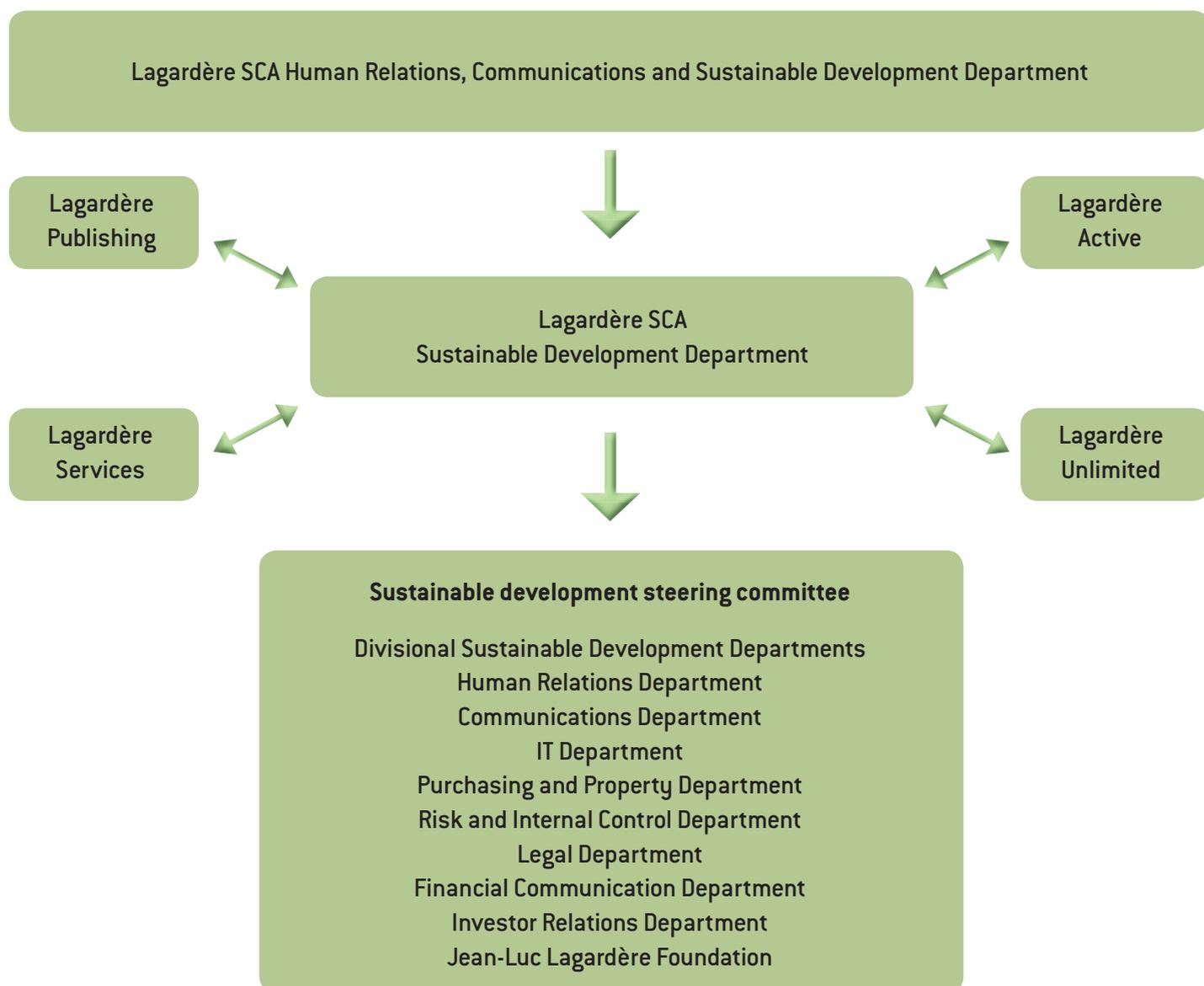
The Sustainable Development Steering Committee, co-ordinated by the Sustainable Development Department, was created in 2008 and reports to the Group's Chief Human Relations and Communications Officer who is a Co-Managing Partner of Lagardère SCA. This committee meets around once every two months and has the following aims:

- informing, raising awareness among and co-ordinating a network of correspondents within the divisions with regard to the Group's labour, social and environmental responsibilities;
- ensuring the continuous improvement of the Group's initiatives, in particular by:
  - promoting and organising the sharing of tried-and-tested best practices;
  - reflecting on ways of improving existing actions;
  - acting as a source of ideas for launching new initiatives;
  - promoting the creation of occasional topic-specific working groups;
  - implementing, co-ordinating and improving internal reporting;
  - communicating with the CSR ratings organisations and responding to their queries regarding CSR issues.

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

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

### • Organisational chart of the Sustainable Development Department



## C

## INTERNATIONAL COMMITMENTS

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

- the International Labour Organisation (ILO) declaration relating to basic labour principles and its eight basic conventions;
- the OECD's guiding principles for multinational companies, which were updated in 2011, particularly as regards respect for human rights;
- the UN's Global Compact.

Lagardère joined the United Nations Global Compact in 2003, demonstrating its commitment to universal values. In so doing, the Group undertook to promote compliance with the Compact's ten principles of good governance.

## GLOBAL COMPACT: DECLARATION OF COMMITMENT

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

## HUMAN RIGHTS

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

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

## LABOUR

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

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

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

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

## ENVIRONMENT

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

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

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

## ANTI-CORRUPTION

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

## Arnaud Lagardère

General and Managing Partner of Lagardère SCA

## D

## ETHICS AND PROFESSIONAL CONDUCT

Several documents have been prepared by the Company and are applicable internally or with respect to outside partners. Entity-specific charters and codes relating to suppliers and subcontractors are covered in section 1.4 "Maintaining dialogue with stakeholders".

## CODE OF CONDUCT

The Code of Conduct, formerly known as the "Code of ethics", has been in force within the Group since 1997 and has been revised several times, most recently in 2011 and 2012. The Code is based on the structure of ISO 26000 standard and has been developed with input from several internal stakeholders. It strengthens the Group's CSR policy, which itself is directly inspired by the values upon which Lagardère's legitimacy and reputation is based: independence, daring and creativity.

Like the previous version, the new Code of Conduct demonstrates the Group's dedication to upholding international standards, including the following principles:

- freedom of association;
- prohibition of forced or compulsory labour and child labour;

- o recognition of the right to negotiate company-wide agreements;
- o fair employment practices and equal treatment;
- o respect for privacy;
- o prohibition of corruption.

The new version of the Code groups together in its first chapter all fundamental rights to which the Group subscribes. Unlike the previous version, in which these rights were covered across various chapters, presenting these rights together emphasises the Group's commitment to complying with and promoting these key principles.

This Code covers a large proportion of the Group's policy regarding dialogue with stakeholders, since it describes the relations that the Lagardère group maintains with the civil-society organisations with which it engages. In addition, for the first time, the Code now deals with the environmental impact of the Lagardère group (see below).

The section concerning relations with employees has been developed, since it now deals with respect for other people and combating discrimination more precisely and distinctly than before. The Code of Conduct also underscores the importance of contributing to the professional development of each employee, since the Group's staff represent its greatest asset and source of creativity. To achieve this, the Code reaffirms the Group's commitments in terms of working conditions, health and safety. The Code also sets out the Group's commitments to the principles of skills development, internal transfers and promotion, on the basis of merit, recognition and equal treatment. The principles of respect for employee privacy and respectful management are also emphasised. For the first time, the Code now includes an entire paragraph on dialogue between management and labour.

As regards its relationship with outside partners and competitors, the Group upholds the principle of fair commercial practices and free competition. It prohibits all forms of corruption in France and abroad, as well as all political and/or religious contributions by and on behalf of Group companies. The Code contains rules for giving and accepting business gifts, and describes the conduct to be adopted to avoid any conflict of interest. The new version of the Code also introduces a responsible purchasing policy and encourages the promotion of the Code among partners and subcontractors. The principle of complying with rules of conduct with respect to suppliers is repeated in the Purchasing Policy (see below) implemented within the Group since 2008.

In terms of relations with customers, the Group upholds the principle of meeting commitments made to them and the confidentiality of information concerning them. The new version of the Code clearly sets out the Group's approach to confidentiality, along with its various commitments in this respect. It also specifies the Lagardère group's goal of providing customers with effective products and services that are tailored to their needs and expectations. The Code contains a commitment to complying strictly with regulations regarding advertising and promotion, so that only the most accurate and honest information is provided to customers.

In addition, the Group intends to act in the interest of and with respect for its shareholders. The Code states that the Lagardère group will strive not only to achieve the optimal valuation of its assets, but also to 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.

As regards the Group's relations with civil society, the Code reflects its desire to contribute to the economic and social development of the countries in which it operates, particularly through its commitment to supporting education, culture and sport.

Finally, the Code deals with the environmental aspect of its activities by highlighting the importance of complying with environmental regulations, the need to take responsibility for the environment and the need to promote key environmental principles.

## CHARTERS APPLICABLE TO EMPLOYEES

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

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

In accordance with stockmarket regulations, a procedure has been introduced to establish a list of persons with regular or occasional access to inside information concerning Lagardère SCA. At the same time, the Managing Partners set up an Insider Committee comprising a representative from their ranks, the Group's Chief Legal Officer, the Group's Chief Financial Officer and the Chief Human Relations and Communications Officer. This Committee is responsible for preparing and updating the lists described above and for proposing measures to reduce the risks of misdemeanours and failures to comply with the applicable regulations.

A Code of Conduct provided to each journalist upon starting work 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 business relations for Lagardère Active companies” was developed in 2008 and provided to all employees.

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

At the end of 2010, the **ISO 26000 standard** setting out social responsibility guidelines came into force. Over the coming years, the Group will work to address as effectively as possible the seven core subjects identified by this new standard: organisational governance, human rights, labour practices, the environment, fair operating practices, consumer issues, and community involvement and development.

## 1.3 STRATEGIC PRIORITIES

### A CHALLENGES, RISKS AND OPPORTUNITIES

#### Risks

Aside from the risks set out in chapter 3 of the Reference Document, this report discusses the risks associated particularly with the Lagardère group's social responsibility, which fall into four categories:

- industrial and environmental risks;
- risks related to increases in raw materials prices;
- employee-related risks;
- image and/or reputation risks.

Concerning industrial and environmental risks, it should be noted that Lagardère is a media group with business activities mainly in the service sector, which tends to moderate any direct industrial and environmental risks. The Group sold its last printworks at the end of 2007, with the disposal of its regional daily press business. Only Group warehouses used by the publishing and distribution businesses are subject to particular risks, which are nevertheless limited, identified and controlled. The same is true as regards the storage, assembly and distribution of spare parts for automobiles and electric vehicles.

Some of the sites concerned are operated subject to authorisation or a declaration to the administrative authorities, and others are ISO 14001 certified, but none of the Group's sites are classified SEVESO 1 or SEVESO 2.

Given the industrial history of some of its sites, the Group remains alert to the possible discovery of environmental damage at those sites. 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.

Risks related to increases in raw materials prices are economic risks that are entirely dependent on developments in the global environment. Forest resources (wood), water resources (needed to make paper pulp), fossil fuels (oil, gas and coal), minerals (essential for manufacturing IT and communication products) and recycled paper are raw materials that have become indispensable to the development and future viability of the Group's activities. The prices of these materials could increase sharply, to varying degrees, in the next few years as they become scarcer, as demand increases or as climate change affects their availability.

Employee-related risks consist of risks linked to labour relations (relations between labour and management, staff turnover, accidents at work etc.), work-related stress (including harassment) and knowledge management. A company's people are its core asset, foundation and lifeblood, and must be managed accordingly. A company must capitalise on its employees' knowledge, expertise and experience in order to ensure the longevity of its intangible assets.

Image and reputation risks concern direct or indirect damage to the company's image or reputation. Damage to the company's image can cause a loss of business, a reduced market profile, lost customers, lost partners, adverse media coverage and lower sales. The economic damage can be significant, both short- and long-term.

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. A description of risk-management procedures appears in Chapter 7 of the 2011 Reference Document and in Chapter 5.3.2.1 as regards the management of human resources. As a result, persons responsible for business operations and/or for the sites concerned are also responsible for managing these aforementioned risks. These people ensure compliance with regulations and standards in their particular fields, and implement procedures appropriate to the proper management of identified risks. The central department supervises these risks.

## Opportunities

Risk management must allow ongoing efforts to find value-generating opportunities, and is closely related to innovation. As the Group develops, partly through an increased focus on social responsibility, several opportunities are arising:

- environmental labelling: consumers want more transparent information, and this transparency is likely to become a legal obligation as regards all products (under France's "Grenelle 2" environmental standards). As a result, environmental labelling is an important theme and one that should be addressed, particularly by Lagardère Publishing (informing the public about the environmental impact of its books) and Lagardère Active (providing information through the wide range of available media platforms);
- products enabling consumers to shop in a more sustainable manner: public awareness of sustainable development issues does not depend solely on providing information, but can be achieved through the products sold to consumers. The distribution and sale of such products may represent an opportunity for the Lagardère group;
- introducing sustainable development practices into sport and events activities: the Group's consulting and organisational services relating to cultural and sporting events, along with the management of sports academies, may capitalise on these new approaches in future;
- the ability to attract and/or retain talented staff: employees may be increasingly sensitive to the way in which companies manage sustainable development issues both internally and externally.

## B

## PRIORITIES AND COMMITMENTS

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

## Commitments

## Initiatives in 2011

I - Being a responsible employer	
1 - Ensuring workforce balance and diversity	<ul style="list-style-type: none"> <li>- 28 work-experience staff and 4 new employees recruited as part of Lagardère Active's Disability Initiative</li> <li>- Introduction of a Group initiative to integrate disabled workers</li> <li>- Ongoing partnership with <i>Nos Quartiers ont des Talents</i></li> <li>- Signature of the Diversity Charter by Hachette Filipacchi Associés</li> </ul>
2 - Promoting harmonious working conditions	<ul style="list-style-type: none"> <li>- Signature of 100 new collective agreements</li> <li>- Launch of internal corporate social networks to facilitate collaboration</li> </ul>
3 - Encouraging the development of skills	<ul style="list-style-type: none"> <li>- Major efforts to develop training for the various business lines</li> <li>- Numerous environmental and sustainable development training sessions organised through divisions</li> <li>- Increase in the proportion of recruitment consisting of internal transfers (17% versus 12% in 2010)</li> </ul>
II - Developing our business while respecting the environment	
4 - Efficient and responsible paper management	<ul style="list-style-type: none"> <li>- PEFC certification for 100% of Lagardère Active's paper purchases</li> <li>- 72.5% of paper bought by Lagardère Publishing either certified or recycled</li> <li>- Management of printing volumes: Lagardère Active's unsold copy rate 9 points below the national average</li> </ul>
5 - Streamlining transport	<ul style="list-style-type: none"> <li>- All production of <i>Psychologies magazine</i> was moved from Germany to France in January</li> <li>- The new <i>Journal du Dimanche</i> format, introduced in March, is compatible with a greater number of printers, allowing more efficient logistics by using printers located closer to distribution areas</li> <li>- Since September, the <i>Journal du Dimanche</i> has been printed using digital technology and sold in La Réunion</li> <li>- In Switzerland, environmentally-friendly driving courses organised by Naville resulted in 13,000 litres of petrol being saved</li> </ul>
6 - Introducing environmental concerns into the organisation of our operations	<ul style="list-style-type: none"> <li>- Lagardère Active's second carbon audit</li> <li>- At Lagardère Services, a carbon audit of Relay France</li> <li>- Ongoing efforts at Lagardère Services to minimise energy consumption at French retail outlets</li> <li>- Audit of the La Croix Catelan site's ISO 14001 certification</li> <li>- Introduction of recycling points by several entities in France</li> </ul>
III - Promoting access to information and knowledge	
7 - Defending information pluralism and ensuring content diversity	<ul style="list-style-type: none"> <li>- Gulli, TiJi and Canal J helped organise a conference on child obesity</li> <li>- Relay France provided support to RSF, as it has every year for more than ten years</li> </ul>
8 - Facilitating access to our content for people in need	<ul style="list-style-type: none"> <li>- 70,000 books collected by Payot and sent to Tunisia as part of the "Partager Lire" operation</li> <li>- 522 books collected at the Lagardère group's head office by the Recyclivre charity during sustainable development week</li> <li>- 52 new titles available in the Audiolib catalogue for the blind and partially sighted</li> <li>- The "Devine quoi ?" programme on TiJi translated into sign language</li> </ul>
9 - Listening to our various audiences	<ul style="list-style-type: none"> <li>- In December, the opening of Lab Europe 1 on the Europe1.fr website, as a place for news, debate and political analysis</li> </ul>
10 - Encouraging dialogue about Sustainable Development	<ul style="list-style-type: none"> <li>- Introduction of online training relating to climate change and carbon audits at Lagardère Active</li> <li>- Organisation of a sustainable development forum for staff and an awareness conference for managers at Lagardère Active</li> <li>- Organisation of an "environmental initiatives in the publishing industry" conference at Hachette Livre</li> <li>- The Group's annual HR conference was devoted to CSR</li> <li>- Organisation of debates with social themes by <i>Parents</i> magazine</li> <li>- "Kindness at work" campaign by <i>Psychologies magazine</i></li> </ul>
IV - Being a media group that fosters social cohesion	
11 - Showing solidarity and promoting the emergence of young talent	<ul style="list-style-type: none"> <li>- Lagardère Foundation grants</li> <li>- Creation of a programme encouraging volunteer work among Lagardère Active staff</li> <li>- Creation of a Charitable Action Committee at Hachette Livre</li> <li>- Organisation of a half-day wheelchair basketball session at Lagardère Unlimited</li> </ul>
12 - Making a commitment to promoting culture and sport	<ul style="list-style-type: none"> <li>- Ongoing support for various partnerships established by the Jean-Luc Lagardère Foundation</li> <li>- Renewal of the Sciences Po – Jean-Luc Lagardère Foundation Executive Education partnership</li> </ul>

## 1.4 MAINTAINING DIALOGUE WITH STAKEHOLDERS

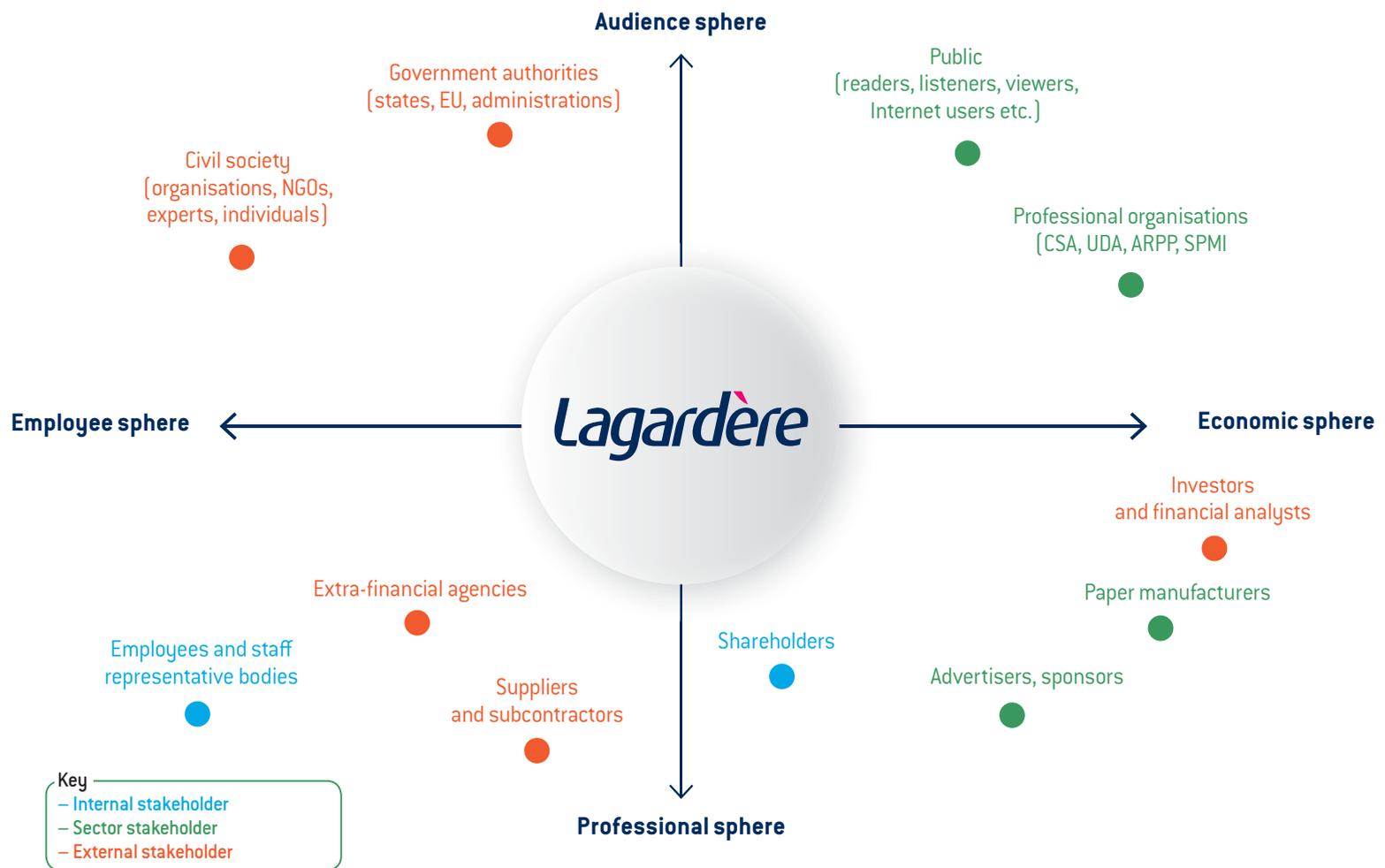
### A STAKEHOLDER MAP

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 employees, and have a direct influence on the Group's health.

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

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



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

For example:

- Lagardère is a member of the Association Française des Entreprises Privées (AFEP –French association of private-sector companies);
- Lagardère is a member of the *Observatoire de la responsabilité sociétale des entreprises* (ORSE –French CSR monitoring body);
- Lagardère Publishing is a member of the Syndicat National de l'Édition (national publishing union) in France and equivalent organisations in the countries in which it operates;
- Hachette and Hatier are members of Savoir-Livre, which is an association run by six educational publishers to monitor developments in the education system;
- Lagardère Publishing is a member of PEN International, an international NGO that supports freedom of expression, particularly that of persecuted writers, and promotes literature around the world. It is a founder member of the PEN International Publishers Circle;
- in the USA, Hachette Book Group (US subsidiary of Lagardère Publishing) is a member of the Book Industry Environmental Council (BIEC), which aims to identify and encourage practices that reduce the environmental footprint of the book publishing industry. BIEC's members include companies operating all along the book value chain (paper manufacturers, printers, publishers and booksellers), along with environmental NGOs;
- in France, Lagardère Active is a member of numerous unions operating in the fields of the Press, Radio, Television, Audiovisual Production, TV Advertising, and Internet Advertising Sales. Since February 2011, the head of Lagardère Active's press and digital division has been the chairman of Syndicat de la Presse Magazine (SPM –magazine publishers' union);
- at the European level, Lagardère Active is also a member of the European Magazine Media Association and the European Publishers Council;
- worldwide, Lagardère Services is a member of the global association of press distributors.

## B TOOLS FOR DIALOGUE

### DIALOGUE WITH A WIDE RANGE OF STAKEHOLDERS

This is one of the key parts of Lagardère group's Sustainable Development policy. The Group monitors its relationship with each of its stakeholders.

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

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

Stakeholder	Example of dialogue tools
<b>Employee sphere</b>	
Employees and staff representative bodies	<ul style="list-style-type: none"> <li>- Group Committee</li> <li>- European Works Committee</li> <li>- Dialogue and negotiation of agreements with staff representatives and trade unions</li> <li>- Intranet, in-house newspapers, internal social networks</li> </ul>
<b>Audience sphere</b>	
Public (readers, listeners, viewers, Internet users etc.)	<ul style="list-style-type: none"> <li>- Content initiatives</li> <li>- Satisfaction surveys, opinion polls</li> <li>- Reader mail, blogs, forums, mediators</li> </ul>
Civil society sphere	<ul style="list-style-type: none"> <li>- Initiatives and commitments supported by the Lagardère Foundation and the Elle Foundation</li> <li>- Partnerships with integration organisations and environmental NGOs</li> <li>- Member of ORSE</li> <li>- Sustainable Development Report</li> </ul>
Public sphere	<ul style="list-style-type: none"> <li>- Compliance with laws and regulations</li> <li>- Monitoring of political and legal news</li> </ul>
<b>Economic sphere</b>	
Shareholders	<ul style="list-style-type: none"> <li>- Shareholders' Consultative Committee</li> <li>- Annual General Meeting</li> <li>- Website</li> <li>- Letter to shareholders</li> <li>- Reference Document</li> <li>- Sustainable Development Report</li> </ul>
Investors and financial analysts	<ul style="list-style-type: none"> <li>- Meetings and conferences with analysts</li> <li>- Road shows for investors</li> <li>- Website</li> <li>- Presentation of results</li> <li>- Financial report</li> <li>- Meetings with SRI analysts</li> </ul>
Extra-financial agencies	<ul style="list-style-type: none"> <li>- Sustainable Development Report</li> <li>- Responses to extra-financial questionnaires</li> <li>- Website</li> </ul>
Suppliers and subcontractors	<ul style="list-style-type: none"> <li>- Efforts to raise social and environmental awareness via the signature of a Sustainable Development Charter and an Ethics Code</li> <li>- Labour relations audits</li> <li>- Introducing Sustainable Development criteria into invitations to tender</li> </ul>
<b>Professional sphere</b>	
Paper manufacturers and printers	<ul style="list-style-type: none"> <li>- Efforts to raise social and environmental awareness via the signature of a Sustainable Development Charter and an Ethics Code</li> <li>- Assessment via Ecovadis</li> <li>- Certification of the paper chain of custody</li> <li>- Introducing Sustainable Development criteria into invitations to tender</li> <li>- Encouragement for the adoption of certification procedures</li> </ul>
Advertisers, sponsors	<ul style="list-style-type: none"> <li>- Member of ARPP</li> </ul>
Professional organisations	<ul style="list-style-type: none"> <li>- Member of AFEP</li> <li>- Member of SNE</li> <li>- Member of SPM</li> <li>- Dialogue with the CSA</li> </ul>

## RESPONSIBLE PURCHASING APPROACH WITH RESPECT TO SUPPLIERS AND SUBCONTRACTORS

The Group maintains close relationships with its numerous subcontractors, and has adopted a responsible purchasing approach that has two main aspects:

- long-standing efforts to include ethical, social and environmental criteria in its relationships with partners, particularly by drawing up charters and codes specific to its entities;
- raising awareness among its partners, and auditing and monitoring their performance.

The Sustainable Development Charter was developed in 2005, and aims to convey the Group's workforce-related, ethical and environmental commitments to its partners, which undertake to support and comply with them. The Charter is now incorporated into invitations to tender and contracts, through the Procurement Policy implemented in 2008. The Charter covers 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;
- compliance with applicable social regulations;
- existence of a risk-prevention approach founded on workplace safety;
- implementation of a workforce-relations policy based on quality procedures;
- compliance with the basic principles of environmental protection;
- compliance with the environmental regulations in force;
- management of the environmental impacts of its operations through an environmental policy based on the principle of continuous improvement;
- promotion of the above principles among partners;
- agreement that Lagardère may proceed with audits to verify the application of the principles contained in the Charter, either using its own resources or the services of a third party.

The seventh principle of the purchasing policy, which was amended by the Group in 2008, is based on "compliance with applicable regulations and laws, and with rules of conduct with respect to suppliers". The eighth principle of the purchasing policy deals with the "consistent application of sustainable development principles".

**Lagardère Active** has gradually adopted several ways of factoring sustainable development objectives into its relationships with suppliers. When the purchasing department carries out an invitation to tender, specifications include workforce-related and environmental requirements. The supplier selected at the end of the process must sign up to the sustainable development charter, which systematically forms part of all new contracts. In some cases, such as magazine production (paper manufacturers, printers, binders and distributors), the contracts themselves include sustainable development clauses specific to the market concerned.

Lagardère Active has signed a contract with Ecovadis, the first collaborative platform that enables member companies to evaluate the environmental, workforce-related and ethical performance of their suppliers around the world. This solution, which combines technology and CSR expertise, provides evaluations covering more than 150 purchasing categories and 23 CSR indicators. Ecovadis systematically evaluates suppliers that take part in invitations to tender held by Lagardère Active. In 2011, invitations to tender related to multi-technical, multi-service and paper contracts. In 2011, Ecovadis also evaluated the 13 largest suppliers of promotional materials in France and internationally.

At **Lagardère Publishing**, the charter (or Code of ethics) drawn up in 2007 covers all three sustainable development themes. In terms of workforce relations, the charter protects the rights of children and human rights in general. In environmental terms, it requires suppliers to comply with environmental laws and regulations in force by adopting a responsible policy for managing waste and by favouring the use of recyclable paper. The charter also requires all suppliers to ensure the quality of their services, the integrity of their business activities, and their independence from Lagardère Publishing employees and representatives.

The publishers of Hachette Collections have also adopted a specific code of ethics that seeks to ensure that all suppliers and subcontractors respect the fundamental principles of human rights and the rights of children.

This Hachette Collections code requires that the publisher concerned be able to ensure full compliance with these principles by suppliers and subcontractors, and therefore, throughout the production contract, carry out any compliance audit within the premises and production sites of suppliers and subcontractors. If the provisions of the code are breached, the sanction can consist of the cancellation of the contract along with a financial penalty. In accordance with its code of ethics, Hachette Collections carried out 11 compliance audits in 2011. Nine of these audits concerned production plants. Two audits revealed compliance breaches. The two plants concerned have since addressed the breaches, and were declared compliant after a second audit. As a result, 100% of audited plants are now compliant.

Lagardère Publishing also has a policy of raising environmental and workforce-related awareness among its paper manufacturers and printers in France and abroad, by encouraging them to adopt certification procedures. Each new supplier must also fill in a questionnaire comprising around 50 questions about workforce-related, health, quality and environmental issues.

Lagardère Publishing's workforce-related awareness efforts have focused on subcontractors operating in countries where social legislation is less strict than in Europe.

Outside Europe, 81% of Lagardère Publishing's printers in Asia now have OHSAS 18001 certification (globally recognised standard for health, safety and working conditions) or have signed a framework agreement including workforce-related commitments. These awareness efforts are continuing, not just among subcontractors located outside Europe but also among Lagardère Publishing's European printers, which currently account for more than 80% of its printing work. Through these efforts, an increasing number of the Group's French and European printers have signed a framework agreement including workforce-related commitments or have obtained workforce-related certification.

At Lagardère Services, some specific suppliers that produce goods in Asia have also made a commitment to complying with these workforce-related requirements, and local audits are regularly carried out to check compliance.

Sustainable development is one of the eight commitments in Relay France's purchasing policy. This policy covers both products consumed by Relay retail outlets and products sold to consumers. The choice of partners for printing work is based on Imprim'Vert® criteria, and organic and fair-trade products are becoming increasingly common in Relay outlets. The Group now applies sustainable development criteria when selecting suppliers. The most recent coffee tender was won by a supplier offering fair-trade coffee.

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

Lagardère Publishing	Lagardère Active	Lagardère Services	Lagardère Unlimited
<b>Charters and codes in force</b>			
Group Code of Conduct			
Group Sustainable Development Charter			
Code of ethics		Relay France Purchasing Charter, including a sustainable development commitment	
Hachette Collections Code of Ethics			
<b>Certification procedures</b>			
FSC certification of the paper chain of custody at Hachette UK	PEFC chain-of-custody certification for paper in France (attribution of a certification number)		ISO 14001 certification for Lagardère Paris Racing
81% of printers in Asia have OHSAS 18001 certification or have signed a framework agreement including workforce-related commitments			
72.5% of paper bought is either certified or recycled	100% of paper bought comes from sustainably managed forests		
At global level, 44% of printers have ISO 14001 certification	100% of French printers have ISO 14001 certification or the Imprim'Vert label		
77% of paper purchased comes from ISO 14001-certified factories			
<b>Audits and verification processes</b>			
11 compliance audits were performed in 2010 by Hachette Collections. Two audits revealed compliance breaches. The plants concerned then corrected these breaches	Workforce-related, social and environmental assessment of suppliers through the Ecovadis® collaborative platform	Audits of Asian suppliers who have signed the commitment charter	



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## 2. Priorities and commitments

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### 2.1 Being a responsible employer

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B - Promoting harmonious working conditions	29
C - Encouraging the development of skills	32

### 2.2 Developing our business while respecting the environment

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### 2.4 Being a media group that fosters social cohesion

A - Showing solidarity and promoting the emergence of young talent	60
B - Making a commitment to promoting culture and sport	65



## 2.1 BEING A RESPONSIBLE EMPLOYER

The Lagardère group is fully aware that its performance is directly linked to its employees' skills and the suitability of its sources. Accordingly, being a responsible employer is its top priority. This takes the form of three commitments:

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

Although these commitments, defined by Lagardère in collaboration with the divisional heads of human resources, are common to all divisions, operational entities nevertheless manage their human resources autonomously.

Workforce-related commitments are set out in greater detail in the 2011 Reference Document.

### A ENSURING WORKFORCE BALANCE AND DIVERSITY

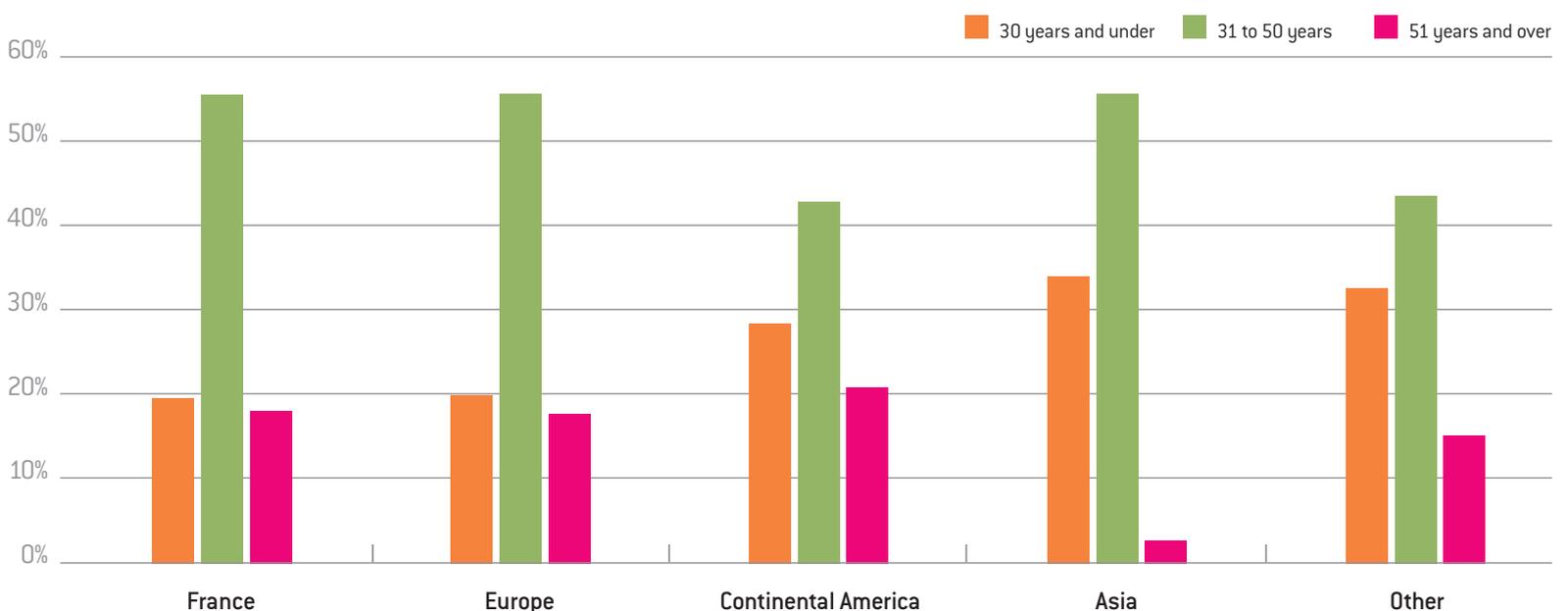
#### BALANCING THE WORKFORCE TO ADAPT RESOURCES TO THE ORGANISATIONS' NEEDS

Adapting the size of the workforce to the needs of operations, while taking the economic and social context into consideration, is the Lagardère group's main goal in this area. The Group aims to adjust arrivals and departures as precisely as possible according to the situation of the moment.

At 31 December 2011, the Group had 21,324 permanent staff as opposed to 27,063 a year earlier. This sharp decline of more than 21% was due to the disposal in 2011 of the International Magazine Publishing business (Lagardère Active division) to US group Hearst, and the disposal of the radio business in Russia. The number of non-permanent staff also fell in 2011, for the same reasons. Including temporary workers, non-permanent staff accounted for 11.53% of the Group's total workforce in 2011 (11% in 2010), and the number of non-permanent contracts converted into permanent contracts was stable. The proportion of part-time workers increased from 13% to 16% of the total workforce.

A balanced workforce also requires harmonisation in terms of age. As a result, the Group aims to establish a sound balance between young and experienced employees. More than 54% of employees are less than 40 years old, and more than 24% are under 30.

#### • Representation of employees by age range and geographic area



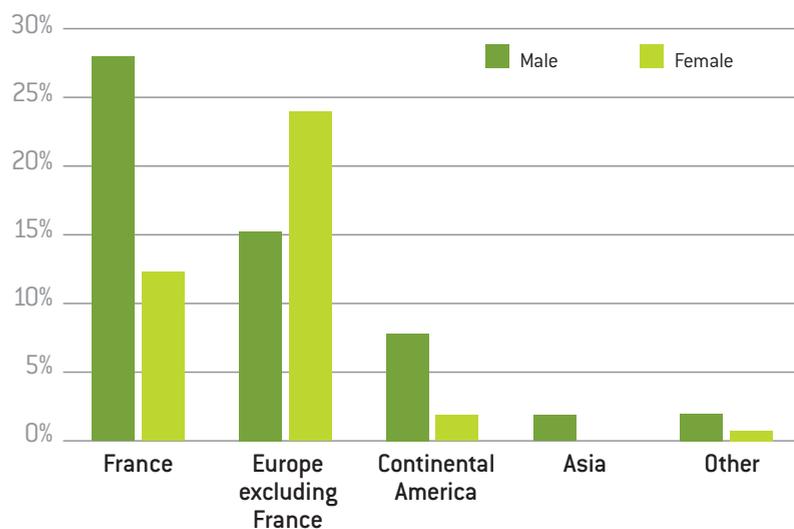
## PROMOTING DIVERSITY, A MAJOR ASSET FOR THE GROUP

The Group's approach to diversity includes promoting equal opportunity and fighting all forms of discrimination. Taking into account the variety of its business lines and the diversity of its employee's skills, Lagardère has chosen to focus on three aspects in particular:

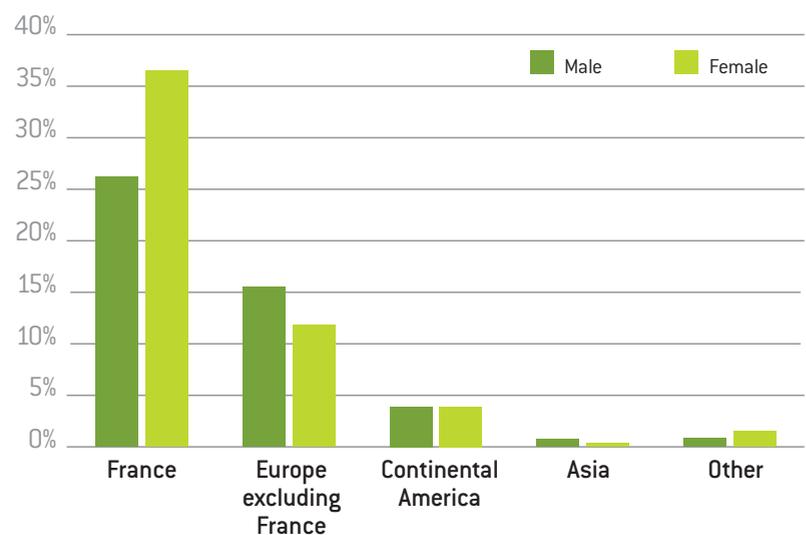
- the role of women in the Company;
- disabilities;
- integration of young people from sensitive urban areas.

### The role of women in the Company

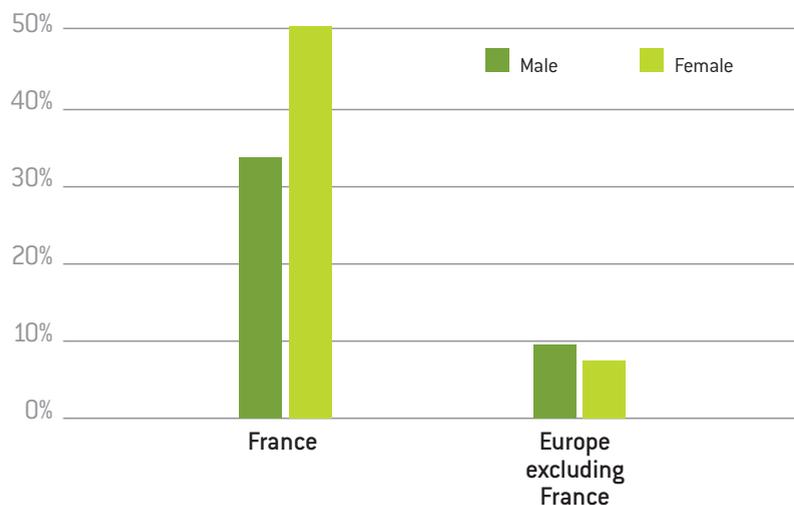
#### • Breakdown of executive managers



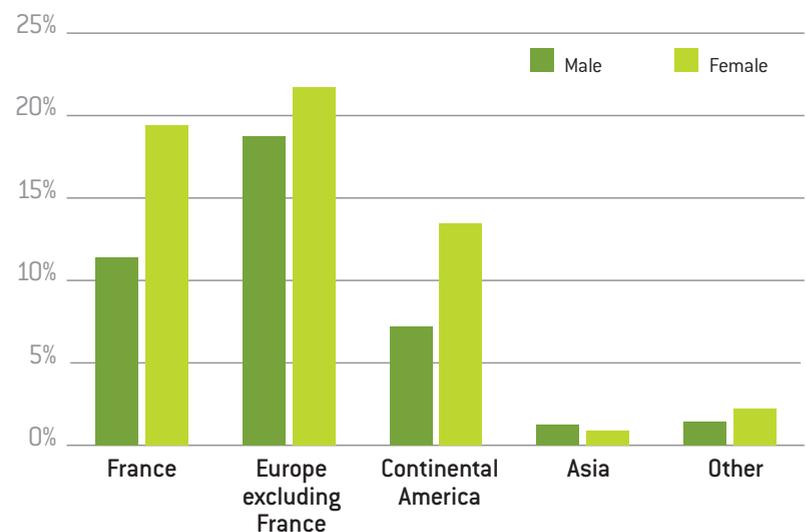
#### • Breakdown of managers



#### • Breakdown of journalists and photographers



#### • Breakdown of other employees



In 2011, women represented 56% of the total Group workforce (2010: 59%). This slight decrease was because of the sale of the International Magazine Publishing business. 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 regarding positions of responsibility.

In 2011, women represented nearly 60% of the Group's total recruitment. Women also hold 36% of executive manager positions (an increase relative to 2010), along with 53% of manager positions.

Room for improvement has nevertheless been identified in the "Other Activities" category and at Lagardère Unlimited, which have few women in executive manager roles.

### Compensation

Lagardère aims to ensure fairness regarding 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 qualifications existing between the two populations.

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

Area	Male executives	Female executives	Male managers	Female managers	Male journalists and photographers	Female journalists and photographers	Other male employees	Other female employees
France	251,481	182,842	60,778	49,159	66,446	54,953	25,533	22,914
Europe excluding France	130,879	95,109	53,785	41,054	11,049	10,298	31,991	25,770
Continental America	208,428	235,528	77,777	69,052			24,322	21,991
Asia	188,487		93,028	46,307	16,782		28,725	23,801
Other	217,318	150,000	55,084	56,226			31,127	38,420
Group	191,901	130,525	59,973	48,825	54,863	49,196	28,685	24,431

The salary scales implemented in some of the Group's subsidiaries are one way of achieving equality. More than 63% of staff are employed by an entity that has defined salary ranges according to position levels (2010: 61%), and 83% of staff belong to a company that has defined a minimum salary (2010: 78%).

**Pay rises and training**

The proportion of employees who received a pay rise rose sharply in 2011, by more than 20 points relative to 2010.

This is because the Lagardère group had been forced to adopt pay restraint in 2009 and 2010, as a result of the financial crisis. Overall, women in each division received pay rises, and 81% of women across the Group received a rise as opposed to 82% of men.

• Percentage of employees having received a pay rise, by status, gender and division

Division	Male executives	Female executives	Male managers	Female managers	Male journalists and photographers	Female journalists and photographers	Other male employees	Other female employees
Lagardère Publishing	79%	95%	91%	87%			88%	89%
Lagardère Active	37%	46%	89%	88%	78%	93%	39%	53%
Lagardère Services	76%	100%	90%	84%			84%	79%
Lagardère Unlimited	41%	50%	49%	41%	100%		74%	53%
Other Activities	63%	50%	54%	84%			31%	77%
Group	67%	89%	87%	86%	78%	93%	80%	78%

In terms of training, 56% of training hours delivered in 2011 were for women.

• Percentage of training hours attended by women

<i>Division</i>	<b>Executives</b>	<b>Managers</b>	<b>Journalists and photographers</b>	<b>Other employees</b>	<b>Total</b>
Lagardère Publishing	58%	62%		55%	58%
Lagardère Services	25%	55%		62%	56%
Lagardère Active	16%	46%	56%	61%	57%
Lagardère Unlimited	0%	28%		39%	35%
Other Activities	16%	34%		40%	35%
<b>Group total 2011</b>	<b>38%</b>	<b>53%</b>	<b>56%</b>	<b>58%</b>	<b>56%</b>
Group total 2010	35%	55%	69%	58%	57%

## CORPORATE DIVERSITY

Given their role in forming public opinion, the media clearly play an important role in society; for this reason, in 2010 Europe 1 and Gulli, followed in

2011 by Hachette Filipacchi Associés (representing print media titles), signed the CSA diversity charter. Through this commitment, Lagardère Active's

media acknowledge diversity as a key business issue and as an opportunity to enhance their performance.

### Integration of disabled workers

2009 and 2010 were very good years in terms of integrating disabled workers, with an increase in the integration rate after three years of decreases. The situation remained positive overall in 2011, with the integration rate rising in all geographical zones except Asia. This exception was due to the disposal of the International Magazine Publishing business. In Asia, the only companies employing disabled workers had been Hachette Fujingaho and Hachette Filipacchi Taiwan, which were sold to Hearst in 2011. Clearly, there is progress to be made in Asia.

In Europe (excluding France), the integration rate for disabled persons dropped sharply in 2010, mainly because of changes in Hungarian legislation, and remained close to the 2010 level last year.

As usual, France had the highest integration rate in 2011. This is due to very strict French regulations in this area, which encourage companies to give very careful consideration to recruiting disabled people, keeping them in work, and subcontracting work to companies that employ disabled people.

At Lagardère Active (see inset), the Disability Initiative continued throughout 2011. At Group level, the HR department embarked on an initiative in late 2011 to prepare a progress report on methods for integrating disabled workers within the Lagardère group.

## THE ROLE OF THE DISABILITY INITIATIVE

1. Integrate disabled persons (workers on permanent and non-permanent contracts, people on work-study and work-experience programmes): in 2011, four people were recruited on permanent, non-permanent and work-study contracts and 28 work-experience staff were taken on, taking the number of permanent, non-permanent and work-study contracts awarded since 2007 to 38 and the number of people taken on under work-experience programmes to 78.
2. Raise employee awareness through targeted communication campaigns: in 2011, these included sign language courses and the creation of a cartoon entitled "Handi'Bulles".

3. Adopt initiatives to keep disabled people in work.
4. Promote purchasing and the recruitment of employees from companies that employ disabled staff.

In 2011, as in every year, Lagardère Active's Disability Initiative, supported by its employees, took part in workshops organised by Arpejeh (a charity that aims to improve and promote training and qualifications among disabled students), and introduced a student tutoring system within Lagardère Active.

In November 2011, as part of *Tremplin* (an association of companies that have disability policies), Lagardère Active took part in the "one day one job"

project: 11 of its departments each welcomed one disabled student looking for his/her first job.

To celebrate the 40<sup>th</sup> anniversary of the *Fédération Française du Sport Adaptée* (an association that supports sportspeople with mental or physical disabilities), a relay race was organised in Paris. Lagardère Active staff took part in the race and the Disability Initiative made a financial contribution to its organisation.

The Disability Initiative also took part in a conference on work-study programmes with the IGS (*Institut de Gestion Sociale*), and formed a partnership with Sciences Po, under which it will make a financial contribution to implementing their disability policy.

### • Disabled employees per thousand permanent employees

Division	France	Europe excluding France	Continental America	Asia	Other
Lagardère Publishing	19	7	0	0	0
Lagardère Active	10	5			
Lagardère Services	8	7	1	0	3.5
Lagardère Unlimited	22	5	0	0	0
Other Activities	45				
<b>Total 2011</b>	<b>13</b>	<b>7</b>	<b>0.6</b>	<b>0</b>	<b>3</b>
Total 2010	12	7	0.5	4.6	2.2
Total 2009	10	11.7	0.5	3.3	1.8
Total 2008	9.6	10	1	4	1.8

## Successful integration of disabled staff at LMPI

### Why and how did you start using disabled people in 2009?

LMPI has been importing foreign press titles into Canada and the USA for more than 40 years. As part of this business, the company puts labels on more than 5 million magazines per year for various reasons, for example because they do not feature a local-currency price or because European barcodes cannot be read in North America. Until 2008, this magazine labelling process seriously slowed down our logistics operation. We tried to automate the process, but this was unsuccessful. In 2009 we decided to transfer some of this work to disabled people. After a successful one-year trial period, we ended up transferring all of this work to our partner, Le Sextant, which specialises in employing disabled people. But we went further, integrating these people into our logistics operation by employing the 15 or so people performing this work at our own warehouses. In 2010, we also decided to transfer the assembly of our direct marketing parcels (10,000-20,000 parcels per week).

### What were the advantages for LMPI of using disabled workers, both financially and for the workforce?

The main feature of the activities we transferred is that volumes vary considerably from week to week. To remain competitive, we had to introduce some flexibility into our operating costs. We achieved this by transferring this work to disabled workers. The whole company is proud of this initiative, which shows that it is possible to integrate disabled people on professional terms into a standard business process. Unlike in France, there is no legislation in Canada encouraging companies to use disabled workers in this way.

### Do you intend to take the initiative further?

Yes. We recently transferred our cleaning work to disabled staff, creating 3-4 additional jobs, and we are working on a number of projects (processing unsold products, postal sorting etc.), which could eventually create another 5-10 jobs. In total, this represents 10-15% of our workforce, as opposed to zero three years ago.



**JEAN-YVES LEROUX**

General Manager, LS distribution North America

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### Integration of young people from sensitive urban areas

In 2011 the Lagardère group continued its partnership, launched in 2006, with Nos Quartiers ont des Talents, an association founded in Seine Saint-Denis in 2005 that 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, helping to increase their access to the labour market. It also develops mentoring relationships with human resource staff to guide them in their job search.

The association's 2011 national forums were held on 14 and 15 December at the Carrousel du Louvre in Paris, and were attended by more than 8,000 young people from sensitive areas.

#### DISCRIMINATION PROCEEDINGS

To promote transparency, the Lagardère group has since 2010 measured changes in discrimination proceedings underway. Discrimination results from treating an individual differently from other staff, by imposing abnormal workloads or working conditions or refusing benefits or consideration

normally given to staff because of his/her race, skin colour, gender, political or religious convictions, national origin or social origin (source: ILO). In 2010, the Lagardère group adopted an indicator reflecting instances of discrimination encountered by its companies. The indicator shows the number of formal

proceedings underway, defined as legal proceedings or complaints made formally to any competent authority. In 2011, there were four proceedings, as opposed to nine in 2010. These four proceedings, which in fact relate to four situations that arose in 2009, are being resolved.

## B

### PROMOTING HARMONIOUS WORKING CONDITIONS

While adjustments to the Group's workforce must allow 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 promote the Company's efficient operation.

This second commitment is set out in the Reference Document. The Lagardère group seeks to offer staff compensation that complies with laws and agreements, that is in the upper-mid segment of the market range, that rewards individual performance and that, as far as possible, is related to collective results.

The Group also seeks to:

- encourage social-security coverage for its employees;
- maintain health and safety at work;
- encourage dialogue between management and labour.

#### DIALOGUE BETWEEN MANAGEMENT AND LABOUR

In 2011, almost 82% of Lagardère group employees had a staff representative. This figure was much higher than in 2010, primarily because of the sale of the International Magazine Publishing business, which operated in countries where staff representation was low. In France, the rate was more than 97%, and those not represented worked for very small companies.

#### SIGNATURE OF NEW COLLECTIVE AGREEMENTS

Collective agreements reflect the level of dialogue between management and labour. 564 of these agreements were in force within the Group at 31 December 2011, up 4.4% relative to end-2010. These agreements cover issues such as working time, compensation, social security coverage and health and safety.

During 2011, 100 new collective agreements were signed, including 76 in France. Negotiation requirements imposed by the French public authorities become more stringent every year. In 2011, requirements relating to the arduousness of work and professional equality came into force.

The table below sets out the proportion of staff covered by a collective agreement, by type and geographic area:

• **Percentage of staff covered by an agreement, by type and geographic area**

Area	Working time	Health, safety and working conditions	Compensation	Social security coverage	Training	Other agreements
France	97%	60%	90%	72%	38%	91%
Europe excluding France	59%	54%	61%	53%	27%	3%
Continental America	59%	59%	59%	59%	11%	0%
Asia	11%	0%	5%	13%	0%	0%
Other	86%	86%	86%	86%	77%	77%
<b>Total</b>	<b>72%</b>	<b>60%</b>	<b>71%</b>	<b>62%</b>	<b>29%</b>	<b>39%</b>

**ABSENTEEISM RATE: AN INDICATOR OF WORKPLACE HEALTH AND SAFETY ISSUES**

Group entities organise a large amount of training on health and safety. In 2011, 13,785 hours (equal to 1,838 days) of training were organised on this theme, an increase of 30% relative to 2010.

Surprisingly, this increase in health and safety training coincided with an increase in the absenteeism rate in 2011.

• **Absenteeism rates, by type of absence and division**

Division	Illness (days/person)	Accidents (days/person)
Lagardère Publishing	5.44	0.79
Lagardère Active	6.93	0.22
Lagardère Services	5.78	1.12
Lagardère Unlimited	4.23	0.10
Other activities	3.82	0.27
<b>Group average 2011</b>	<b>5.80</b>	<b>0.79</b>
Figures for 2010 <sup>(1)</sup>	5.53	0.46
Figures for 2009	5.2	0.4
Figures for 2008	5.2	0.4

*(1) The 2010 figure has been recalculated. Absenteeism data reported in the 2010 Reference Document was affected by an IT error in calculating the number of days of absence. Whereas the 2010 report showed a sharp fall in the average number of days of absence because of illness and work-related accidents (2.28 and 0.01 respectively), the correct 2010 figures were similar to 2009 figures (5.53 and 0.46 respectively).*

Despite the divisions' efforts in terms of training and prevention, 2011 saw a substantial increase in the number of days of absence because of work-related accidents. This was particularly true in Lagardère Services and Lagardère Publishing, where absenteeism rates are higher because of their distribution activities. However, these two divisions made major efforts to reduce accidents in 2011, with a combined 38% increase in the number of hours of training devoted to health and safety issues.

The Group and its subsidiaries, although they are aware that it is impossible to eliminate risk completely, are committed to making every effort to prevent accidents.

The illness-related absenteeism rate was relatively stable, despite a slight 4.7% increase in absences in 2011.

### • Increased parental leave

<i>Division</i>	<b>Parental leave (days/person)</b>
Lagardère Publishing	3.9
Lagardère Active	2.79
Lagardère Services	3.9
Lagardère Unlimited	1.38
Other Activities	0
<b>Group average 2011</b>	<b>3.53</b>
Figure for 2010	2.68
Figure for 2009	3.1
Figure for 2008	3.2

The Lagardère group seeks to promote a good work/life balance, and pays close attention to the number of days of parental leave granted to its employees. An IT error led to an incorrect number being entered for 2010 in last year's report (1.3). The actual figure for 2010, as stated in the table above, is 2.68 days of leave per person, and that figure increased to 3.53 in 2011.

### SHARING IN THE GROUP'S PERFORMANCE

Allowing employees to share in the Group's performance is a practice encouraged in the Group. This mainly translates into profit-sharing plans, incentive plans and employee savings plans.

Each entity has freedom in terms of which mechanism to adopt, in order to ensure that it complies as closely as possible with local regulations, that it is appropriate given local issues, and that it is suitable given the particular characteristics of the business.

In 2011, an incentive plan was set up across just under 36% of Group companies. The proportion was over 37% in France.

### • Proportion of employees with a savings plan

<i>Division</i>	<b>Proportion of staff</b>
Lagardère Publishing	30%
Lagardère Active	71%
Lagardère Services	13%
Lagardère Unlimited	34%
Other Activities	100%
<b>Group</b>	<b>30%</b>

Overall, 30% of Group staff benefit from an employee savings plan. The figure for France is 40%.

### LAUNCH OF INTERNAL CORPORATE SOCIAL NETWORKS

Corporate social networks covering the Group and individual divisions –such as YouMe at Lagardère Publicité, Gaia Groups at Lagardère Services and e-groups for all Lagardère staff– will facilitate dialogue between employees and act as new forums for discussion and debate.

## Gaia Groups: a social network to promote skills-sharing

### What are the aims of Gaia Groups?

Gaia Groups is Lagardère Services' social network. Its purpose is to make it easier for employees across various Group's division companies in more than 20 countries to share experiences and expertise, in order to maximise efficiency. It is vital for Lagardère Services that local experiences and expertise are shared internationally between Group's division companies. For example, if a project carried out by our Australian subsidiary is of interest to our North American subsidiary, the latter must be able to access all information relating to the project, quickly, simply and efficiently. This is what the social network allows us to do.

### How has Gaia Groups improved relations between Lagardère Services employees?

Since Gaia Groups was introduced, users have already created more than 30 international theme groups dealing with various issues such as procurement, IT, store architecture, sustainable development and business diversification. These groups allow staff to take part in discussions, publish documents and share them with all members. Overall, more than 1,500 staff are regularly sharing information through this network.

### How is sustainable development dealt with on Gaia Groups?

We have created a "sustainable development" theme group to facilitate the exchange of information and experience in this area, which naturally spans the whole Group. More than 40 Lagardère Services employees working in North America, Eastern Europe, Western Europe, Asia and the Pacific region have signed up to the group and regularly discuss their local sustainable development projects. These include carbon audits, the removal of plastic bags from retail outlets, ways of enhancing logistics, green vehicles and sustainable development awareness campaigns.



**ALEXANDER TWOSE**

Head of Communication at Lagardère Services

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## C ENCOURAGING THE DEVELOPMENT OF SKILLS

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

### TRAINING, WORK PLACEMENTS AND APPRENTICESHIPS

Once again in 2011, the Group carried out a large amount of occupational training, similar to the amount seen in 2010. The amount of training relating to IT and digital technology was stable. The proportion devoted to management fell, while the proportion relating to communication and relationship skills increased.

### • Breakdown of training hours by category



In 2011, the Lagardère group spent more than €8,400,000 on training, as opposed to €9,200,000 in 2010. This decrease was the natural consequence of the fall in headcount following the disposal of the International Magazine Publishing business. The 8% reduction in training expenditure was in fact small relative to the 20%-plus reduction in the workforce. The high level of training was partly due to efforts in the Lagardère Services division, where training increased 10% relative to 2010.

Training expenditure per employee was €410 in 2011, up from €339 in 2010. In France, the figure was more than €680, similar to 2009 and higher than the 2010 figure of €600.

Lagardère group companies also welcomed 1,455 work-experience staff in 2011. This was lower than the 2010 figure of 1,963, again because of the International Magazine Publishing disposal.

The number of work-study contracts increased again, from 457 in 2010 to 492 in 2011. These contracts are particularly attractive for both the Group and young jobseekers. People on work-study contracts can become familiar with the company over a fairly long period (1-2 years) while continuing their basic education.

### INTERNAL MOBILITY

Arrangements for performance monitoring, internal promotion and internal career development are generally managed by each division, and involve each entity's management and HR staff. Annual appraisals and development meetings are gradually being introduced throughout the Group.

To help employees determine their career goals, the Group's intranet contains tools to help staff consider changing jobs. Also on the intranet, employees can view positions available within the Group, and can set up personalised alert messages informing them of current internal vacancies that meet their criteria.

In 2011, internal mobility (internal promotion and transfers) represented just over 17% of Group recruitment compared with 12% in 2010.

Although the specific features of the various entities (operations, geographic dispersion etc.) may constitute an obstacle to mobility between divisions, this improvement between 2010 and 2011 demonstrates that mobility plays an important role in the Group's human resources strategy. Although increasing this rate is not an end in itself, efforts made to organise, facilitate and develop mobility will continue to take on considerable importance over the coming years.

## 2.2 DEVELOPING OUR BUSINESS WHILE RESPECTING THE ENVIRONMENT

The Lagardère group has adopted three specific environmental commitments, and seeks to make progress with each of them every year:

- ensuring efficient and responsible paper management;
- streamlining transport;
- introducing environmental measures into the organisation of our operations.

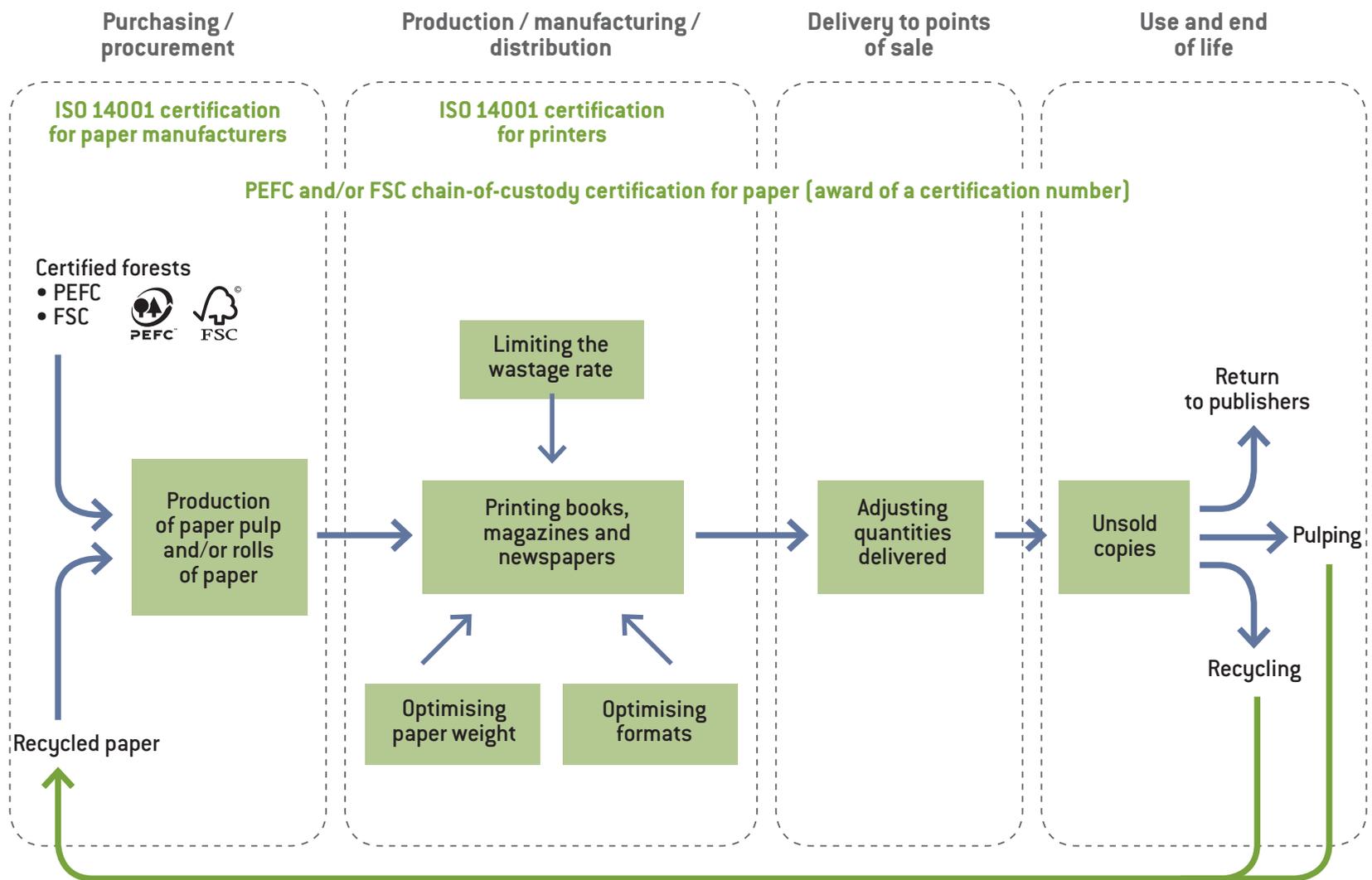
In 2011, the Lagardère group was not penalised (with either penalties or non-monetary sanctions) for non-compliance with environmental legislation and regulations.

**A**

**ENSURING EFFICIENT AND RESPONSIBLE PAPER MANAGEMENT**

Wood, a renewable raw material, is used to manufacture paper. Wood arrives at the pulp mill or paper mill either in solid form or as sawmill waste. It is then transformed into a pulp which is used to make rolls of paper. The rolls are then shipped to the printer to be made into books, magazines and newspapers. Once used, these products can begin a new life when they are collected and recycled and used as a raw material for the production of recycled paper pulp (see diagram below).

• The paper cycle



**ENCOURAGING RECYCLING**

After two successful campaigns in 2010 in *Elle* and the *Journal du Dimanche*, a further awareness campaign regarding magazine recycling was carried out in

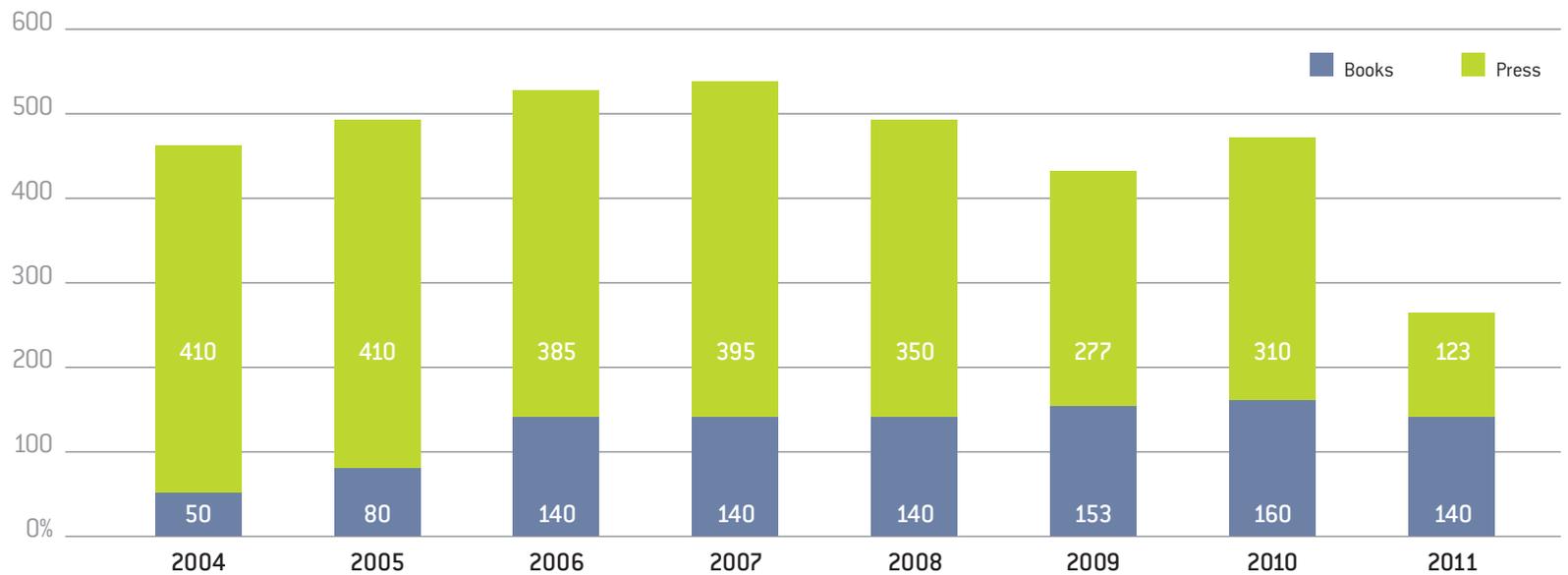
partnership with environmental organisation Ecofolio in February 2011, led by the *Syndicat de la Presse magazine* (magazine publishers' union). The campaign

was publicised in most of Lagardère Active's magazines. *Elle Magazine* also devoted a page of its recycled-paper edition to raising readers' awareness about the importance of recycling.

**RESPONSIBLE SUPPLY MANAGEMENT**

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

### • Weight of paper purchased, in thousand of tonnes



The sharp reduction in the volume of paper purchased in 2011 (263,000 tonnes) was mainly due to the disposal of the International Magazine Publishing business.

However, 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 from pulp using wood from sustainably managed forests and with FSC or PEFC certification increased from 35% in 2005 to 50% in 2006, and from 65% in 2008 to 67% in 2009 and 70% in 2010.

In 2011, the proportion rose further, with 72.5% of all paper purchased by Lagardère Publishing being made from paper pulp coming from both certified forests and recycled materials.

HFA, which publishes Lagardère Active magazines, now has its own PEFC certification number following a procedure that began in 2010. At end-2011, 100% of paper purchased by Lagardère Active and 99.5% of its inventories were certified as coming from sustainably managed forests.

Aside from the purchasing of certified paper, the principle of certification in the magazine business consists of setting 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 (including administrative processes relating to documents), from forest operations to the finished magazine via all the other stages including paper pulp, paper manufacturing, printing and binding.

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

In early 2011, HFA obtained its own PEFC certification number. At the end of the year, around 15 magazines were certified and were therefore able to use the PEFC certification logo in their credits. The certification roll-out process is continuing in 2012 for the other magazines.

#### LAGARDÈRE PUBLICITÉ

In 2011, Lagardère Active subsidiary Lagardère Publicité carried out research into the origin of paper used for advertising inserts provided by its advertisers. Inserts produced by Lagardère Publicité are

printed on recycled or PEFC certified paper. The research provided an insight into the types of paper used by advertisers. It was also a way of raising advertisers' awareness about the importance of their

paper's origin, and of offering them the expertise and skills of Lagardère Publicité's production teams to help them gradually shift their paper purchasing towards certified paper from sustainably managed forests.

# FSC

## certification at Hachette UK

### **In 2011, Hachette UK successfully qualified for FSC certification again. What does that mean in practical terms?**

Being FSC-certified enables a publisher to demonstrate its strong commitment to sustainable development by printing the FSC logo directly onto publications made with FSC-certified paper. FSC certification has a number of criteria. These include the sustainable management of the forest from which the paper originates, which amounts to a kind of anti-deforestation guarantee. But they cover much more than that. They include the rights of indigenous peoples to their land, the working conditions and remuneration of workers throughout the production chain, and guarantees that certain areas of forest are not being exploited at all in order to protect certain species.

### **What is the procedure for obtaining PFC certification?**

To be PFC-certified, a publisher must be able to prove the traceability of its paper throughout the production chain and show that, from the forest to the warehouse, it meets the various PFC criteria. We first obtained PFC certification in 2008. Since then, we have been audited every year by

PFC, to enable us to keep using the logo. Although this is a recurring procedure, it is worth it, since our association with FSC is vital to our environmental policy.

### **So you are planning to keep renewing your certification in the coming years?**

Absolutely. We will maintain our FSC certification in the next few years, and we will work hard to adopt practices in line with FSC requirements. In 2011, more than 50% of our books were printed on FSC-certified paper. This proportion is constantly rising. Increasing this figure depends on our suppliers' ability to provide us with a steady supply of certified paper, and naturally on the cost of the paper. Some Hachette UK brands already produce 100% of their books using FSC paper. The PFC logo is a very powerful symbol, and end-consumers, authors, staff and NGOs respond very well to it.



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## 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 each country's specific features. PEFC certification involves a certain number of commitments guaranteeing forest upkeep and use in line with 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. Printers wishing to obtain this label are audited by a third-party body which awards PEFC certification according to traceability criteria for virgin fibres in the paper chain of custody, 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 that the forests are used in a way that maintains 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 production does not harm other ecosystems.

## Recycled paper

In 2011, Lagardère Publishing continued to print its mass-market “Guides Evasion” and “100% Durable” collections on recycled paper.

At Lagardère Active, recycled paper is very well suited to the production of newsprint. The *Journal du Dimanche* is printed entirely on recycled paper. On the other hand, the supply of paper for magazines is still limited because of the different thermal and mechanical constraints and resilience required of magazine paper, but also because of the volumes required. As a result, Lagardère Active uses certified paper for its magazines. Nevertheless, the 3 May 2011 issue of *Elle* magazine was printed entirely on recycled paper. This edition contained a free one-page advertorial for EcoFolio entitled “*Trier n’est pas une mode*” (recycling is not a fad).

In addition, the Group now prints its *Enter* internal magazine on entirely recycled paper.

## EFFICIENT MANAGEMENT OF BOOK AND MAGAZINE PRODUCTION

As part of their strategy to limit paper wastage, Lagardère Active and Lagardère Publishing have adopted a number of initiatives.

### PAPER WASTAGE RATES

Special attention is given to reducing paper wastage rates in the production of books and magazines. 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 calibration, involving 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 books or magazines produced (printing).

### Lagardère Active

For the Production and Purchasing Departments in the Magazine Publishing business, improving wastage rates is a key factor in negotiations with printers. To limit the wastage rate as much as possible at the printing phase of each magazine print run, Magazine Publishing determines the optimal technical parameters 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 for editorial managers to adjust formats in such a way as to 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. Between 2008 and 2010, the wastage rate for these items halved, and in 2011 the modernisation of machines reduced the binder surplus rate from 3% to 2%.

### Lagardère Publishing

As part of the policy for reducing the division's paper wastage rate, teams at Lagardère Publishing determine the best technical parameters 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 reel width and paper size);
- 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.

In 2011, Lagardère Publishing explored new approaches such as reducing page numbers, paper weight and paper size. In the Harlequin collection for example, an experimental print run of 3m copies was carried out with a 10% reduction in the number of pages. This not only saved money but also reduced the books' carbon footprint.

Digital media represent another way of reducing paper consumption.

### Lagardère Active

With the resources of the Technologies Department, the division was able to transform the main physical flows required in its business operations into digital flows, using electronic transfer and validation circuits. This helped the division to reduce the transportation of documents and physical media, streamline validation circuits and increase the efficiency of these operations. Digitisation was adopted for financial and purchasing applications, for press and multimedia editorial flows (electronic flatplan, integration of digital pre-press), for advertising sales brokerage (digital transfer of advertising materials

for press and audiovisual media, portal for adverts appearing in the press, electronic data interchange (EDI) standard) and for TV channels (tape-free sending of productions and advertisements).

### Lagardère Publishing

Lagardère Publishing continued its move to digital in 2011, (particularly in the USA and UK –see section 5.2.1.1 of the 2011 Reference Document), and its comparison between the carbon footprints of paper and digital media.

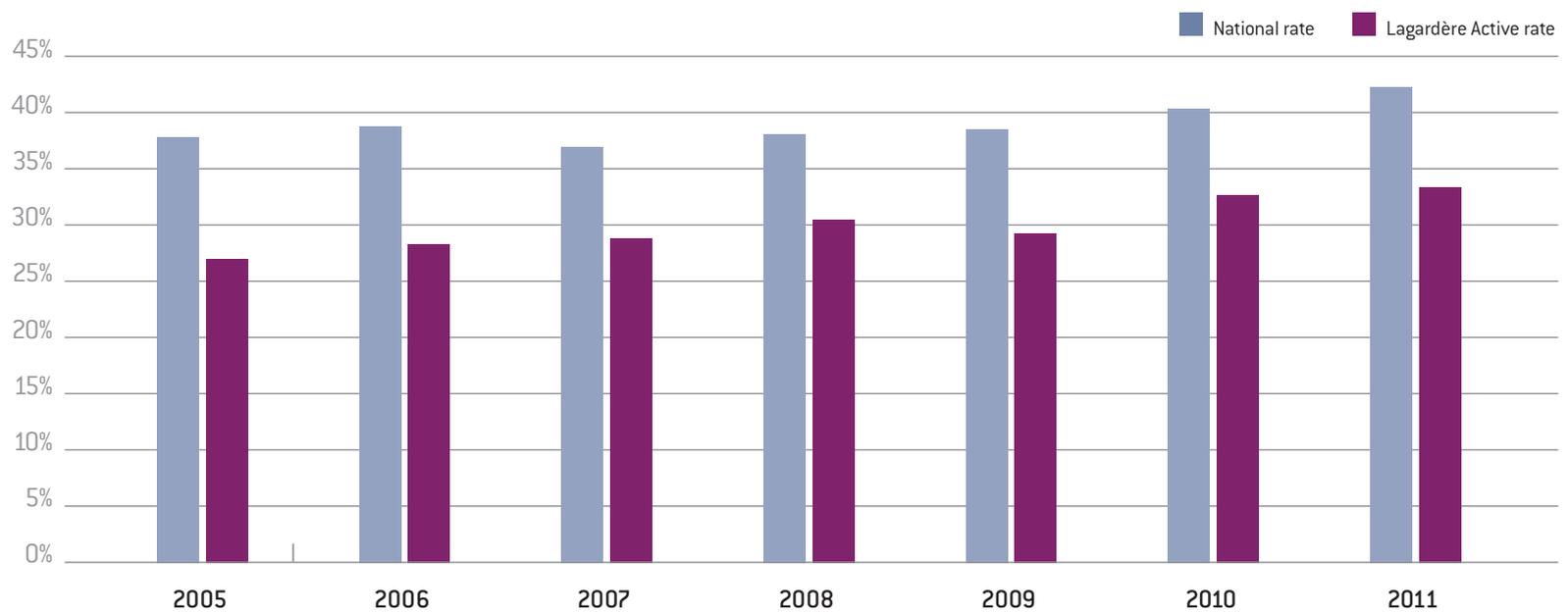
#### EFFICIENT AND RESPONSIBLE MANAGEMENT OF UNSOLD COPIES

Lagardère Active places high importance on managing its unsold copies. Lagardère Active's Magazine Division takes action upstream to reduce the rate of unsold copies through adjustments in terms of the number of copies of each title sent to retail outlets. Unsold copies are an inevitable part of newsstand sales, but to manage them as effectively as possible, the division regularly adjusts quantities printed and delivered using specialised software used by the sales managers of each title.

These actions have reduced unsold copy rates to levels well below the average national rate for around ten years.

In 2011, the national average unsold copy rate for magazines was 42.1%. During the same period Lagardère Active's unsold copy rate was 33.1%, or nine points below the national average. In terms of how they are treated, on average 90% of unsold copies generated by the French press distribution system for newsstand sales are recycled, and the remaining 10% are recovered and returned to the publishers at their request. At Lagardère Active, the recycling rate is higher, with approximately 97% of magazines (excluding magazines sold with covermounts) recycled and only 3% returned to the publishers.

#### • Comparison of unsold copy rates in France



Source: Presstalis survey, December 2011. The unsold copy rate for newsstand sales varies substantially between title categories and sub-categories. For example, the estimated national unsold copy rates for January-December 2011 were:

- 37.5% for news titles;
- 42% for women's magazines;
- 56.3% for the home category;
- 50.2% for the motor category;
- 22.3% for TV magazines.

## B STREAMLINING 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.

### Lagardère Active

Lagardère Active makes ongoing efforts to streamline transport within its production process, by bringing the sites of paper manufacturers, printers, binders and distributors closer together and focusing on modes of transport that emit the least CO<sub>2</sub> (trains and boats where possible).

In January 2011, all of *Psychologies magazine's* production was moved from Germany to France.

The new *Journal du Dimanche* format, introduced in March 2011, is compatible with a greater number of printers, allowing more efficient logistics by using printers located closer to distribution areas. Since September, the *Journal du Dimanche* has been printed using digital technology and sold in La Réunion, which removes the need to transport newspapers printed on the continent to the island.

As regards distribution, some of our magazines have shifted from postal to courier distribution, allowing their distribution to be combined with that of local magazines and allowing greater use of the courier network used by regional daily newspapers.

### Lagardère Publishing

Lagardère Publishing entrusts the distribution of its books to transport companies that can plan the most efficient and shortest routes in accordance with the constraints imposed by customers.

### Lagardère Services

Within Lagardère Services, LS distribution is in charge of all press distribution activities. The four European distribution subsidiaries (AMP, SGEL, Lapker and Naville) have wholesale activities and their vehicles cover almost 50 million kilometres per year to carry print media from printers to their very extensive point-of-sale networks. Most of this distance is covered by vans.

Transport is a major issue for LS distribution. There are several ways of streamlining transport: calculating more efficient routes, reducing fuel consumption through environmentally friendly driving and adopting green vehicles.

LS distribution regularly adjusts its routes in order to reduce total distance. In Switzerland, Naville Presse has organised environmentally friendly driving lessons for its drivers, and this has saved 13,000 litres of fuel per year. Certain subsidiaries are currently experimenting with new electric and hybrid vehicles, with a view to adopting them permanently. Cars running on LPG are being tested at Naville, while in Belgium AMP has adopted small vans and company cars that use green energy. SGEL has bought 18 EURO 4-certified small vans to carry out press distribution activities in Madrid.

## C

### INTRODUCING ENVIRONMENTAL MEASURES INTO THE ORGANISATION OF OUR OPERATIONS

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

Initiatives of different types were adopted in 2011 in each of the Group's divisions. They relate to both core businesses and internal operations.

At Lagardère Unlimited Stadium Solutions, sustainable development is clearly regarded as a major new issue and is gradually being factored into the company's consultancy services. Lagardère Publishing has carried out a carbon audit on its books, and Hachette Livre France has gone further: from April 2012, it will put a sticker on each of its books informing readers of the book's carbon footprint and the origin of the paper (certified or recycled). At Lagardère Services, Relay France has carried out its first carbon audit after selecting three pilot sites. Lagardère Active carried out its second carbon audit in 2011, and has also decided to factor environmental issues into the day-to-day activities of its staff by setting up a recycling system.

# Lagardère Unlimited, sustainable solutions for stadium consulting

## Why has sustainable development become an issue for Lagardère Unlimited Stadium Solutions (LUSS)?

As in other sectors, environmental issues have become more important in the sports industry in the last few years. London's successful bid for the 2012 Olympic Games was due in particular to its focus on making it a "green Games". At LUSS (under our previous name of Sportfive), we started to factor in environmental issues at the time of the 2006 World Cup in Germany. The "Green Goal" initiative required all stadiums built for the tournament to have an environmental dimension. At LUSS, we were involved in the Hamburg and Frankfurt stadiums, and we are one of the companies that operate these stadiums.

## In which areas do you advise and assist your clients?

On a matchday, a stadium can consume up to 55,000kWh of electricity. It is therefore crucial to look critically at a stadium's entire energy system. Waste also needs to be

a matchday. LUSS has a number of solutions to improve performance in these two areas. We work closely with our clients' suppliers and with architects, which has enabled us to develop expertise. These partnerships are vital for our business, since they enable operators to use the right methods to ensure sustainable planning.

## How do you convince your clients that this approach is the right one?

Simply by showing them that an environmentally friendly approach makes sound financial sense. For an operator, the number one aim is to reduce the stadium's operating costs, in order to maximise profit. Managing a stadium profitably is a real challenge, and environmental management has become a key aspect of that challenge. LUSS helps operators through a long-term business plan that shows the return on investment generated by environmental measures.



**ULRIK RUHNAU**

more info at [www.lu-stadiumsolutions.com](http://www.lu-stadiumsolutions.com) CEO of Lagardère Unlimited Stadium Solutions

## UPDATED CARBON AUDITS

Lagardère Publishing and Lagardère Active were the first Group divisions to carry out carbon audits, and they were joined in 2011 by Lagardère Services, which carried out a carbon audit for Relay France, anticipating obligations resulting from article 75 of France's "Grenelle 2" environmental act of 12 July 2010.

### Lagardère Publishing

- In accordance with the plan of action adopted following Hachette Livre France's carbon audit, two new measures are set to be adopted in 2012, and will involve staff directly. In the first measure, the technical department will indicate a CO<sub>2</sub> emissions figure on each quote, alongside the price, and this will enable publishers to include this new criterion in their decision-making.
- The second involves placing stickers on books showing the origin of the paper (certified or recycled) and the book's individual carbon footprint arising from its production and initial transportation.

# Carbon labelling for books

## FOCUS 5

**From the second quarter of 2012, books published by Hachette Livre will carry an environmental information sticker. What information will be on the sticker, and what is the objective?**

Under France's "Grenelle" environmental acts, all companies will in future have to label their products to show their environmental impact. We have decided to act now, as we should given our status as market leader. We can now calculate very accurately the carbon footprint of each of our books, comprising emissions from their production and initial transportation. This footprint (in terms of grams of CO<sub>2</sub> equivalent) will be shown on each book, along with a symbol showing whether it is made from certified or recycled paper. 80% of our production will be labelled.

**Won't this information confuse or be ignored by most of your readers?**

This may happen initially. This is why each sticker will give a link to a comprehensive website, one for each of the Group's publishers, that will deal with any questions that readers might have relating to the legislation, calculation methods, the reliability of the data and their margin of error, Hachette Livre's commitment, and the pros and cons of using recycled and certified paper. The website will also

feature a calculator, which will enable readers to convert their book's carbon footprint into a number of kilometres travelled by aircraft, a number of minutes of television and so forth.

**The stickers will contain two types of information, i.e. the origin of the paper and the carbon footprint. Don't French and EU regulations require a minimum of three?**

In addition to information about the origin of the paper (certified or recycled), the carbon footprint is the most relevant information for a book in our view. The other information proposed in the regulations is complicated, as well as being difficult to understand and calculate. We will include this information if it becomes compulsory. At the moment, however, most French publishers are just starting to address environmental issues, or have not yet done so. As a result, I am willing to bet that our carbon labelling will act as a model for others to follow for a long time to come.



**hachette** s'engage pour l'environnement en réduisant l'empreinte carbone de ses livres. Celle de cet exemplaire est de : **300 g éq. CO<sub>2</sub>**  
Rendez-vous sur [www.hachette-durable.fr](http://www.hachette-durable.fr)



**RONALD BLUNDEN**

Head of Communications and Sustainable Development, Lagardère Publishing

Print-on-demand technology, which limits greenhouse-gas emissions arising from the production, storage and transportation of books, has also been adopted for certain works.

## DEVELOPMENT OF PRINTING ON DEMAND

In 2011, the books division continued its adoption of digital print-on-demand (POD) technology. It started using POD technology in 2009 in partnership with Lightning Source (a subsidiary of Ingram) for the printing of titles that are out of stock or that have low sales.

The Group's division has increased its use of this technology:

- in the USA, where Hachette Book Group had 1,600 POD titles available at the end of 2011, the average print run of which is 64 copies. The catalogue is likely to grow in 2012;
- in the UK, where Hachette UK was selling around 500 POD titles

at end-2011, half of which were educational titles. This catalogue is also set to increase in 2012;

- in France, where Hachette Livre had more than 2,000 POD titles available at end-2011, and where several thousand titles are likely to be added to the catalogue in 2012.

### Lagardère Active

In 2011, Lagardère Active carried out its second carbon audit with the Carbone 4 consultancy. The first had been carried out in 2008. The audit covered all of Lagardère Active (France and international) and all of its media (press, radio, TV and digital). The audit was broken down by managerial responsibility, to make it easier to collate results. Compared with the first carbon audit, some subjects were dealt with in greater depth, such as foreign radio operations, audiovisual production, diversification businesses, the impact of paper choices and the breakdown of emissions by magazine.

For Magazine Publishing, emissions arise mainly from the manufacturing and distribution processes. In 2011, the average magazine resulted in the emission of 490g of CO<sub>2</sub> equivalent. This represents a 10% reduction relative to the 2008 figure of 550g, and is an encouraging result.

Excluding the impact of reception devices (radios, TV sets, PCs and tablets, over which Lagardère Active has no direct control), the radio, TV and digital businesses account for half of Magazine Publishing's CO<sub>2</sub> emissions.

Nevertheless, electronic media must be taken into account because they give rise to very large CO<sub>2</sub> emissions and have seen strong growth in the last few years. We must take into account electronic equipment, which has become much more widespread and is being replaced constantly, and the amount of information being sent and stored on servers.

As well as the results themselves, the benefit of the new carbon audit lies in the quality of the information collected, which has bolstered our initial data. In 2011, we designated new areas for progress in the broadcasting sector, in addition to initiatives already adopted in the Press sector.

In addition, as part of the Syndicat de la Presse Magazine's sustainable development committee, Lagardère Active helped develop a system to assess the environmental impact of magazines, which is likely to be introduced in 2012.

### Lagardère Services

In 2011, Relay France appointed Bureau Veritas to carry out its carbon audit. The audit was performed on three pilot stores that represent the Group's retail activities.

The audit showed that the products sold in stores account for most of the stores' carbon footprint. The end-of-life phase of products sold is the second main source of emissions.

Based on the audit results, Relay France is stepping up its efforts to reduce its energy consumption. Relay France has also integrated sustainable development into its purchasing policy, maintained its initiative to only give customers plastic bags on request, and continued its efforts to manage transportation more efficiently.

A similar initiative has been adopted by German subsidiary HDS Retail Deutschland.

# Relay' first carbon audit

## FOCUS 6

### Why has Relay adopted a carbon audit procedure?

There are three main reasons for our carbon audits. Firstly, we wanted to get a head start on regulatory requirements, under which French companies with over 500 employees will have to assess their greenhouse gas emissions.

Secondly, we wanted to adopt an analytical approach covering all measures taken by Relay France to reduce these emissions. Lastly, we wanted to develop a model that can be exported and adjusted to our foreign subsidiaries.

### Which approach did you take?

Relay France has around 900 stores across France.

They sell periodicals, books, confectionery and other food products, along with useful items for travellers. We also have stores specialising in fast food. We therefore

assessed three typical stores, which are representative in terms of the product range, layout and size. They consist of a small urban store (24m<sup>2</sup>), a larger airport store (134m<sup>2</sup>) offering a wider range of products and a hospital cafeteria-style unit (148m<sup>2</sup>).

### What were the audit's results and what actions are you planning as a result?

The audit confirmed what we intuitively suspected, i.e. that most of our carbon footprint arises from the products we sell in our stores. Unfortunately, we have limited scope to reduce these emissions. However, energy consumption and the production of store fittings are substantial sources of emissions, and ones we can manage and reduce. This vindicates our efforts over the last two years, which include relamping, reducing energy consumption and recycling store fittings. These initiatives have also reduced our operating costs.



**BERTRAND VERGUIN**

DPLG architect and Head of Store Locations at Relay *more info at [www.lagardere-services.com](http://www.lagardere-services.com)*

## SAVING ENERGY AND OPTIMISING CONSUMPTION

In 2006, the Group added certain environmental information concerning water and energy consumption to its financial data consolidation system.

Within the Group, water consumption is only really an issue for Lagardère Paris Racing, which manages the Croix Catelan site in the middle of the Bois de Boulogne. As part of its environmental management system and efforts to maintain the ISO 14001 certification of the Croix Catelan site, Lagardère Paris Racing has adopted a comprehensive environmental performance approach. Strict water management forms an important part of this approach because of the two swimming pools on the site, and the watering of green spaces.

For the Group's other entities, water management is not a strategic concern, because they only consume water for domestic purposes.

The 2011 figures below cover 100% of Lagardère's consolidated subsidiaries, i.e. 414 companies:

- Lagardère Publishing > 93
- Lagardère Active > 133
- Lagardère Services > 84
- Lagardère Unlimited > 77
- Other Activities > 27

In 2011, the Group again decided to present its CO<sub>2</sub> 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 subsidiaries covered), but also adopting a breakdown by country (Table 2), for several reasons:

- to ensure greater rigour and transparency in the calculation of CO<sub>2</sub>-equivalent figures for electricity, since sources of CO<sub>2</sub> differ from one country to another (the methods used to produce electricity differ depending on the country in question);
- to provide a better representation of the Lagardère group's consumption (and associated carbon emissions) according to its geographic operations.

The table of the Group's energy consumption and carbon emissions by country (Table 2) covers 94% of the Lagardère group's workforce and 88.4% of its consolidated sales.

Finally, the Group also decided to produce a specific table (Table 3) showing each division's consumption in France, which represents around 43% of the Group's employees and just over one third of its consolidated sales.

Concerning the method of calculation and conversion to CO<sub>2</sub>-equivalent figures, 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 CO<sub>2</sub>-equivalent figures are based on the upstream emissions of these two types of energy.

#### • Table 1: the Lagardère group's energy consumption and CO<sub>2</sub>-equivalent emissions

Division	Year	Water (cubic metres)	Electricity (kWh)	Tonnes of CO <sub>2</sub> equivalent	Energy recovery and/or cogeneration (kWh)	Tonnes of CO <sub>2</sub> equivalent	Gas (kWh)	Tonnes of CO <sub>2</sub> equivalent	Fuel oil (litres)	Tonnes of CO <sub>2</sub> equivalent	Total tonnes of CO <sub>2</sub> equivalent
Lagardère Publishing	2011	77,012	39,390,036	13,438	3,575,130	697	25,619,930	5,946	938,381	2,761	22,842
	2010	82,796	40,524,000	13,555	1,935,277	377	27,438,100	6,368	971,437	2,858	23,158
Lagardère Active	2011	42,348	31,038,524	8,785	1,629,000	318	3,240,554	752	290,476	855	10,710
	2010	69,115	46,485,167	15,419	2,218,000	433	4,514,183	1,048	356,017	1,048	17,948
Lagardère Services	2011	462,468	95,248,665	28,663	605,511	118	19,898,504	4,618	1,230,984	3,622	37,021
	2010	409,002	91,540,123	26,742	373,631	73	19,663,711	4,563	1,392,387	4,097	35,475
Lagardère Unlimited	2011	148,455	5,930,295	1,621	1,690,607	330	7,021,696	1,630	8,660	25	3,606
	2010	10,108	2,653,143	920	85,000	17	667,172	155	7,160	21	1,113
Other Activities	2011	6,313	4,622,510	393	460,600	90	2,390,321	555	3,257	10	1,048
	2010	151,773	6,997,781	595	2,609,300	509	8,297,422	1,926	2,557	8	3,037
Total	2011	736,596	176,230,030	52,900	7,960,848	1,553	58,171,005	13,501	2,463,098	7,273	75,227
	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

In 2011, the Group's resource consumption was as follows:

- Water: 736,596 m<sup>3</sup>;
- Electricity: 176 GWh;
- Gas: 58.2 GWh;
- Fuel oil: 2.5m litres;
- Energy recovery and/or cogeneration: 7.96 GWh.

In total, this consumption represented just over 75,000 tonnes of CO<sub>2</sub> equivalent, i.e. a slight reduction relative to 2010. This reduction was primarily the result of changes in the scope of consolidation, particularly in the Lagardère Active division (disposal of the IMP business in early 2011), where electricity consumption fell sharply.

There were major changes in water consumption at Lagardère Unlimited (from 10,108 m<sup>3</sup> in 2010 to 148,455 m<sup>3</sup> in 2011) and in the "non-divisional" category (from 151,773 m<sup>3</sup> in 2010 to 6,313 m<sup>3</sup> in 2011). These changes simply resulted from the transfer

of one entity from the “Other Activities” category to Lagardère Unlimited. This entity was Lagardère Paris Racing Ressources, which manages the Croix Catelan site.

• **Table 2: the Group's energy consumption and CO<sub>2</sub>-equivalent emissions by country**

Country	Water (cubic metres)	Electricity (kWh)	Tonnes of CO <sub>2</sub> equivalent	Energy recovery and/or cogeneration (kWh)	Tonnes of CO <sub>2</sub> equivalent	Gas (kWh)	Tonnes of CO <sub>2</sub> equivalent	Fuel oil (litres)	Tonnes of CO <sub>2</sub> equivalent	Total tonnes of CO <sub>2</sub> equivalent
France	219,734	60,761,283	5,165	7,075,324	1,380	21,351,633	4,955	297,478	876	12,376
Spain	27,497	10,936,882	3,828	–	0	2,969,004	689	286,744	844	5,361
USA	111,172	13,999,585	7,826	–	0	11,865,362	2,754	6,019	18	10,598
Belgium	14,399	15,027,076	3,907	–	0	8,273,389	1,920	289,355	851	6,678
Switzerland	36,334	3,672,532	95	390,700	76	59,830	14	151,600	446	632
United Kingdom	11,146	10,076,137	5,089	90,000	18	2,632,767	611	250,048	736	6,453
Hungary	15,660	8,344,707	2,871	–	0	4,649,814	1,079	268,820	791	4,741
Poland	824	3,637,127	2,397	–	0	–	0	220,638	649	3,046
Australia	10,417	6,803,145	6,266	–	0	–	0	–	0	6,266
Germany	54,721	11,675,332	4,717	90,013	18	665,000	154	75,700	223	5,111
Canada	196,888	11,808,316	2,173	–	0	908,088	211	65,626	193	2,577
Czech Republic	6,651	7,458,581	3,931	122,459	24	562,213	131	58,821	173	4,258
<b>Total</b>	<b>705,443</b>	<b>164,200,703</b>	<b>48,263</b>	<b>7,768,496</b>	<b>1,515</b>	<b>53,937,100</b>	<b>12,518</b>	<b>1,970,849</b>	<b>5,800</b>	<b>68,095</b>

The second table shows how carbon emissions relating to electricity vary according to how the electricity was produced. For example, carbon emissions arising from electricity consumption were similar in France (5,165 tonnes of CO<sub>2</sub>-equivalent) and the UK (5,089), despite French operations consuming six times as much electricity as the UK operations<sup>(1)</sup>.

• **Table 3: the Group's energy consumption and CO<sub>2</sub>-equivalent emissions in France**

Division	Water (cubic metres)	Electricity (kWh)	Tonnes of CO <sub>2</sub> equivalent	Energy recovery and/or cogeneration (kWh)	Tonnes of CO <sub>2</sub> equivalent	Gas (kWh)	Tonnes of CO <sub>2</sub> equivalent	Fuel oil (litres)	Tonnes of CO <sub>2</sub> equivalent	Total tonnes of CO <sub>2</sub> equivalent
Lagardère Publishing	36,907	13,274,080	1,128	3,475,130	678	9,747,314	2,262	291,921	859	4,927
Lagardère Active	35,337	14,118,668	1,200	1,629,000	318	2,639,111	612	800	2	2,133
Lagardère Services	1,155	25,904,123	2,202	–	0	210,021	49	–	0	2,251
Lagardère Unlimited	140,022	2,841,902	242	1,510,594	295	6,364,866	1,477	1,500	4	2,018
Other Activities	6,313	4,622,510	393	460,600	90	2,390,321	555	3,257	10	1,048
<b>Total</b>	<b>219,734</b>	<b>60,761,283</b>	<b>5,165</b>	<b>7,075,324</b>	<b>1,380</b>	<b>21,351,633</b>	<b>4,955</b>	<b>297,478</b>	<b>876</b>	<b>12,376</b>

In an approach centred on the use of energy sources that emit low levels of CO<sub>2</sub>, the premises housing the Paris head offices of Lagardère Publishing are heated by Compagnie parisienne de chauffage urbain (CPCU). 63% of the energy supplied is produced using natural gas and gas-based combined heat and power units (28%) and energy recovered from household waste (35%). Lagardère Active's Europa building in Levallois is heated by Levallois Energie Maintenance (LEM), which uses a system similar to that used in Paris.

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

(1) This is because 74% of the electricity consumed in France came from nuclear plants.

At Lagardère Services, the energy consumption of retail outlets was reduced in France through a number of measures. In 2011, the division maintained initiatives to develop stores that are as environmentally efficient as possible, and particularly to reduce energy consumption.

Relay also factors in HQE (high environmental quality) construction data when developing building projects. This has resulted in the use of heat recovery units, which reduce energy consumption by 35%, at the Hôpital Purpan in Toulouse, and the Hôpital Cochin in Paris among other outlets.

As part of a wide-ranging energy-saving plan, AMP has taken out subscriptions with suppliers that have green certificates for all its sites in Belgium. AMP has also installed a large solar-panel array at its site in Mollem.

Lagardère seeks to reduce energy use in its buildings and its business activities (producing books and magazines) and also offers energy-efficiency services (e.g. through LUSS). However, energy-saving measures are also a priority in its audiovisual production activities.

## Property: aiming for a sustainable property portfolio

FOCUS 7

### **The Lagardère group has recently set up a property management department. How does sustainable development fit into your activities?**

Sustainable development is an integral part of the Group's property management policy. Our plan of action, specific targets and precise indicators are based on two fundamental principles:

- A. Managing the environmental impact of sites owned by the Group, in terms of energy, water and waste management.
- B. Making working areas more comfortable and pleasant: assessing the environmental and health impact of equipment selected when renovating buildings and providing training regarding environmental responsibility.

### **How did you address environmental issues in the Carré Daumesnil building, which is owned by the Lagardère group?**

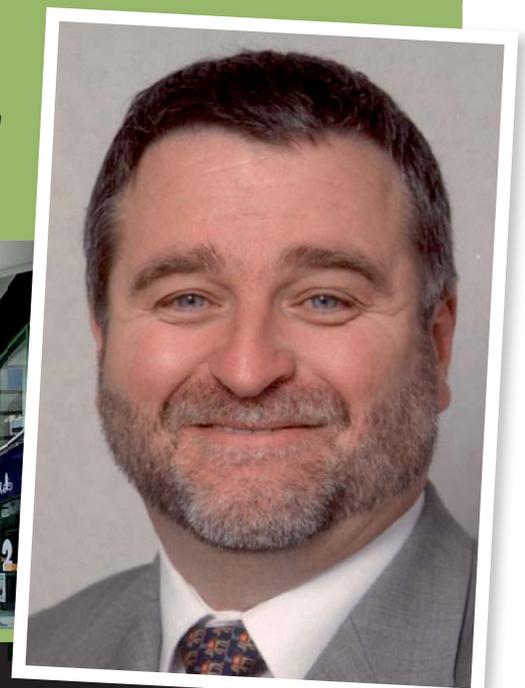
When renovating this site and particularly when selecting which fittings to replace, we looked at their environmental and health impact and focused on reusing and recycling certain materials. We spent



€5 million on environmental improvements at this site (energy recovery, low-energy equipment etc.). We are already working on adding environmental clauses to existing leases. We are also planning to obtain HQE certification for the site, in partnership with our tenants and subcontractors.

### **What sustainable development objectives do you have in your upcoming projects?**

The main objective is to create a sustainable property portfolio for the benefit of our shareholders and employees. When we update our inventory of the Group's properties, we will include sustainable development data. This will enable us to assess objectively the benefits of our environmental strategy and identify which remedial action to take.



**SERGE DELON**

Head of Property Management, Lagardère group

more info at [www.lagardere.com](http://www.lagardere.com)

When LMPI was carrying out work on its new 35,000 m<sup>2</sup> warehouse, it decided to replace the entire electrical system, resulting in a 20-35% reduction in energy consumption.

For example, at GMT Productions, which produces a number of TV series, concepts like energy-saving, waste management and using recycled materials already an integral role in planning certain shoots. This was the case with *Odysseus* (a series of 12 programmes, lasting 52 minutes each, for Arte via a joint production with Making Prod) in Portugal.

## *Odysseus: a responsible shoot*

## FOCUS 8

### **What prompted GMT Productions to make the *Odysseus* a pilot for responsible production?**

*The set was exceptionally large at 4,000m<sup>2</sup>. We wanted to take an innovative approach and use a recycling solution for the building materials. *Odysseus* became an opportunity for us to gain experience in responsible production.*

*The environmental footprint of our shoots is something we have been looking at for a long while. The start of every production requires a temporary infrastructure and organisation, involving issues of transport and energy but also relating to sets and costumes. These are all areas in which we need to reduce our environmental impact.*

### **How did you approach the *Odysseus* set?**

*Uniquely, the set is based on around 300km of pipes, which support chipboard panels sprayed with plaster.*

*Some elements (beams and statues) were made of*

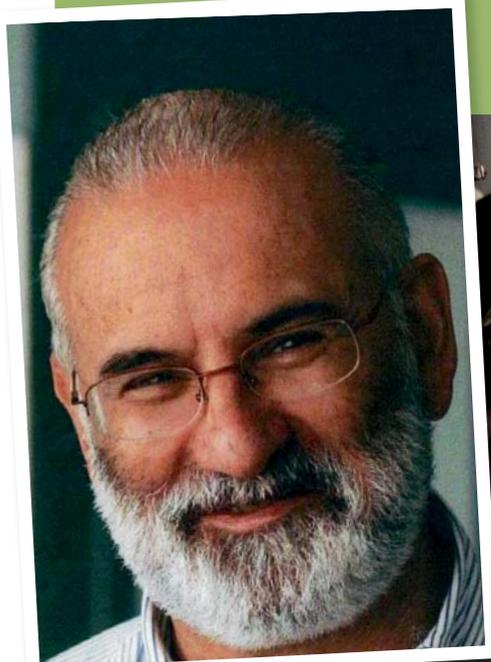
*polystyrene. We used paving stones made of plaster painted to look like natural stone. Roofs were covered with natural palm leaves. Every construction element was analysed so that it could be recovered and recycled at the end of the shoot. We also took French tradesmen with us, and they shared their patina and sculpture skills with local teams.*

### **What other issues did you address?**

*Energy. Rather than use generators, which consume a lot of fuel oil and emit a lot of CO<sub>2</sub>, we asked Energias de Portugal to provide us with temporary power facilities. This solution was slightly more expensive, which means that it can only be used for long shoots.*

*On location, we use digital cameras that require less lighting. We rent these cameras, which means that we always have the most efficient models.*

*For studio shoots, we are moving towards neon and LED spotlights, which use less energy and emit less heat.*



**CHRISTOPHE VALETTE**

Head of Production at GMT Productions

more info at [www.lagardere-entertainment.com](http://www.lagardere-entertainment.com)

## WASTE MANAGEMENT

Most of Lagardère's corporate teams relocated in late 2011. This was an opportunity to introduce environmental best practice at the new premises.

This includes recycling waste, particularly paper. Every employee has a twin-compartment waste bin that allows paper to be separated from other waste. On every floor of the building, there is an Ecodoc area, which also allows staff to sort paper, plastic bottles and cans into appropriate containers. The paper collected is weighed every month and recycled. The Ecodoc areas also contain shared reprography machines, which are set by default to print double-sided and in black and white. This has reduced the number of individual printers used, as well as paper consumption.

The group's various divisions are also making major efforts to sort and recycle paper waste as well as waste electrical and electronic equipment (WEEE).

At Lagardère Services, Relay has a waste sorting system at its head office, and the Garonor warehouse uses recycled cardboard and employs an external company to process and recycle cardboard and plastic film.

At Lagardère Unlimited, the Croix Catelan site has ISO 14001 certification (first obtained in 2009 and successfully renewed after an audit in 2011). This means that it sorts waste into green waste, hazardous waste, ordinary industrial waste (OIW) and WEEE, and has it collected by various organisations. In 2011, the volume of waste collected at the Croix Catelan site broke down as follows:

- 315 m<sup>3</sup> of green waste;
- 1.4 tonnes of hazardous waste;
- 510 m<sup>3</sup> of OIW;
- 140 kg of WEEE.

The recycling project adopted by Lagardère Active in 2011 across most of its sites in the Paris region was an opportunity to raise staff awareness about sustainable development issues.

### BIODIVERSITY AT CROIX CATELAN

The Croix Catelan site also has a biodiversity aspect, which includes gradually increasing

the number of trees and planted areas. In 2011, the site achieved 70% of its target in terms of trees,

with 12 trees planted as opposed to 17 planned.

## 2.3 PROMOTING ACCESS TO INFORMATION AND KNOWLEDGE

The Lagardère group has responsibilities both as a listed company, with the resulting transparency obligations, and as a company dealing with standard environmental and workforce-related issues. In addition, because of the nature of its media activities, it has social responsibilities that are becoming steadily more important.

The Lagardère group's media activities promote cultural diversity and create and disseminate information and knowledge. They play a central role in the digital revolution that is fundamentally transforming our society. In this rapidly changing environment, in which information travels instantly across the globe, the Lagardère group strives to provide its listeners, viewers, Internet users and readers with content that meets their expectations in terms of quality and diversity.

In line with its aim of being a responsible media organisation, the Group takes part in discussions led by various entities about the intangible impact of the media, which is sometimes referred to as "brainprint".

This specific responsibility covers subjects as diverse as the freedom of the press, editorial independence, responsible advertising, journalistic ethics, protecting young people, content accessibility, listening to audiences and media literacy. In 2011, the GRI looked at this responsibility and prepared a media-sector supplement, and France's *Observatoire de la responsabilité sociétale des entreprises* (CSR monitoring body) also did work in the field.

# Recycling off to a good start at Lagardère Active

## FOCUS 9

**In 2011, Lagardère Active introduced a recycling system across its main sites in the Paris region. What were your objectives?**

We set four main objectives:

- to maximise the collection and recovery of paper, of which we use a great deal;
- to streamline the organisation and methods used across our main sites;
- to include a company that employs people with disabilities in our system. Our WEEE and magazines are collected by a company called APR2;
- to measure the results of our efforts by setting up a monthly waste reporting system.

This collective project was also an opportunity to raise awareness among all staff, which are now playing a key role in the improvement process.

**What were the main difficulties?**

- The first involved adjusting the system to specific situations, while making sure it remained effective. For example, larger containers are required for editorial teams, and the adjustment process is ongoing. These adjustments are necessary to ensure that the system is accepted by all our staff.
- The second consisted of involving all participants, starting with our own staff but also cleaners, handling staff and

other service providers. Each link in the chain has a role to play in making the project a success. We even put some short films on the intranet, which were produced with the help of our staff. They take a humorous look at recycling situations, such as the link between after-sales service and recycling.

**What are the results after one year?**

Very encouraging. We rolled out the system gradually in 2011, and so the quantities collected were not representative of a normal year. Excluding food waste, 460 tonnes of waste were collected last year and 70% were recyclable (paper, magazines, WEEE etc.).

There were 270 tonnes of paper, cardboard and magazines. It was a good start.



**ANNE CHÉRET**

Head of Sustainable Development, Lagardère Active

more info at [www.lagardere.com](http://www.lagardere.com)

Although the digital revolution, the explosion of social networks and communication by Internet users are creating risks that must be managed, they are also creating opportunities for the Lagardère group. Future developments in digital tools and media should also make the Lagardère group's content more accessible to audiences that currently lack access to it.

Digital technology is an opportunity to reassert the value of the role played by publishers, but also by journalists, as media professionals. Their skills, training and expertise will become increasingly valuable in guiding Internet users through the information jungle.

With Internet users themselves getting increasingly involved in creating content, through blogs, forums and other social networks, they will also need the expertise of professionals to guide them in the use of these new tools and in the creation of a new, high-quality dialogue between the various participants on the Internet.

Increasing demand among Internet users for reliable information, particularly on sustainable development matters, gives rise to new areas of content creation for media professionals, who will be able to meet the needs of advertisers wanting to offer transparent communication on all these issues.

## A

## DEFENDING INFORMATION PLURALISM AND ENSURING CONTENT DIVERSITY

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

Lagardère Active, as a global media player committed to meeting the expectations of its audiences, is committed to producing varied content (political, historical, sports-related, environment, social, etc.) through various modes of production, distribution and consumption (magazines, newspapers, websites, radio stations, television networks, production companies, mobile devices and tablet computers). In this way, it promotes access to culture, information and a diverse range of opinions and ideas.

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

### VIGILANCE WITH RESPECT TO ADVERTISING

Like all sector participants, Lagardère Publicité supports the Advertisers' Commitment Charter, which is aimed at achieving more responsible communications. It monitors the content of advertising messages, and condemns practices such as "greenwashing" practices. Lagardère Publicité also follows the recommendations of the ARPP (*Autorité de régulation professionnelle de la publicité*, formerly BVP) and regularly submits the content of advertising messages for prior verification that the messages comply with the standards. As an advertising sales brokerage, Lagardère Publicité therefore provides advice to agencies and advertisers to ensure that their advertising messages comply with the ARPP's recommendations.

In general, Lagardère Publicité has self-regulation procedures concerning the advertisements it sells. It ensures compliance with advertising regulations with the support of Lagardère Active's Legal Department. The Legal Department answers any specific questions operational staff may have about the content of advertising messages broadcast on all media (television, radio, magazines and the Internet).

### CHILD PROTECTION

The Group's broadcasters ensure compliance with legislation and regulations in force, and with 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 pre-purchased and co-produced for Lagardère Active's children's networks are closely monitored by the division's senior management and teams. These efforts are performed upstream, for example when characters, scripts, dialogue and graphics are selected.

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

The heads of youth channels have set up two ethics committees:

- the first, headed by Marcel Ruffo, produces an annual performance report, particularly as regards diet and the environment, along of the quality of communication with children;
- the second is made up of psychologists and paediatricians specialising in child-related matters.

Gulli has also set up its Gulli Observatory aimed at monitoring the relationship between children and television.

Since 2009, Lagardère Active has been a partner of the Pubmalin initiative, which is the French version of Mediasmart, an advertising and media education programme for 8- to 11-year-olds, their teachers and parents.

## OBESITY PREVENTION

The youth department of Lagardère Active is a pioneer, having produced a diet charter (a “charter to promote healthy eating and physical activity”) that was signed by both the division and the public authorities in February 2009. Three years later, it is more involved than ever in obesity prevention, since it is the company that broadcasts the most number of hours of prevention-related programmes. With their

communication experience, the youth channels have developed obesity prevention messages for children through programmes featuring heroes and presenters who are well known to children. The aim of these programmes is to promote the importance of educating children's palates, not in order to stigmatise particular products but to inform young consumers about the benefits of a varied and balanced diet. The Group's channels also carry

public health messages throughout the year, and all programmes refer to the Mangerbouger.fr website. As well as the transmission time they devote to obesity prevention, the three youth channels (Gulli, TiJi and Canal J) have formed a partnership with Collectif National des Associations d'Obèses (French national association of obesity charities), which resulted in a child obesity conference on 13 October 2011.

In their programming, the Group's music radio stations RFM and Virgin Radio ensure compliance with principles of respect for human dignity and the protection of children and teenagers. They take particular care to prevent any slips that could shock young listeners.

Radio stations and advertising sales brokerages are also involved in efforts to protect children by broadcasting advertisements and displaying online banner ads for organisations dedicated to child protection. In 2007, the Doctissimo.fr website appointed a moderator dedicated to the protection of minors.

In 2011, at Lagardère Services, the Relay store network 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, FREEDOM OF EXPRESSION

Lagardère's operations are geared towards the publication of content, and as such the Group 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 charity'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.

At Lagardère Publishing, efforts to defend freedom of expression include Hachette Livre's involvement (as a founder member) of the Pen Club's publishers' circle. The PEN Club is an NGO formed in 1921 to protect freedom of expression, particularly that of persecuted writers, and to promote literature worldwide. In 2011, Hachette Livre was the special sponsor of PEN New York, and Hachette Livre's Chairman and Chief Executive Officer Arnaud Nourry was the president of the association's annual dinner.

## B

## FACILITATING ACCESS TO OUR CONTENT FOR PEOPLE IN NEED

## SUPPORTING READING

Lagardère supports literary competitions and awards, reading and writing workshops, literacy initiatives and activities promoting reading on all continents.

At Lagardère Services, for example, Payot has since 2008 organised “Partager Lire” book collections for African countries, in partnership with L’Hospice Général.

Following events related to the Arab Spring, Tunisia was the main beneficiary of these efforts in 2011. In the summer of 2011, 70,000 books were sent to several Tunisian libraries.

Lagardère Ressources organised a book collection among its staff during the 2011 sustainable development week. It collected 522 books through *Recyclivre*, an innovative young company, which then sold them and donated part of the proceeds to the Aide et Action charity, which supports education and school enrolment for children around the world.

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

Lagardère Publishing offers fiction and non-fiction content –including personal development titles– via Audiolib, its audiobook brand created in 2008. The Audiolib catalogue had 201 titles at the end of 2011, including 52 published during that year. Audiolib is releasing more and more audiobooks at the same time as the corresponding paper version. These audiobooks help improve access for the visually impaired, as well as people with reading difficulties, such as young dyslexics. Audiolib has also made its website more accessible to blind and partially-signed people.

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

**TiJi:** since 12 February 2010, the channel broadcasts “*Sur le bout des doigts*”, a short programme introducing sign language to children. In 2011, it also started broadcasting a programme translated into sign language (“*Devine quoi ?*”, an animated series for children aged three to six).

**Canal J:** since 12 February 2010, 10% of all programmes on the channel must be subtitled. Canal J also broadcasts two programmes per week covering issues relating to the deaf and hearing-impaired.

**Gulli:** since 2010, the channel has made 20% of all its programming accessible to the deaf and hearing-impaired, in particular during periods of high activity, and broadcasts two programmes per week covering issues relating to the deaf and hearing-impaired.

## C

## LISTENING TO OUR VARIOUS AUDIENCES

Listening to audiences takes place in different ways depending on the division.

At Lagardère Services, customer satisfaction surveys are carried out on a wide scale, in the form of studies in various countries and, in France, through freepost questionnaires.

At Lagardère Active, ongoing dialogue is maintained with readers, viewers, listeners and Internet users through different methods such as blogs, forums, clubs (such as Club Europe 1), reader mail and so forth. For example, in early 2012 *Elle* launched its presidential election platform, which features questions that women are asking ahead of the 2012 election. On 1 December 2011, Europe 1 opened the Lab Europe 1 section of its website, which contains news, debate and political analysis.

## EUROPE 1 AND SOCIAL NETWORKS

Europe 1 has become heavily involved with social networks, which now act as additional carriers of information, complementing the website. The strategy consists

of bringing together micro-communities of people who are fans of particular presenters and journalists. In December 2011, Europe 1's Facebook pages

represented a virtual community of more than 150,000 fans. Club Europe 1 is also present on Twitter and Facebook, and at the end of 2011 had 1.2m members.

In 2011, Doctissimo launched its video platform with a daily programme called “*La minute santé*” (one minute on health). As well as offering an online forum, the Doctissimo club also enables Internet users to develop personal sites and form interest groups.

In addition to the club and given its particular responsibilities in this area, Doctissimo has set up a sophisticated moderation system, which is crucial given the volume and nature of the healthcare issues it deals with on a daily basis.

## *Doctissimo: responsible moderation*

### FOCUS 10

#### **As a dedicated health website, doesn't Doctissimo have particular responsibilities to its users?**

Yes, of course. We show our responsibility through our editorial content, which we provide to web users for educational and preventative purposes, aiming to make medical information more widely available. We also show our responsibility in the way we manage our very large community, in which people discuss their concerns with genuine collective intelligence. We are proud to empower Internet users through health-related information.

#### **What is the moderator's role on Doctissimo?**

Our community manager and moderators have three duties:

- to organise the community by defining rules of conduct and selecting the themes of forums. Doctissimo gives maximum freedom to its users, subject to legal restrictions of course. Doctissimo's 15 main forums contain more than 700 threads, whose usefulness depends on the community and the audience they attract;
- to organise dialogue and prevent abuse: the **community manager** deals with the site's functionality, the adoption of virtual identities (pseudonyms, avatars etc.) and the attribution of statuses or awards (e.g. “Doctinaute d'or” gold status for users posting more than

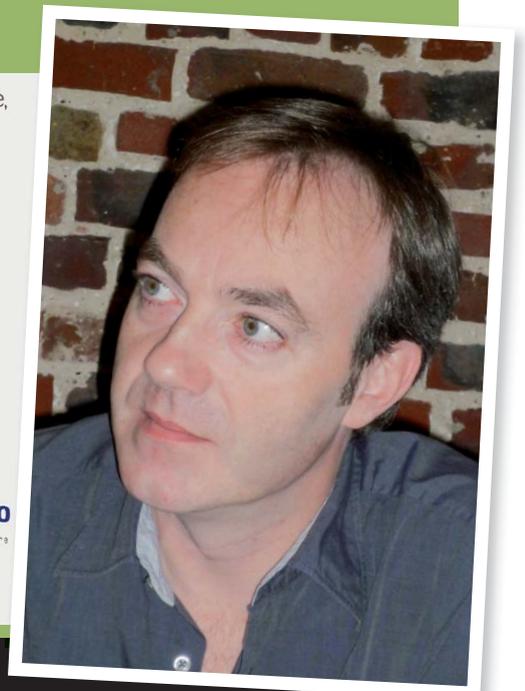
20,000 messages). They also set up alert tools and procedures through which users can report incidents to the moderator;

- to monitor site usage, which takes up 80% of moderators' time, with more than 120,000 messages posted every day. In particular, Doctissimo has set up an alert system specifically to protect minors, which is a priority for the site.

#### **How are your moderation activities organised?**

The team consists of myself, a **community manager** and six moderators, who each have their specific area, such as protection of minors, the doctor-moderated health forum and so forth.

We also use 75 volunteer co-ordinators, who are regular users from the community selected by our moderators.



**CHRISTOPHE CLÉMENT**  
Deputy CEO, Doctissimo

more info at [www.doctissimo.fr](http://www.doctissimo.fr)

## PERSONAL DATA PROTECTION

Personal data protection is the responsibility of the divisions, and of their IT and legal departments.

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

- regulatory compliance;
- the implementation of technical protection resources (encryption, electronic signatures, the right to know);
- the creation of IT guidelines.

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

At Lagardère Active, these include rules relating to:

- the sending of marketing communications based on files compiled from magazine subscription forms on an "opt-out" basis;
- the sending of marketing communications to Internet users who have "opted in", i.e. ticked the box saying they wish to receive such communications;
- database marketing;
- the protection of personal data, particularly regarding minors.

Lagardère Active's technology department ensures data security through all technical resources at its disposal, as regards both the accessing of data and the tracking and saving of data. Resources include the plan to safeguard data in the event of an accident and the business continuity plan.

## D

## ENCOURAGING DIALOGUE ABOUT SUSTAINABLE DEVELOPMENT

### IN-HOUSE AND EXTERNAL INITIATIVES AND EVENTS

#### In-house

At Group and divisional level, sustainable development awareness and training efforts continued among staff throughout 2011. Through these initiatives, which include conferences and seminars, the creation of dedicated "Greenteams", and online forums and training, staff were involved in the various projects adopted in their business areas.

Lagardère Active embarked on several initiatives. It organised a seminar for managers, with talks by a paper manufacturer, an advertiser and a climate/energy specialist. A forum open to all staff was held, presenting the division's major projects (paper certification, solidarity department, Disability Initiative, printing systems, recycling etc.). Online training was made available to all staff, with two modules concerning climate change and carbon audits. Finally, there was a conference open to all staff, in which Alain Grandjean from the Carbone 4 consultancy gave a talk entitled "Climate and energy: two major issues for governments, companies and citizens".

In 2012, Lagardère Active has also published the second edition of its annual magazine "*Planète Lagardère Active*".

### PLANÈTE LAGARDÈRE ACTIVE

The *Planète Lagardère Active* magazine is developed, designed and produced by in-house staff, and represents Lagardère Active's commitment to sustainable development. With a print run of 10,000, the magazine is intended for Lagardère Active's stakeholders,

starting with its staff but including anyone that Lagardère Active wants to inform about its approach, including advertisers, professional organisations and suppliers. *Planète Lagardère Active* describes sustainable development issues and the way in which they affect the

Group's activities. It also reports on the Group's achievements and progress through interviews with those involved. The first edition in 2011 featured Wangari Maathai on the cover, and the second edition in 2012 features Jean-Louis Etienne.

The two focuses below discuss the five half-day training sessions organised by Hachette Livre for its publishers covering major sustainable development issues in the book industry, along with the creation of two in-house awareness teams by LS travel retail North America in Canada, which are in charge of practical projects intended to raise staff awareness of sustainable development in their day-to-day activities.

## *Greenteams: successful awareness-raising initiative at LS travel retail North America*

### FOCUS 11

#### **When and why did you decide to set up a “Greenteam”?**

We set up our head-office Greenteam in 2009, including representatives from HR, IT, operations and merchandising. Our operations Greenteam was created in 2011, featuring representatives of each region in which we have stores. These two teams have received training to educate and raise awareness among all staff regarding simple changes in behaviour that can, for example, save energy and make more efficient use of resources at work.

#### **What were the main projects undertaken by these teams in 2011?**

They were fairly varied. We set up a WEEE recycling programme and installed more energy-efficient multifunction copiers in our head office. We also launched an awareness campaign encouraging staff to turn off lights and workstations in empty

offices and meeting rooms. The wormery in the staff kitchen remains highly successful, and we set up a botanical workshop, using our balcony to create a green space. We also organised our “Gardons la forme” (stay in shape) internal competition for the second time.

#### **What are your plans for 2012?**

We will continue existing initiatives, including a third edition of “Gardons la forme” in May and June. Our botanical workshop will also launch a composting programme in the spring. The head-office Greenteam plans to work with our Spirit Committee to organise public events in Toronto, relating primarily to planting trees and spring-cleaning public spaces. Our Greenteams will set up teams to take part in sporting events and introduce a collection programme in our stores in support of an environmental cause.



**GERRY SAVARIA**

CEO LS travel retail North America

more info at [www.lstna.fr](http://www.lstna.fr)

# Hachette Livre: environmental initiatives in the publishing industry

## What was the aim of the “Environmental initiatives in the publishing industry” conference organised in late 2011, and who was it for?

This half-day conference was organised by Carbone 4 and members of Hachette Livre's sustainable development committee, including Ronald Blunden and Jean-François Lyet. The aim was to inform the Group's division top management – around 100 people including Executive Committee members and heads of publishing houses, invited by Arnaud Nourry – about sustainable development techniques in publishing.

## What was covered in the conference?

The first part looked at sustainable development from both a generalist and specialist point of view, with a discussion of the scientific consensus regarding global warming, recent regulatory requirements and the environmental impact of the various stages of the book publishing chain.

The second part looked at Hachette Livre's approach to the environment. The detailed

results of the carbon audit, along with actions taken to reduce the Group's CO<sub>2</sub> emissions, were presented.

Publishers were also informed of two major changes.

Since January 2012, whenever a book is produced, the technical department has included a CO<sub>2</sub> emissions figure on each quote, alongside the price, enabling publishers to include this new criterion in their decision-making.

Secondly, from the second quarter of 2012, stickers will be placed on books showing the origin of the paper (certified or recycled) and the book's individual carbon footprint.

## How did staff respond to the conference?

The feedback was very positive. Each session involved no more than around 20 participants, and this led to a good level of interaction. We were able to give specific answers to a large number of questions, and to take into account practical suggestions from participants. For example, we decided to alter the text to be featured on the stickers based on suggestions made during the conference.



**Astérix** s'engage pour l'environnement en réduisant l'empreinte carbone de ses livres. Celle de cet exemplaire est de : 300 g éq. CO<sub>2</sub>  
Rendez-vous sur [www.asterix-durable.fr](http://www.asterix-durable.fr)

**MARIE TRAUMAN**

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

At Group level, a CSR conference was held in 2011 for all HR staff. The conference featured talks by specialists and discussions between HR teams from the Group's various divisions about various subjects. These included major sustainable development issues such as climate change, workforce-related and social issues, ethics and conduct, diversity and social networks. The conference was also attended by François Fatoux, chief representative of ORSE.

# Human resources: a central CSR issue

## FOCUS 13

### What place do human-resources issues have within a company's CSR strategy?

At a time when companies are making a long-term commitment to CSR, it is vital that all employees can see how CSR benefits both them and their company. It is not just an internal communication issue. Companies need to establish interaction and positive discussions with their employees as part of the dialogue between management and labour, and involve all staff representative bodies. The HR function is the driving force behind employee adoption of CSR.

### The conference enabled HR managers to gain a better understanding of environment and social issues. What is your opinion on these issues?

Increasingly, environmental issues such as pollution and climate change, and social issues such as decreasing job security, housing problems and the quest for a better work/life balance, are directly affecting employees' day-to-day working conditions. The conference enabled HR managers to understand the issues, the constraints, but also the opportunities available to them in dealing with these matters at the grass-roots level.

### As the chief representative of ORSE, what did you learn from the conference?

I believe that the Lagardère group needs to move on to a new phase, while ensuring that its staff take responsibility for their company's sustainable development commitments. This requires discussions with unions about the Group's commitment, ideally resulting in a CSR agreement: many large French companies are signing framework agreements of this kind. Management should also be willing to negotiate agreements relating to its operations, for example dealing with diversity, travel between home and work, the impact of electronic tools and employees' charitable activities.



Conclusion

- Théodore Monod: « l'utopie est simplement ce qui n'a pas encore été essayé »
- Nous sommes de + en + nombreux aujourd'hui à avoir envie d'essayer, l'opportunité est réelle, il faut la saisir !

Merci pour votre attention !



**FRANÇOIS FATOUX**

Chief representative of ORSE (French CSR monitoring body)

### Outside the Company

The Group's divisions held external awareness events throughout 2011, dealing with various workforce-related, social and environmental themes.

For the second consecutive year, *Parents* magazine, in partnership with the Vivolta TV channel, organised a series of discussions about social matters, with coverage on the website and in the magazine itself. Five debates took place, including two outside Paris (in Marseille and Rennes) on the following themes:

- parental leave: a trap or a genuine opportunity for mothers?
- environment: are we becoming paranoid for our children?
- TV and video games for infants: what effect do they have on our children's future?
- becoming parents at 20, 30 or 40: is there a "right age" to become a parent?
- childcare crisis: what are the options for parents?

*Psychologies magazine* (see Focus), working with Entrepreneurs d'Avenir, organised France's third annual "kindness day", inspired by "World Kindness Day", which is celebrated in 18 countries. As part of this event, a manifesto for "greater kindness at work" containing 20 proposals was launched and signed by 250 companies including Lagardère Active. This coincided with an exclusive Sofres survey showed that 70% of French people believe that mutual help will help resolve the recession. There was a series of events accompanying the manifesto:

- initiatives in primary schools;
- a special report in the November issue of *Psychologies magazine* (on sale in late October);
- a dedicated website and a humorous viral video distributed through social networks;
- initiatives by the *Psychologies* network across 10 countries;
- a partnership with "Max et Lili", the 98<sup>th</sup> edition of which dealt with the theme of kindness (*Max et Lili veulent être gentils - Max and Lili try to be kind*).

## *Psychologies magazine: kindness at work campaign*

FOCUS 14

**Psychologies magazine launched its kindness at work campaign as part of "World Kindness Day", which your magazine celebrates every year. How did this initiative come about?**

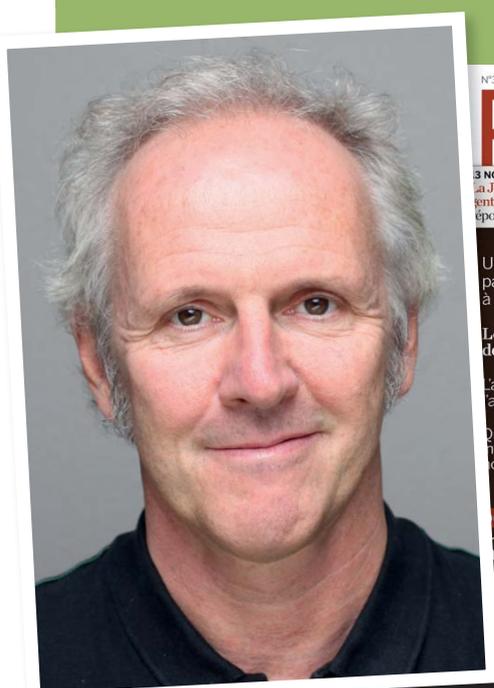
*The first two World Kindness Days were a huge success, and two questions quickly emerged: firstly, how can we address issues of respect, arguments and rudeness at school, and secondly, how can we increase employee wellbeing at a time of increasing concern because of the recession? These are not just altruistic concerns: employees who are less stressed, are happy at work and feel appreciated deal better with their customers and enhance their companies' performance. This is also a way to increase retention of good staff. As a result, we worked with coaches, managers and union leaders to develop a kindness at work manifesto, containing around 20 practical proposals.*

**How did companies respond to this manifesto?**

*Around 100 companies both small and large –including HSBC, MMA, Disney and Sodexo– signed up to the manifesto. This gave it credibility, which was vital because kindness is still a secondary concern among most managers, who often ignore the subject and use the recession as an excuse, saying they do not have the time to deal with it. The opposite is true in my view: dealing with it is a way of addressing the recession and its consequences.*

**Are you a kind boss yourself?**

*You will have to ask my team! I try to apply some of the proposals contained in the manifesto. At the start of the year, for example, I held an open discussion with my staff about the situation of the press in general and our Group in particular. No subject was off-limits, because I believe that transparency is necessary in a time of uncertainty. I think I appreciate the qualities of other people, and I definitely try to inform them of that fact. Oh yes, and I have learnt not to send emails to my staff between 7pm on Friday and Monday morning...*



**13 NOVEMBRE 2011**  
**La Journée de la gentillesse, une réponse à la crise**

**ARNAUD DE SAINT SIMON**  
CEO of *Psychologies magazine*

more info at [www.psychologies.com](http://www.psychologies.com)

In April 2011, for the third year in a row, Gulli organised a major event for Earth Day, in partnership with an NGO called Planète Urgence.

For each person attending the event, the channel promised to plant one tree in the Gulli children's forest in the Deli Serdang district of Northeast Sumatra (Indonesia). In total 6,129 trees will be planted this year, as a result of the 6,129 people who formed a "human tree" on Bordeaux's water mirror last year.

The location of the trees planted through this partnership can be seen online at [http://www.planete-urgence.org/entreprise/geolocalisation\\_indonesie\\_16\\_gulli.htm](http://www.planete-urgence.org/entreprise/geolocalisation_indonesie_16_gulli.htm).

On Saturday 15 October 2011, Electron Libre Productions organised its seventh annual "Concert for Tolerance" on the beach in Agadir, Morocco. The concert was attended by more than 200,000 people.

Every year, this international event brings together leading artists from all backgrounds, who share the common values of tolerance, peace and dialogue between cultures.

In 2011, artists accompanied Moroccan charities to witness the day-to-day activities of people working to help deprived communities.

### RAISING AWARENESS THROUGH CONTENT

The Lagardère group's aim is to help its various audiences to understand major social issues by offering them a diverse range of content, while respecting each person's freedom of judgment.

In 2011, Lagardère Active's various media continued to give priority to different themes related to Sustainable Development. For example, on the Gulli website, the young heroine Gullia helps children discover sustainable development issues through cartoons, practical information and games. Gullia also represents the channel's commitment to diversity.

*Psychologies magazine* and Doctissimo regularly deal with related topics on their websites. The Group's other media (magazines, radio and TV) have also increased their coverage of this subject, and a few examples are presented in the table below.

The Doctissimo.fr website has won two awards from Harris Interactive's NetObserver®, which is the largest Internet user monitoring body:

- in July 2011, Doctissimo.fr was awarded the "Label d'excellence", confirming its high editorial quality. This label reflects both the satisfaction and commitment of a website's audience, and is a mark of quality for future visitors;
- in February 2012, Doctissimo.fr was ranked number one by Internet users in the "Family (parents, pregnancy, health etc.)" category, comfortably beating its rivals with 34% of the 11,161 votes cast. Doctissimo.fr was also ranked second in the women's category.

As well as providing content produced by their teams, Lagardère Active's media exceed their legal obligations by choosing to support public information campaigns relating to climate events that are likely to affect the whole population. In 2011, the efforts of Europe 1 and other private-sector radio stations in this area were acknowledged by France's media regulator CSA (see inset).

#### CSA PRESS RELEASE, 9 FEBRUARY 2012

The CSA welcomes the initiatives taken by a number of private-sector radio stations in broadcasting "cold snap" bulletins produced by INPES for the Ministry of Health. Broadcasting these bulletins shows

a pro-active, responsive attitude, especially since these stations, unlike public-service stations, were under no obligation to do so. Their initiative is a further example of the social responsibility of private-

sector radio stations, which have, on their own initiative, supported other health campaigns, such as those relating to the H1N1 flu virus and heatwaves.

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

Gulli, Canal J, TiJi	Europe 1	Version Femina	Maisons & Travaux
Programmes promoting a balanced diet and regular exercise	1 daily morning feature: Brigitte Béjean's environmental round-up, 3 weekly features dealing with sustainable development subjects: the environment interview with Benjamin Petrover, Géraldine Danon and Philippe Poupon's Fleur Australe reports, and Sophie Larmoyer's travel diary	The magazine's 500 <sup>th</sup> edition was a Nature Special	The magazine regularly covers environmentally friendly home renovation and refurbishment methods: energy-saving (thermal insulation), heating using renewable energy (wood, solar, heat pumps, dual-energy boilers), materials (wood-fibre insulation, cork and linoleum floor coverings, PEFC-certified wood), architecture (reports on houses that have been renovated and even restored using original materials, while being properly insulated and designed to consume less energy)
"Gulli ma planète" event, with coverage on the TV channel and website	"Des clics et des claques", a feature broadcast every evening, aiming to introduce listeners to the Internet and social networks		Each edition contains a "Maison dans sa région" feature, explaining the main characteristics of old homes (materials, architecture etc.) in a given region, in order to give readers ideas about how to renovate or restore their own homes
Programme to find France's greenest family, as part of the "France's coolest family" campaign			

## 2.4 BEING A MEDIA GROUP THAT FOSTERS SOCIAL COHESION

### A SHOWING SOLIDARITY AND PROMOTING THE EMERGENCE OF YOUNG TALENT

The Jean-Luc Lagardère Foundation aims to apply Lagardère's commitment in the areas of culture, solidarity and sport (see below). The Elle Foundation<sup>(1)</sup> supported six new projects to improve the education of women in 2011. These foundations are at the vanguard of creating social connections, and all Group businesses continued their commitment to solidarity initiatives in 2011. In addition, employees continued to develop their own solidarity initiatives in 2011, with encouragement and support from their divisions.

#### SHOWING SOLIDARITY

##### Commitments by Lagardère group companies

The Lagardère group is committed to promoting solidarity in various ways.

It provides financial support, and made donations totalling around €4 million in 2011. In addition, advertising space given away free by Lagardère Active's media in support of major solidarity causes was worth €4.6 million. This represents a 20% increase relative to 2010, and was largely due to the Fukushima disaster and the famine in the Horn of Africa.

All four of Lagardère's divisions continued their partnerships with various charities, organising collections in support of various organisations and one-off solidarity initiatives in response to particular events.

For example, Lagardère Active's Polish radio stations gave support to sick children, Upsolut in Germany supported various events to help children and disabled people, Lagardère Services continued its partnerships with the WWF, Reporters Sans Frontières, Unicef and the Red Cross, and Hachette Livre supported a literacy foundation and an institute for blind young people.

(1) Since its creation, the Elle Foundation has supported 45 projects to improve the education of women in France and worldwide. In 2011, six new projects were launched, two in France and the rest in India, Morocco, Senegal and the Democratic Republic of Congo.

*Version Femina* magazine held its 11<sup>th</sup> annual awards and, in partnership with three regional daily newspapers, rewarded three women who showed particular commitment. They included the representative of the Nénuphar charity, which supports terminally ill patients and their families.

### SOLIDARITY INITIATIVES BY POLISH RADIO STATIONS

Radio Zet, Poland's second-largest radio station, has set up the Radio Zet Foundation, which supports children with heart-related illnesses. The foundation collects gifts that finance

equipment for children's clinics and hospitals, as well as complex heart operations outside Poland. Through its on-air fund-raising efforts, and with money from listener text messages,

the foundation collected almost €1 million in 2011. The foundation also enables Euro Zet staff to take part in initiatives such as visiting children in hospital.

At Lagardère Paris Racing, tennis balls are collected in special containers. The balls are then taken by the FFT (*Fédération Française de Tennis*), ground up and turned into rubber granules, which are used to make sports flooring materials for the children's section of the Robert-Debré hospital. In 2011, 3,050 litres of tennis balls were collected.

### Commitments by Lagardère group employees

In 2011, social connections within the Lagardère group were taken to the next level through employees' commitments to various causes. These commitments took various forms across the divisions. At Lagardère Active, they mainly related to the solidarity department and the Elle Foundation. At Lagardère Publishing, initiatives were led by the Charitable Action Committee, which was set up for this purpose. At Lagardère Services, teams were set up in Canada to raise staff awareness about sustainable development issues (see Focus above), while at Lagardère Unlimited, disability awareness initiatives were organised in Paris.

# Disabilities:

## raising staff awareness through wheelchair basketball

### Why did you organise a half-day wheelchair basketball session?

Since July 2011, all employees of various Lagardère Unlimited entities have worked in the same building. As a result, we decided to hold an autumn event to bring all our teams together. With the HR department's support, we decided to hold a sporting event, in the form of a competition that was accessible to all, and to make the competition a central part of our Disability Initiative. We therefore organised a half-day wheelchair basketball session with the help of the CAP Sport-Art-Aventure-Amitié (CAPSAAA) charity. This event enabled us to bring our employees together and also to raise their awareness of disabilities in an interactive way. We adopted the slogan "there are other ways of doing sport sitting down than watching it on TV".

### How did the session go?

Almost 40 staff took part, with 22 players and around 15 spectators cheering them on. There were five parts to the session: an explanation of the rules, a training session, a match between two teams of 11, a demonstration by

professional players from CAPSAAA and a discussion between all participants. Once they had got over their apprehension about sitting in a wheelchair, all players enjoyed the game and forgot completely about disabilities. Some of the spectators even wanted to take part in the match.

### What conclusions did you draw from the event, and what are your future plans regarding disabilities?

At the end of the session, during a discussion about what they had learnt, some participants admitted that while they had been reluctant to attend, they were very glad they had made the effort to take part and try this sport. Everyone was surprised about how easy to use the wheelchairs were. During the discussion session, employees realised that disabilities do not prevent people from achieving spectacular things. Given the enthusiastic response, we have decided to hold events twice a year, in order to play an active role in changing attitudes to disabilities.



more info at [www.lagardere-unlimited.com](http://www.lagardere-unlimited.com)

**AMÉLIE DAVIGNON**  
Head of HR, Lagardère Unlimited



Lagardère Active has set up a system enabling employees to volunteer for solidarity initiatives adopted by the Elle Foundation and the solidarity department. 70 employees have made a temporary or long-term commitment to solidarity projects, particularly those supporting student journalists and students from deprived backgrounds. These projects involve the following:

- help with presenting projects to the Elle Foundation;
- mentoring of student journalists;
- presentation of Group activities to students with scholarships or from priority education zones;
- participation in juries;
- development support for charities;
- professional and IT training for people selected by the Elle Foundation;
- mock job interviews with our HR staff for people selected by the Elle Foundation;
- mentor for a day.

In June 2010, Hachette Livre's management set up a Charitable Action Committee, which provides financial support for charitable initiatives put forward by employees. The committee has seven members who represent Hachette Livre's various activities, including three representatives of Group publishing houses.

## *Hachette Livre: Charitable Action Committee for employees*

**FOCUS 16**

### **What are the objectives of the Charitable Action Committee?**

*Hachette Livre wanted to invest in corporate philanthropy initiatives, supporting general interest projects that fit with its values and are driven by its employees. The Charitable Action Committee is an internal committee, and it selects charitable projects that the company wants to support financially. The committee meets once or twice a year, after inviting staff to propose general interest initiatives for which they would like Hachette Livre to provide support. The committee makes a collegial decision about whether to grant funding and how much funding to grant, based on the criteria set out in its by-laws, but also based on the quality of the proposal.*

### **How did the system work in 2011?**

*In 2011, the committee met twice. 25 projects were presented and 16 were selected. Grants of up to €5,000 were awarded. For example, the committee supported a charity proposed by a Larousse employee, whose aim is to promote social and professional integration among illiterate people. The charity plans to use the money to train volunteer teachers.*

### **What lessons for the future did you draw from the committee's first year of operation?**

*It is still a little early to draw conclusions from this initiative, which is barely one year old. However, it has generated a lot of interest among our staff, and most proposals were very much in keeping with the committee's objectives, such as helping the most deprived people, promoting social integration, education and literacy and protecting the environment. In future, we will carry out internal communication campaigns concerning the projects we have supported, to ensure that the committee's work is more well known and appreciated, but also to promote the commitment of our staff who are involved in charitable work.*



**KARINE HOCINE**

Head of Literature at JC Lattès

more info at [www.hachette.com](http://www.hachette.com)

## PROMOTING THE EMERGENCE OF YOUNG TALENT

For more than 20 years, promoting young talent has been the primary goal of the Jean-Luc Lagardère Foundation, and it is also a social objective pursued by many of the Group's brands.

### 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. Scholars are selected by juries, featuring many prestigious members, in ten categories: Writer, Film Producer, Television Scriptwriter, Musician, Bookseller, Print Journalist, Photographer, Documentary Maker, Animation Filmmaker and Digital Creator.

Since its creation, 206 scholars (including 14 new scholars in 2011) have received awards totalling €4,630,000, including €260,000 in 2011.

In addition to this financial assistance, the scholarships serve as a springboard for their careers.

### Partnerships in support of youth

In 2011, in addition to the partnership with the *Nos Quartiers ont des Talents* charity (see section 2.1.A above), the Lagardère group was once again involved alongside other large corporations in the *Challenge du Monde des Grandes Ecoles et Universités*. This event, which took place in May 2011, included a careers fair attended by more than 4,500 students and young graduates, along with major athletics and football competitions.

Lagardère Active's media are also involved in promoting young talent. *Paris Match* (see inset) held its eighth awards ceremony for young photographers. *Journal du Dimanche* works with the Sciences Po journalism school to organise a portrait competition, with the winner receiving a 4-month work experience placement on the newspaper's editorial team and seeing his/her work on its website. In September, Europe 1 launched a new competition, Talents Europe 1, 2012, aimed at discovering new musical talent.

The Jean-Luc Lagardère Foundation and the Elle Foundation, in partnership with Sciences Po, renewed their support for Gaby Saget, a young Haitian journalism student who came to study in France after Haiti's 2010 earthquake.

## THE EIGHTH GRANDS PRIX PARIS MATCH AWARDS

This event aims to support the next generation of photographers who are interested in news and the environment, and awards prizes for four photostories. Around 30 photostories are shortlisted by a jury consisting of *Paris Match* photographers and reporters. The jury then picks three winners, and a fourth is selected by the public. The first prize consists of the Grand Prix Trophy, €5,000 and the publication of the photostory in *Paris Match*. The winner's school

also receives €5,000 to support an educational project, once the project has been decided and submitted to the jury. The second prize, sponsored by Puresentiel, is awarded for a photostory on the theme of nature, the environment or the future of the planet. The winner is awarded €2,000. The third prize is the Public Award, as voted for by visitors to [www.parismatch.com](http://www.parismatch.com). The winner receives €1,000.

The fourth prize is the *Journal du Dimanche*'s special award, and is given to a photostory based on the theme of the weekend. The winner receives a camera and lens from the *Journal du Dimanche*, as does the winner of the first prize. To promote this event, *Paris Match* journalists visit and speak at management schools throughout France, and details of the awards are sent to all French universities and higher education colleges.

## B

## MAKING A COMMITMENT TO PROMOTING CULTURE AND SPORT

Jean-Luc Lagardère Foundation is in the vanguard of promoting culture and sport. It 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. This commitment is shared by the Group's various media and divisions.

### PROMOTING CULTURE

#### Reading

In 2011, the Foundation supported the Pickpocket exhibition, a narrative experience developed by Storylab combining literature and photography.

Within Lagardère Active, the fifth Le Roman *Version Femina*-Virgin Megastore novel awards took place in 2011. In 2012, Gulli, in partnership with *Le Parisien*, launched the Gulli novel prize, the winner of which will be decided by around 10 families.

In the Czech Republic, Fréquence 1 and Europe 2 –the country's second and third-largest radio stations– are encouraging children to read by getting schools to vote for their favourite book. The books proposed are then submitted to a jury of listeners, and the school that selected the winning book receives the equivalent of €8,000.

Hachette Livre's commitment to promoting reading takes a number of forms. In the educational field, Hachette Livre and Hatier support the Savoir Livre charity, working with France's national education system and the Ministry for Culture's books and reading department.

#### Music

In 2011, the Jean-Luc Lagardère Foundation continued the partnership established in 2008 with the Strasbourg Musica international modern music festival. The 29<sup>th</sup> edition of the festival held in 2011 included 37 concerts, with 149 pieces performed by 750 artists in the city of Strasbourg.

The Foundation also continued to support the *orchestre symphonique Divertimento*, led by Zahia Ziouani, which features more than 70 renowned permanent musicians and which helps train musicians. In 2011, the orchestra continued its educational efforts by holding educational concerts and musical events for young people. It also held a concert at the Cité de la Musique on 13 February 2011, the rehearsals for which were attended by 300 school pupils from the town of Stains.

In February 2012, the Foundation took part in opening the new permanent museum of the Institut du Monde Arabe, which is the result of an ambitious partnership formed in 2008. The opening coincided with the IMA's 25<sup>th</sup> anniversary.

### 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 gives young people aged 13 to 16 –in particular those from disadvantaged neighbourhoods– a unique opportunity to practice their artistic talent. From 8 October 2011 to 8 January 2012, Studio 13/16 has encouraged teenagers to adopt a "green attitude" and explore the connections that exist between artists and

environmental themes. In a large space combining a stage and workshop designed by visual artist Régis-R, 16 artists spoke to teenagers, sharing their vision of nature and the treasures it holds for an artist. They discussed the use of materials derived solely from plants, the practice of recycling and the use of innovative materials.

# Green Attitude: environmental awareness for teenagers at Studio 13/16

FOCUS 17

**Aside from the grants that it awards, one of the Jean-Luc Lagardère Foundation's main partnerships is with Studio 13/16 at the Pompidou Centre in Paris.**

**What are the reasons behind this partnership?**

This studio is the first space entirely dedicated to teenagers within a French cultural establishment. One of the Jean-Luc Lagardère Foundation's main aims is to support innovative cultural adventures and promote young talent. As a result, it is very exciting for us to combine the symbolic contemporary cultural space that is the Pompidou Centre with teenagers for whom artistic discovery may provide the answer to their questions about life in general.

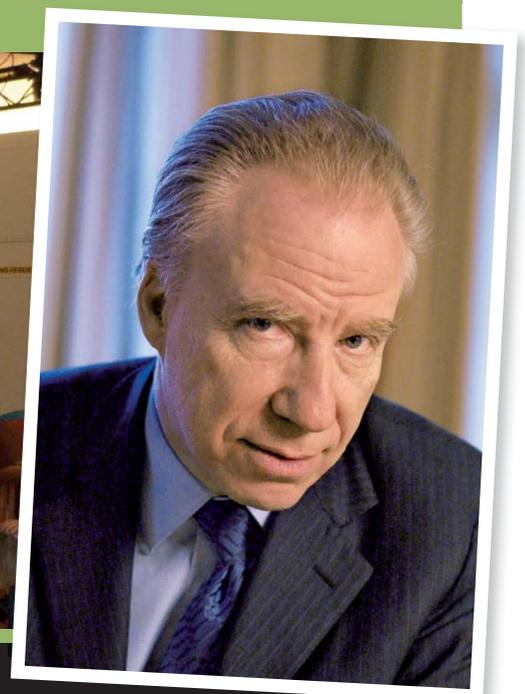
**The Foundation is involved in the studio's schedule of events. What are your conclusions after this first year?**

It has been a great success, since more than 18,000 teenagers have already visited the studio. There have been four key exhibitions in the studio's first few months. The first,

Macadam, encouraged teenagers to see their urban environment in a new way. The second, Play it Yourself, encouraged them to be creative through the medium of video games. The third Fashion Factory, got them to use their creativity in the field of fashion and the fourth, Green Attitude enabled them to discover the various artistic movements that have developed around the themes of nature and sustainable development.

**Have you visited the Green Attitude exhibition yourself, and what was your impression?**

Yes I have, and I was struck by at least two things. Firstly, the space itself, because Studio 13/16 has been transformed into a slightly bizarre place full of completely recycled objects, pieces and furniture. Secondly, I was struck by the discussion between the plant sculptor Antonin Voisin and the young people attending the exhibition, some of whom were very young and who showed boundless attention and curiosity. It was a wonderful event, a cross between gardening and sculpture, art and nature.



**PIERRE LEROY**

Director of the Jean-Luc Lagardère Foundation and Co-Managing Partner of the Lagardère group

## PROMOTION OF SPORT

One of Lagardère's four divisions is largely devoted to sport-related activities, and one of the Jean-Luc Lagardère Foundation's priorities is to encourage sport as a way of promoting social bonds and solidarity.

As a result, the Foundation continued its partnership with Sciences Po through the Sciences Po-Fondation Jean-Luc Lagardère Executive Education programme. This has two aims: firstly, to help top sportspeople develop their basic cultural education and secondly, to give them professional training to help them develop a new career after their sporting career is over.

On 28 June 2011, Richard Descoings, Director of Sciences Po, awarded certificates to 14 sportspeople upon completing the programme.

The Foundation also supported a documentary entitled "La Rage et la Passion: Boxing Beats Aubervilliers" and the photo book "Boxing Athenas". In these works, young boxers, both male and female, from the Aubervilliers boxing club tell their stories and that of the club.

### A SHIRT FOR LIFE

The Jean-Luc Lagardère Foundation has become involved in the "Rêve multisports: objectif Londres 2012" project organised by the "1 Maillot pour la vie" charity which, since 2000, has been providing moral and therapeutic support to children in hospital. More than 3,500 sportspeople are actively

involved in this charity, spending time with children suffering with various conditions. The aim of this new initiative, sponsored by Tony Estanguet, Isabelle Severino, Laura Flessel and Véronique Mang, is to take nine sick children, each accompanied by a member of their family, to the London Olympic

Games in summer 2012. Those taking part will see three events (judo, fencing and handball), including at least one final and medal ceremony. The Jean-Luc Lagardère Foundation is sponsoring one child and family member.

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.

2011 was the fifth time that Lagardère took part in the Paris Half-Marathon, and its team featured more than 120 runners of six different nationalities, from all the Group's divisions. This was the 19<sup>th</sup> Paris Half-Marathon, and it took place on Sunday 6 March 2011. The Lagardère team put in an excellent performance, achieving first place in terms of the number of finishers and ranking fourth out of 167 in the inter-company challenge with a cumulative time of 6.53:24.

## SUMMARY OF THE LAGARDÈRE GROUP'S VARIOUS SOCIAL COMMITMENTS IN 2011

	Jean-Luc Lagardère Foundation	Elle Foundation	Group, divisions and/or brands
<b>Culture / literature / music</b>	Financial support for the Strasbourg Musica festival		<b>Payot:</b> 70,000 books collected as part of the "Partager Lire" operation
	Grant for the <i>orchestre symphonique Divertimento</i> , which participates in educational projects aimed at raising awareness of symphonic and opera music		<b>Gulli:</b> launch of the Gulli novel prize
	Support for the <i>Pickpocket</i> exhibition, initiated by Storylab		<b>Version Femina:</b> fifth <i>Version Femina/Virgin</i> Megastore awards
			<b>Hachette Livre:</b> involvement in the Pen Club's publishers' circle
<b>Sport</b>	Support for the "1 maillot pour la vie" charity's initiative relating to the London 2012 Olympic Games		
	Partnership with the "Fête le Mur" charity		<b>Lagardère Paris Racing:</b> 3,050 litres of tennis balls collected
			<b>Upsolut:</b> collection of donations during the Berlin bikeathon and support for "Children & Education in Germany"
<b>Education</b>	14 diplomas awarded under the Executive Education programme, developed in partnership with IEP de Paris for the education of top sportspeople	Higher education scholarships granted to girls in financial difficulty	<b>Hachette et Hatier:</b> involvement with the Savoir Livre charity, whose goal is to promote access to reading
			<b>Paris Match</b> "Haïti, l'école de l'espoir" project
	Continuing partnership between the Jean-Luc Lagardère Foundation, the Elle Foundation and Sciences Po in support of a Haitian journalism student		
<b>Environment</b>	<i>Green Attitude</i> exhibition at Studio 13/16 in the Pompidou Centre		<b>HDS Digital:</b> partnership with the WWF NGO as part of the digital newsstand project
			<b>Gulli:</b> for the third year in a row, partnership with Planète Urgence NGO for Earth Day. 6,129 people gathered at a special event, resulting in the planting of 6,129 trees on the island of Sumatra

	Jean-Luc Lagardère Foundation	Elle Foundation	Group, divisions and/or brands
Promotion of print media and journalism		Organisation of the Anna Politovskaïa scholarship to reward young foreign journalists with internships and/or training	<b>Journal du Dimanche:</b> partnership with the Paris journalism school IEP to organise a “best portrait” competition, with the winner granted a four-month internship in the editorial department
			<b>Europe 1:</b> Lauga-Delmas scholarships for the best journalism students, who were offered a fixed-term contract in the editorial department
			<b>Paris Match:</b> Student photostory awards
			<b>RELAY France:</b> donation to <i>Reporters sans frontières</i> (RSF) of all of profits from sales of the “100 photos pour la liberté de la presse” photo book
Teens and young talent	New projects as part of the partnership with Studio 13/16 at the Centre Pompidou		<b>Lagardère SCA:</b> partnership with the <i>Nos Quartiers ont des Talents</i> charity
	Foundation scholarships		<b>Europe 1:</b> launch of the Talents Europe 1 competition, aimed at discovering new musical talent
Women		Elle/fashion solidarity competition	<b>Version Femina:</b> initiatives by the <i>Les Femmes Version Femina</i> charity to provide financial, media and promotional support to French women active in their organisations
		Support for the Force Female charity	<b>ELLE:</b> “Elle aime la mode” project



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## 3. Indicators and methodology

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## 3.1 INDICATORS AND CROSS-REFERENCE TABLES

### A SUMMARY OF INDICATORS

<i>Lagardère group indicators</i>	Unit	Geographic area or scope	2010	2011	GRI
<b>ECONOMY</b>					
Consolidated sales	€M	Group	7,966	7,657	EC1
Distribution of consolidated sales	€M	Lagardère Publishing	2,165	2,038	
		Lagardère Active	1,826	1,441	
		Lagardère Services	3,579	3,724	
		Lagardère Unlimited	396	454	
		France	2,741	2,754	
		European Union	2,887	2,748	
		Other European countries	664	619	
		USA and Canada	971	807	
		Middle East	31	36	
		Asia-Pacific	527	573	
Other (Africa, Latin America)	145	120			
Payroll costs	€M	Group	1,652	1,600	
Dividends paid to shareholders	€M	Group	165.14	165.10	
Income taxes paid	€M	Group	67	105	
Amount of donated gift	€M	Group	3.45	4	
Amount of donated advertising space	€M	Lagardère Active	3.9	4.6	
<b>WORKFORCE-RELATED AND SOCIAL</b>					
<b>Workforce</b>					
Permanent staff at 31 December	number	Group	27,063	21,324	LA1
Female permanent staff at 31/12	%	Group	59	56	
Male permanent staff at 31/12	%	Group	41	44	
Permanent staff in France	%	France	34.2	43.4	
Permanent staff in Europe (excluding France)	%	Europe excluding France	44.5	36.1	
Permanent staff in continental America	%	Continental America	14.8	15.3	
Permanent staff in Asia	%	Asia	3.2	1.7	
Permanent staff in rest of world	%	Other	3.3	3.5	

<i>Lagardère group indicators</i>	<b>Unit</b>	<b>Geographic area or scope</b>	<b>2010</b>	<b>2011</b>	<b>GRI</b>
<b>Arrivals/departures</b>					
<b>Total arrivals</b>	number	Group	5,692	3,631	LA2
Recruitment	%	Group	87	85	
Merger	%	Group	3	2	
Transfer	%	Group	4	7	
Conversion	%	Group	6	6	
<b>Total departures</b>	number	Group	5,974	4,386	
Resignation	%	Group	46	41	
Redundancy for personal reasons	%	Group	18	20	
Redundancy for economic reasons	%	Group	7	6	
Agreed termination	%	Group	12	10	
Transfer	%	Group	3	6	
Retirement	%	Group	3	5	
Other	%	Group	11	11	

<i>Lagardère group indicators</i>	Unit	Geographic area or scope	2010	2011	GRI
<b>Diversity and equal opportunities</b>					
<b>Permanent staff at 31 December</b>	number	Group	27,063	21,324	
Proportion of "local" executive managers	%	Group	94	95	EC7
<b>Total number of executive managers</b>	number	Group	724	641	LA13
Female	%	Group	35	36	
Male	%	Group	65	64	
<b>Total number of managers</b>	number	Group	7,230	6,280	
Female	%	Group	53	53	
Male	%	Group	47	47	
<b>Total number of journalists / photographers</b>	number	Group	2,289	1,105	
Female	%	Group	64	57	
Male	%	Group	36	43	
<b>Total number of other employees</b>	number	Group	16,820	13,298	
Female	%	Group	61	58	
Male	%	Group	39	42	
<b>Executive managers as a proportion of the total workforce</b>	%	Group	2.7	3.0	
Female	%	Group	0.9	1.1	
Male	%	Group	1.8	1.9	
<b>Managers as a proportion of the total workforce</b>	%	Group	26.7	29.4	
Female	%	Group	14.2	15.7	
Male	%	Group	12.5	13.7	
<b>Journalists / photographers as a proportion of the total workforce</b>	%	Group	8.5	5.2	
Female	%	Group	5.4	2.9	
Male	%	Group	3.1	2.3	
<b>Other employees as a proportion of the total workforce</b>	%	Group	62.1	62.4	
Female	%	Group	38.1	36.3	
Male	%	Group	24	26.1	
Permanent employees aged under 30	%	Group	28	24	
Permanent employees aged between 31 and 50	%	Group	55	56	
Permanent employees aged 51 or over	%	Group	17	20	
Disabled employees as a proportion of the permanent workforce	%	Group	7.5	8.3	
Number of official proceedings related to discrimination	number	Group	9	4	HR4

<i>Lagardère group indicators</i>	<b>Unit</b>	<b>Geographic area or scope</b>	<b>2010</b>	<b>2011</b>	<b>GRI</b>
<b>Work organisation</b>					
Absenteeism for reasons of illness	days/ person	Group	5.5	5.8	LA7
Absenteeism related to accidents	days/ person	Group	0.46	0.82	
Non-permanent employees (full-time equivalent) during the year	number	Group	2,012	1,383	LA1
Temporary employees as a proportion of the total workforce	%	Group	11	11.5	
Permanent part-time staff, female	%	Group	16	19	
Permanent part-time staff, male	%	Group	8	11	
<b>Health and safety</b>					
Accident frequency rate		Group	4.65	12.97	LA7
Accident severity rate		Group	0.14	0.45	
<b>Professional and labour relations</b>					
Parental leave	days/ person	Group	2.68	3.53	
Employees covered by workers' representation	%	Group	72	82	
Employees covered by an agreement on working time	%	Group	72	72	LA4
Employees covered by an agreement on health, safety and working conditions	%	Group	60	60	
Employees covered by a compensation agreement	%	Group	71	71	
Employees covered by a social security agreement	%	Group	62	62	
Employees covered by a training agreement	%	Group	29	29	
Total number of days lost to strikes	number	Group	2,768	1,700	
<b>Training</b>					
Average number of training hours per executive manager	number	Group	13.10	9.3	LA10
Average number of training hours per manager	number	Group	10.23	12	
Average number of training hours per journalist/photographer	number	Group	6.15	8.2	
Average number of training hours per employee in other categories	number	Group	7.66	9.7	
Average training expenses per permanent employee	€	Group	339	410	

<i>Lagardère group indicators</i>	<b>Unit</b>	<b>Geographic area or scope</b>	<b>2010</b>	<b>2011</b>	<b>GRI</b>
<b>ENVIRONMENT</b>					
<b>Raw materials</b>					
Quantity of paper purchased	tonnes	Lagardère Active	310,000	123,000	EN1 & EN2
Quantity of paper purchased	tonnes	Lagardère Publishing	160,000	140,000	
Percentage of paper purchased from certified forests	%	Lagardère Publishing	67	68.5	
Percentage of paper purchased from certified forests	%	Lagardère Active	-	100	
Percentage of paper purchased made with recycled fibres	%	Lagardère Publishing	4	4	
Average unsold copy rate	%	Lagardère Active	32.9	33.1	
Unsold copy recycling rate	%	Lagardère Active	97	97	
<b>Tertiary energy consumption</b>					
Electricity	millions of kWh	Group	188.2	176.2	EN4
Gas	millions of kWh	Group	60.6	58.2	
Energy recovery and/or cogeneration	millions of kWh	Group	7.2	7.96	
Fuel oil	millions of litres	Group	2.7	2.5	
Water consumption	thousands of m <sup>3</sup>	Group	722.8	736.6	EN8
<b>CO<sub>2</sub> emissions</b>					
Total emissions	CO <sub>2</sub> equivalent (tonnes)	Group	80,732	75,227	EN16
CO <sub>2</sub> electricity	CO <sub>2</sub> equivalent (tonnes)	Group	57,231	52,900	
CO <sub>2</sub> gas	CO <sub>2</sub> equivalent (tonnes)	Group	14,060	13,501	
CO <sub>2</sub> fuel oil	CO <sub>2</sub> equivalent (tonnes)	Group	8,032	7,273	
CO <sub>2</sub> cogeneration	CO <sub>2</sub> equivalent (tonnes)	Group	1,409	1,553	
<b>Environmental management</b>					
Percentage of printers certified ISO 14001	%	Lagardère Publishing	44	44	
Proportion of paper purchased coming from ISO 14001-certified factories	%	Lagardère Publishing	-	77	
<b>Regulatory compliance</b>					
Amount of significant fines for failure to comply with laws and regulations	€	Group	0	0	EN28
Total number of non-monetary sanctions	number	Group	0	0	

## B

## CROSS-REFERENCE TABLE

Heading	GRI G3.1 standard	Global Compact Principles	ISO 26000 standard	Article 225 of French Grenelle act (publication of implementing order pending)
Foreword				
Message from Arnaud Lagardère	1.1		6.2	
<b>Introduction: an approach integrated with our growth strategy</b>				
A leading media group	2.1 - 2.10		6.2	
Governance and ethics	4.1 - 4.9	N°1 to N°6. N°10	6.2. 6.3 and 6.6	Promoting and complying with ILO conventions + Organising the company so as to take into account environmental issues + Initiatives to prevent all forms of corruption
Strategic priorities	1.2	N°7		Resources dedicated to risk and pollution prevention
Dialogue with stakeholders	4.14; 4.15		5.2.1, 5.3 and 6.6.6	Relations with persons or organisations with an interest in the company's activity + Subcontractors and suppliers
<b>Being a responsible employer</b>				
Ensuring workforce balance and diversity	LA1; LA2; LA13; LA14; EC7; HR4	N°6	6.3.7, 6.3.10 and 6.4.3	Total workforce and staff breakdown + Recruitment and terminations + Equal treatment
Promoting harmonious working conditions	LA4; LA7	N°3	6.4.3 to 6.4.6	Compensation and changes in compensation + Organisation of work + Relations between management and labour + Health and safety
Encouraging the development of skills	LA10		6.4.7	Training
<b>Developing our business while respecting the environment</b>				
Ensuring efficient and responsible paper management	EN1; EN2; EN26	N°7. N°8. N°9	6.5.3 to 6.5.6, 6.6.6 and 6.7.5	Pollution and waste management + Sustainable use of resources + Climate change + Protection of biodiversity
Streamlining transport	EN26		6.5.3 to 6.5.6 and 6.6.6	
Introducing environmental concerns into the organisation of our businesses	EN4; EN8; EN16; EN26		6.5.4, 6.5.5 and 6.5.6	

<i>Heading</i>	<b>GRI G3.1 standard</b>	<b>Global Compact Principles</b>	<b>ISO 26000 standard</b>	<b>Article 225 of French Grenelle act (publication of implementing order pending)</b>
<b>Promoting access to information and knowledge</b>				
Defending information pluralism and ensuring content diversity			6.7.3, 6.7.4 and 6.7.9	Measures to ensure the health and safety of consumers
Facilitating access to our content for people in need			6.7.8 and 6.8.6	
Listening to our various audiences			6.7.6 and 6.7.7	Measures to ensure the health and safety of consumers
Encouraging dialogue about Sustainable Development			6.7.5 and 6.7.9	Employee training and information initiatives
<b>Being a media group that fosters social cohesion</b>				
Showing solidarity and promoting the emergence of young talent	EC1		6.8	Territorial, economic and social impact of activities
Making a commitment to promote culture and sport				
<b>Indicators and methodology</b>				
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## C GRI INDEX

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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)			
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GRI index and content		Heading	Pages
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## 3.2 METHODOLOGY AND SCOPE

### A SCOPE OF CONSOLIDATION

The reporting system used to collect labour and social information is used at all consolidated subsidiaries that 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 workforce-related and social data presented below (with the exception of data relating to changes in the workforce, which cover all Lagardère employees) cover 142 Group companies (versus 168 in 2010) representing over 94% of the Lagardère group's total staff. This change is mainly the result of the sale of the International Magazine Publishing business to US company Hearst.

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, i.e. 414 companies, the full list of which is provided in the notes to the consolidated financial statements.

### B CHANGES IN SCOPE

Changes in the scope of workforce-related and social reporting arise from changes in the scope of fully consolidated companies. A list is provided in note 38 in the Reference Document.

Since reporting on water and energy consumption has been integrated into the financial reporting system, changes in the scope of this reporting are in principle identical to changes in the financial reporting scope. Companies acquired in the course of the year are included in the scope for the entire year in which the acquisition took place, and companies disposed of are in principle removed from the scope at the disposal date. Data relating to divested companies are taken into account up to the actual disposal date. However, consumption data relating to the International Magazine Publishing business and Russian radio stations (sold during the year) were not taken into account for 2011.

### C REPORTING STANDARDS

Workforce-related reporting complies with the Group's human resources policy while taking into account the specific features of operations and the local context. After an initial update in 2006, reporting standards were revised for a second time in 2010, 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 the Group to simplify the standards and thus make them more accessible to the contributors.

The workforce-related reporting standards, along with the "contributor" and "validator" guides provided to users at the start of each campaign, set out procedures for reporting information, along with the definition of indicators adopted, to ensure a satisfactory and consistent level of understanding among all contributors. Data are entered for each of the Group's subsidiaries that fall within the reporting scope, and are then validated either by the Human Resources Director or by the management of the subsidiary. A second level of validation at each division is also planned.

Consistency checks include the comparison with prior-year data. These consistency checks make it possible to ensure the integrity of data and also help ensure the reliability of the information system. At each level of contribution or validation, operational staff can extract data from the consolidated statements and use them for operational management purposes within their scope.

To take into account the increasingly international nature of its workforce-related reporting, the Lagardère group has defined four socio-professional categories:

- executive managers: members of management committees (incorporating the French notion of "*cadre dirigeant*");
- managers (incorporating the French notion of "*cadre*");
- journalists and photographers;
- other employees.

As regards information about water, energy and paper consumption, data are entered by an employee at each of the Group's consolidated subsidiaries. Automatic checks on the existence of the data are carried out and, after consolidation, the data are compared to information from the previous year for the purpose of monitoring discrepancies from year to year.

For certain sites where details were not available –of which there were few relative to the total number of consolidated companies– consumption figures were estimated on the basis of the type of premises and the number of occupants. To ensure that the consolidated information is consistent, invoices between consolidated companies are not taken into account, except in the case of units that receive invoices from the service providers that enter the data.

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

Methods relating 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 and practical methods involved in gathering and entering information.



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