



PUBLICIS GROUPE

2010 Corporate Social Responsibility Report

Social

Society

Governance and Economics

Environment

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Message from Chairman

Maurice Lévy



For each and every company or economic player, the challenge with corporate social responsibility consists in deciding how, at one's own level and in one's professional dealings, to help make the world a more sustainable and fairer place.

This is a shared responsibility, one that extends beyond short-term economic and financial goals insofar as performance can only be durable if there is a consensus within the company, and with partners and clients, around a sustainable project and with common values.

To prepare the future and bring employees together, we must take into account the impact of our activities on social matters, on society and on the environment. We must ensure that our company makes this one of its priorities.

This is also something our clients have come to expect of us; they have become increasingly specific and pressing in this matter. This requires that we review and revise the way we operate, that we rearrange our priorities and that we preserve the future by uniting all our employees and clients around common values, goals and projects.

This is a deep transformation, one that has been brought about by the demands of consumers who refuse to be denied their civic rights when they make purchases. It has also been imposed by large companies who entrust us with the great responsibility of their campaigns and who want us to help them broaden the scope of their communications to encompass dimensions beyond the purely commercial and mercantile.

This revolution is taking place in a digital world, and communications and marketing have become highly digital, a world that no longer condones double standards and ambiguity because clients/citizens are more than ever involved in brand communications, and do not hesitate to speak out and to publicly express their indignation if they feel that a brand's appropriation of civic ideas can be construed as manipulation or a false promise.

In the context of this dual revolution (focus on the sustainability of our action in a digital world), communications play a very central role but is also under the unrelenting scrutiny of web surfers the world over. In this demanding new digital world, we must work on two levels.

The first level is our Groupe, our company, what it is we do, the way we do it, and what we choose to do to further our employees' development and improve the way we operate. This is already a very



vast and complex undertaking that will cover four areas: social aspects (our people), society issues (our place in society), governance (our methods, our ethics), and the environment (our direct and indirect impact).

The second level spans everything we do for our clients, how we communicate on their behalf and alongside them. This is a very broad spectrum indeed, considering that our business is becoming ever more complex as the media undergo unprecedented change at a rate never before experienced (Google was launched 12 years ago, Facebook less than half of that). In a highly mobile, digital society, – a democratic society in which information circulates instantaneously, where crosschecking is incredibly easy, where it's incredibly easy to speak one's mind – only ethics based on clearly defined, shared values will see us through.

For many years now, Publicis Groupe has played a pioneering role in applying principles and a code of ethics that guarantee clients and staff alike that we are right alongside them in offering communications services that are increasingly global and civic-minded, while constantly striving for clarity, truth and consistency.

Maurice Lévy
Chairman

INTRODUCTION AND METHOD

The 2010 CSR Report marks a new milestone in that it consolidates the approach and the method. The approach has been ambitious in that, as of 2009, its scope has covered almost the entire Groupe. Indeed, Publicis Groupe is a highly decentralized group comprising over 700 entities throughout the world and an organization that is constantly changing. This global approach has the merit of having mobilized the whole Groupe, and in actively raising awareness it has spurred staff into action in corporate social responsibility.

The Groupe's CSR approach is a dual motion, a push-and-pull mode. On the one hand, the Groupe determines the main orientations, which are then honed after consultation with the networks and agencies. On the other hand, each entity has considerable leeway regarding the choice of measures to be taken. This flexibility is crucial to the success of the undertaking as priorities will depend on each local context.

This CSR Report must be read in conjunction with Publicis Groupe's 2010 Reference Document (accessible at www.publicisgroupe.com). This official document contains essential information about the company, its business activities, markets, financial statements and risk factors, which are not mentioned in the CSR Report.

SCOPE OF THE 2010 CSR REPORT

The challenge with this non-financial report is the consistency of the quantitative and qualitative data from one year to the next. We are constantly extending the geographic spectrum covered and continue to enhance the quality of the data contained in the report. At the time of the 2009 report, and after two years of preparation, we set ourselves the goal of fine tuning this report within a three-year period. Because this approach is both new and complex, as is CSR reporting itself, an incompressible amount of time is required to roll out the measures taken and to have sufficient hindsight to be able to improve the quality of the reporting. This 2010 report should therefore be put into the perspective of that timeframe and interpreted as an intermediate phase in that process, with a special effort having been made to stabilize the scope. The figures quoted correspond to a scope encompassing 95% of the Groupe's employees in the case of both social and environmental indicators (with the exception of data corresponding to a reduced scope indicated as corresponding to between 85 and 95% as in 2009). This adjustment explains variations between 2010 and 2009, which are thus more relevant than variations between 2009 and 2008.

REFERENCE SYSTEMS USED

GRI: the Groupe has decided to structure its report around the international system known as GRI v.3.0 (Global Reporting Initiative). In its 2010 version, the Groupe reports on over 60 GRI indicators (compared with 35 in 2009). This increase is because certain areas have been covered in greater depth, but is also due to the fact that the Groupe has chosen to include indicators in respect of which it has nothing to report or that are not applicable to it. However, it would not be relevant to report on the complete list of GRI indicators.

Global Compact: Publicis Groupe signed the United Nations' Global Compact back in 2003. This 2010 CSR Report includes tables showing the correspondence between GRI and Global Compact. The intention is avoid replicating reports and to focus on a single document while reporting on progress made with the 10 principles of the Global Compact.

French NRE law: as a company listed on the Paris stock exchange, Publicis Groupe has included the solutions it has implemented in respect of NRE (new economic regulations) criteria, the law structuring the roll-out of CSR reporting. The Groupe has also begun to consider new criteria to be included in the implementing decrees of the so-called Grenelle II law on the environment.

ISO 26000: this very recent international standard does not give rise to certification. Publicis Groupe is participating in a number of working groups on the roll-out of his standard and has decided to establish correspondences with other reference systems in this 2010 Report. At this juncture, the Groupe's CSR Department is still analyzing and working on the content of the main guidelines of ISO 26000, in particular via the measures for action proposed by this standard.

This comparative analysis of these reference systems is an important source of inspiration, not just in establishing a general framework but also from an operational point of view. The sole aim is to intensify and improve the Groupe's corporate social responsibility which, more than ever before, is now a *continuum*.





Chapter 1 – Social

Publicis Groupe's activities are mainly intellectual services. Our people, our talent, are not only at the heart of our concerns, they are our top priority. It is, of course, essential that these claims translate into tangible measures.

*The Groupe's policy still hinges around the same fulcrum, namely **broadening and deepening the skills of our people**, individually and as groups.*

*Our goal is still **to enable our employees to work efficiently while feeling good at work**.*

Though the Groupe has a common objective, each network, with its own ways, means and culture, will implement the policies and plans of action that will enable its people to move forward. The challenge is therefore twofold: to progress individually and as a group.

N.B. – This chapter combines two GRI sections: Human rights, and Labor practices and decent work

1.1 Human rights

1.1.1 Investment and procurement practices

| GRI | Global Compact | French NRE law (Art. 116) | ISO 26000 |
|-----|----------------|---------------------------|------------|
| HR1 | Principle 1 | Art. 2.9° | 6.3, 6.6.6 |

Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening

- *Janus*, the internal code of conduct applying to agency managers and staff, specifically refers to the UN Global Compact and its 10 principles. There is also a more explicit reference to the principles defended by the ILO (International Labor Organization), in particular:
 - to encourage the application of and compliance with conventions and recommendations in favor of fundamental rights in the workplace
 - to encourage gender equality in employment and income
 - to increase the scope and efficiency of social protection for everyone
 - to reinforce social dialogue
- Through *pro bono* campaigns, the Groupe continues to support causes directly related to human rights issues, which still account for some 15% of all *pro bono* work performed.
- Promoting human rights falls within the rationale of leveraging our sphere of influence.
- Concerning human rights clauses in supply contracts, see HR2.



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| GRI | Global Compact | French NRE law (Art. 116) | ISO 26000 |
|-----|------------------|---------------------------|-------------------|
| HR2 | Principles 1 & 2 | Art. 2.9° | 6.3, 6.4.3, 6.6.6 |

Percentage of significant suppliers and contractors that have undergone screening on human rights, and actions taken

- The Groupe's Purchasing Division has extended its CSR questionnaire ("Responsible Purchasing"), including the human rights section previously used, to all major contracts. A questionnaire for local suppliers (by town, region or country) is currently being tested by buyers in certain countries with a view to making central and local purchasing consistent with one another in due course.
- The "Responsible Purchasing" policy is aimed at encouraging suppliers to apply the same rationale in order to reproduce good practices extensively and to remain vigilant in the field of human rights.
- However, Publicis Groupe cannot directly control its suppliers. By the same token, the Groupe may occasionally call on clients' suppliers who will then be screened by third parties.

| GRI | Global Compact | French NRE law (Art. 116) | ISO 26000 |
|-----|------------------|---------------------------|------------|
| HR3 | Principles 1 & 2 | | 6.3, 6.3.5 |

Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained

- Inception courses for new recruits comprise different presentations closely relating to the culture of the network and agencies they are joining. They also include information relating to the Groupe, its values, organization and CSR policy, and participants are reminded of the Groupe's commitments, particularly with regard to the United Nations' Global Compact, with reference to human rights and its various components.
- At the annual seminar of the Groupe's Purchasing Division, a more detailed session is dedicated to these same principles and challenges, with discussion of working hypotheses with suppliers as regards how these principles are applied. The goal is to reach beyond mere written commitments and to find how they can be materialized depending on the products and services purchased. Through joint endeavors with a number of major suppliers (e.g. IT companies or office equipment vendors), we can ensure the performance of certain upstream sectors by building in a human rights dimension.



Chapter 1 – Social

1.1.2 Non-discrimination

| GRI | Global Compact | French NRE law (Art. 116) | ISO 26000 |
|-----|------------------|---------------------------|----------------------------------|
| HR4 | Principles 1 & 6 | Art. 2.3, 2.7° | 6.3, 6.3.6, 6.3.7, 6.3.10, 6.4.3 |

Total number of incidents of discrimination and actions taken

- Incident of discrimination
In February 2011, a former employee of our US subsidiary MSL filed a class action lawsuit against MSLGroup (and Publicis Groupe), claiming “*discrimination against women, their career development and compensation*”. The EEOC (Equal Employment Opportunity Commission), the US authority that examined her claim in 2010, found that “*the case does not present any infringement or violation of the law*”. The Groupe contends this claim is unfounded and is determined to defend its case in the courts.
- Every year, claims are made against agencies for discrimination, particularly in the US, though none of these claims have ever been upheld by the courts.
- The issues relating to non-discrimination rules are periodically reviewed by the Groupe's HR Committee, under the stewardship of the Company Secretary, and by the networks' HR groups during internal management seminars. More generally, the HR Committee ensures that non-discrimination policy is scrupulously applied by management and that it is naturally built into recruitment practices. This is part and parcel of the continuous improvement of our Basic Management Principles, especially in the USA. This same principle is reasserted in the HR policy of each of the networks.
- *Janus* (an internal document previously entitled Publicis Corporate Principles or PCPs) refers to the sacrosanct principle of non-discrimination in at least three chapters, namely Code of Conduct & Values, Code of Conduct and Standard of Conduct and Behavior, and Operating Procedures – HR. Employees must be recruited “*solely on the basis of their professional qualities, must not benefit from preferential treatment and must not be discriminated against in any way*”.
- Finally, the Groupe regularly recalls that respect of individuals and of the diversity of talents is a fundamental part of its culture and values.

1.1.3 Freedom of association and collective bargaining

| GRI | Global Compact | French NRE law (Art. 116) | ISO 26000 |
|-----|----------------|---------------------------|----------------------------------|
| HR5 | Principle 3 | Art. 2.3°, 2.4° | 6.3, 6.3.5, 6.3.10, 6.4.3, 6.4.5 |

Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights

- Freedom of association and the right to collective bargaining are fundamental rights (under the Declaration of Human Rights) and the way this right is exercised is directly related to local regulatory context.



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- In the Code of Conduct, *Janus* recalls that the minimum and inviolable duty of managers and employees is to comply with national and local laws. Over and beyond this local context, the Groupe's culture encourages management to take great care to ensure the existence of real social dialogue in each and every entity.

1.1.4 Child labor

| GRI | Global Compact | French NRE law (Art. 116) | ISO 26000 |
|-----|----------------|---------------------------|---------------------------|
| HR6 | Principle 5 | | 6.3, 6.3.5, 6.3.7, 6.3.10 |

Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor

- Our activities do not incur any risk of child labor. In several chapters, *Janus* stipulates that child labor is prohibited.
- This commitment is also stated in the CSR policy of the Groupe's Purchasing Division, known as "Responsible Purchasing". Our objective is to share this commitment with as many partners as possible and, in doing so, to help propagate the principles of the United Nations' Global Compact and further the cause of human rights.

1.1.5 Forced and compulsory labor

| GRI | Global Compact | French NRE law (Art. 116) | ISO 26000 |
|-----|----------------|---------------------------|---------------------------|
| HR7 | Principle 4 | | 6.3, 6.3.5, 6.3.7, 6.3.10 |

Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor

- Our activities do not entail any risk of forced or compulsory labor. *Janus* explicitly states this commitment to fight against forced labor and child labor in our Code of Conduct.
- Likewise, this topic is also covered in the CSR policy of the Groupe's Purchasing Division, known as "Responsible Purchasing". Our objective is to share this commitment with as many partners as possible and, in doing so, to help propagate the principles of the United Nations' Global Compact, in reference to human rights and its components.



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1.1.6 Security practices

| GRI | Global Compact | French NRE law (Art. 116) | ISO 26000 |
|-----|----------------|---------------------------|--------------------------|
| HR8 | | | 6.3, 6.3.5, 6.4.3, 6.6.6 |

Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations

Security agents working on our premises are not directly employed by the Groupe; they work for specialized companies. The only exception made is for the Groupe's headquarters in Paris, where the in-house security team is made up of firemen.

1.1.7 Indigenous rights

| GRI | Global Compact | French NRE law (Art. 116) | ISO 26000 |
|-----|----------------|---------------------------|-----------|
| HR9 | | Art. 2.4° | 6.3 |

Total number of incidents of violations involving rights of indigenous people and actions taken

The Groupe's businesses do not involve any risks for the rights of indigenous peoples.

1.2 Labor practices and decent work

1.2.1 Employment

| GRI | Global Compact | French NRE law (Art. 116) | ISO 26000 |
|-----|----------------|---------------------------|------------|
| LA1 | | Art. 2.1°a, 2.2°, 2.3° | 6.4, 6.4.3 |

Total workforce by employment type, employment contract and region

The total number of employees in 2010 was 48,531.

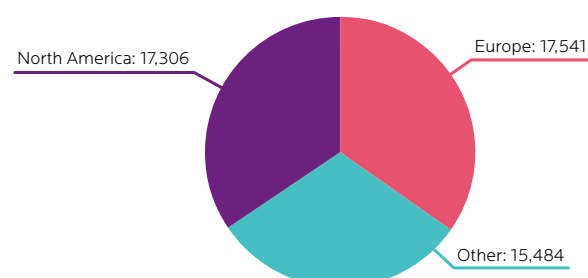
Gender balance

- Women: **55%** - average age: **31 years**
- Men: **45%** - average age: **33 years**

These figures are essentially unchanged since 2009, based on the Groupe's full scope of consolidation, the average ages being slightly younger.

Breakdown by geography

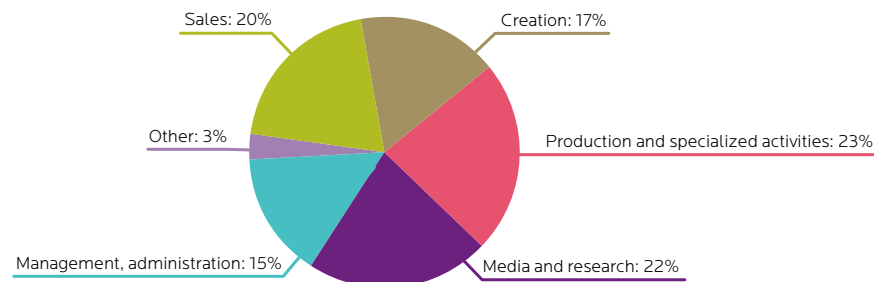
(Reference Document, chap. 4, note 3, p. 109)



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Breakdown by activity

(Reference Document, chap. 4 - note 3, p. 110)



Reminders:

- Our agencies occasionally use freelance or independent workers on projects needing reinforcements; they are not counted as employees of the Groupe.
- In all countries, our agencies welcome interns with highly different training and educational backgrounds. The average internship lasts about three months. This is an important time for all these students, as they come to understand the world of professional communications through a hands-on experience of the great variety of jobs and skills in the industry.

| | | | |
|------------|----------------|---------------------------|-------------------------|
| GRI LA2 | Global Compact | French NRE law (Art. 116) | ISO 26000 6.4, 6.4.3 |
|------------|----------------|---------------------------|-------------------------|

Total number and rate of employee turnover by age group, gender and region

Turnover in 2010: 27% (against 26% in 2009, in a smaller scope of consolidation)

Calculation method: dividing the total number of departures (over 12 months) by the average permanent headcount over the same period.

Internal mobility

In-house mobility opportunities are multiplying as the Groupe expands its businesses and its global reach. In 2010 we continued testing ways of determining an internal mobility indicator. Findings showed that in the 20 countries where the Groupe is most active (figure limited to about 80%) about 10% of our staff changed job positions. This can therefore be considered as a partial indicator which must be stabilized moving forward.

| | | | |
|------------|-------------------------------|---------------------------|--------------------------------|
| GRI LA3 | Global Compact Principle 3 | French NRE law (Art. 116) | ISO 26000 6.4, 6.4.3, 6.4.4 |
|------------|-------------------------------|---------------------------|--------------------------------|

Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations

- Nearly 100% of employees receive social security benefits (provided by the state and/or the company, according to law and to the employers' stated commitments).



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- The European approach based on an annual medical examination corresponds to the Anglo-Saxon notion of a check-up. Beyond the initial examination upon recruitment, the Groupe proposes an annual check-up on a voluntary basis. Beyond that point, the Groupe has no access to personal and confidential information concerning its employees.

Publicis Groupe is working on a more evenly distributed policy in terms of health coverage, revolving around maternity, illness and life insurance.

The Groupe endeavors to provide its employees with the best possible coverage in terms of health insurance, going beyond the requirements of local regulations.

FOCUS - A few words about the Groupe's policies in the US

Unlike European systems where employers and the State are subject to extensively binding legal obligations, the US system leaves the choice of medical and other coverage up to individual salaried employees (Employees' Benefits Programs). In the Groupe's philosophy as an employer, it is committed to offer its employees the best combined offers in terms of price and coverage, particularly with respect to medical care, disability and retirement plans.

As concerns health care (illness, disability, dental and eye care, maternity benefits, etc.), the Groupe has subscribed directly to insurance policies in order to ensure the best offers and services possible. For the past two years, the Groupe has also worked to set up generalized help and assistance services, especially in its Employees' Assistance Program (EAP) which provides real assistance, direct, personal and confidential, which is very effective and indispensable to the daily life of its staff members (for instance: stress management, quitting smoking and other addictions, balanced diet, etc.).

An intranet managed by in-house Re:Sources teams (Shared Service Centers) was initiated in 2010. This particularly extensive and interactive service provides all Groupe's employees with rapid access to all information relating to job protection and benefits schemes, as well as periodic updates on the important subject of Work-Life Balance.

Other initiatives for information on health and prevention

In Brazil, staff members receive a weekly newsletter, also from Re:Sources, to inform them about prevention campaigns and draw their attention to interesting programs concerning family members, even simple advice on everyday problems.

1.2.2 Labor/management relations

| GRI | Global Compact | French NRE law (Art. 116) | ISO 26000 |
|-----|----------------|---------------------------|----------------------------------|
| LA4 | Principle 3 | Art. 2.1°b, 2.4° | 6.3.10, 6.4, 6.4.3, 6.4.4, 6.4.5 |

Percentage of employees covered by collective bargaining agreements

Establishing accurate figures regarding the number of employees subject to collective bargaining agreements is difficult on a Groupe-wide level.

In countries where such agreements are mandatory under labor laws, as is the case in France and several European countries, staff members of local agencies are covered by them, as local management works with professional organizations involved in establishing and updating collective bargaining agreements.

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| GRI | Global Compact | French NRE law (Art. 116) | ISO 26000 |
|-----|----------------|---------------------------|-----------|
| LA5 | | Art. 2.1°b, 2.4° | 6.4 |

Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements

This measure is implemented under local legislation in this regard. The Groupe keeps close watch on compliance with such rules and their correct application, so that our staff is duly informed of any changes on the organizational level. There is no single rule applied in this area.

1.2.3 Occupational health and safety

| GRI | Global Compact | French NRE law (Art. 116) | ISO 26000 |
|-----|----------------|---------------------------|------------|
| LA6 | | Art. 2.5° | 6.4, 6.4.6 |

Percentage of total workforce represented in formal joint management/worker health and safety committees that help monitor and advise on occupational health and safety programs

Hygiene, Health and Safety Committees do not exist in every country because legal obligations differ, making a Groupe-level indicator inappropriate. France figures among the most advanced European countries in this respect, as the Groupe has instituted Committees on Hygiene, Safety and Working Conditions (CHSCT) in French agencies of a certain size.

In the US, all companies are obligated by federal law in this respect, depending directly on the Occupational Safety and Health Administration (OSHA). One of the basic principles thereof states that the company must provide a work environment where staff members are protected from dangers and potential risks for human beings. Furthermore, within each building depending on the involvement of the real estate developer and/or owner in this domain, there are consultation and discussion mechanisms on the subject of «life» in the building, including hygiene and safety issues. Generally, agency management on the local level is attentive to these issues and directly involved.

At the same time, we have noticed that over the past three years, agencies have made their own spontaneous efforts, apart from any legal obligations, to take a more organized approach to workplace environment and health issues. Management and staff members have been working together closely on this.

| GRI | Global Compact | French NRE law (Art. 116) | ISO 26000 |
|-----|----------------|---------------------------|------------|
| LA7 | | Art. 2.4°, 2.5° | 6.4, 6.4.6 |

Absenteeism

After testing the indicator for many years, the rate of absenteeism has been assessed at 2%. The indicator can be improved for greater accuracy.

At the Groupe level, this figure warrants further investigation because of the rather high rate of employee turnover.

N.B. - Calculation method: in percentage terms, the number of days «lost» - for absences other than for maternity/paternity leaves and paid vacations - out of the total number of working days.

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| GRI | Global Compact | French NRE law (Art. 116) | ISO 26000 |
|-----|----------------|---------------------------|------------------------|
| LA8 | | Art. 2.5° | 6.4, 6.4.6, 6.8, 6.8.8 |

Educational, training, counseling, prevention and risk-control programs in place to assist work-force members, their families or community members regarding serious diseases

In 2009, the preventative measures implemented for the H1N1 flu afforded us the chance to test a preventative program on a Groupe-wide level. It can be reactivated if needed.

The Groupe has no numerical indicator on preventative programs for health risks deployed in-house. For the past two or three years, this notion of preventative health care has been approached on a more structural and global basis to reach all agencies. This allows us to pay closer attention and allocate greater means to encourage staff to be more concerned about their own health. They are encouraged to take part in risk prevention initiatives, through regular eye check-ups, evaluations of their posture at the work station to prevent muscular or skeletal problems, or through access to specialized preventative health care services. Certain agencies have set up information centers.

| GRI | Global Compact | French NRE law (Art. 116) | ISO 26000 |
|-----|----------------|---------------------------|------------|
| LA9 | | Art. 2.4°, 2.5° | 6.4, 6.4.6 |

Health and security topics covered in formal agreements with trade unions.

These issues can only be evaluated on a country-by-country basis, within the legal context of each country.

Beyond this, the matter of work stress and well-being, also referred to often as the Work-Life Balance, a far-reaching program in itself, is of course a primary concern because the pace of work is fairly intense and timeframes for handling client projects sometimes require a great deal of flexibility. This is inherent to the Groupe's businesses, what makes them intrinsically interesting, and is therefore part and parcel of individual and collective motivations.

However, this should and does not prevent management from being closely attuned to the functioning of the organization, mainly by taking special *ad hoc* measures such as calling in temporary reinforcement teams.

The work environment is also important. People need time to take a break and recuperate. To enhance everyday work life, certain agencies in New York and San Francisco (as well as in Europe) have provided dedicated spaces to make these daily breaks more beneficial (rest areas, places for sports and relaxation, etc.). This is a reflection of the care taken to ensure that Work-Life Balance.

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1.2.4 Training and education

| GRI | Global Compact | French NRE law (Art. 116) | ISO 26000 |
|------|----------------|---------------------------|------------|
| LA10 | Principle 6 | Art. 2.6° | 6.4, 6.4.7 |

Average hours of training per year per employee and by employee category

In 2010, with a total of **111,000 days of staff training** provided, the Group nearly doubled the 2009 figure (attributable to better reporting). A total **52%** of employees received internal or external training (compared with 47% in 2009 for a smaller scope of consolidation).

This overall figure does not include the numerous online training modules offered, of two hours or less (internal or external). These modules are in high demand especially in digital technologies, as they provide teams with a chance to develop their knowledge of new applications and technological platforms.

In recent years, in addition to these programs for the acquisition and consolidation of new skills, many agencies have placed emphasis on well-being in the workplace, especially by encouraging practices that help individuals find the right balance.

| GRI | Global Compact | French NRE law (Art. 116) | ISO 26000 |
|------|----------------|---------------------------|-------------------|
| LA11 | Principle 6 | Art. 2.3°, 2.6° | 6.4, 6.4.7, 6.8.5 |

Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings

Continuing to train people on a permanent basis is crucial. New technologies make it possible to implement short and simple modules that are sometimes much more «technical» or specialized. But this does not rule out the imperative of training people in management skills, as understood in the broadest sense.

At the Groupe level, our Executive Development Program for managers from different networks continues to help these people to master their acquired administrative, management and sales and marketing skills. More than 100 executive managers take part in this program each year.

FOCUS - Diverse training programs

Digital: a must for every agency. In the last few years, permanent training and skills upgrading in digital technologies have become indispensable. Employees acquire new knowledge and improve their skills directly through regularly scheduled webinars and/or team seminars designed to review and test new applications and anticipate future uses.

All networks carry out large-scale programs in this field (as an example: Leo Burnett in the UK, where 250 local staff members participated in the digital program in 2010).

At the same time, several training programs were continued:

- PHCG instigated a vast plan for 1,800 of its staff members to familiarize them with the new Groupe's culture, strategic vision and development orientations (Performance Management).
- Leo Burnett Worldwide rolled out a major campaign on the theme of New Business with a series of workshops attended by 270 employees.



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- Publicis Worldwide put priority on internal culture and integration (1,800 employees).
- SMG United Kingdom concentrated on customer relations and management (400 employees).
- MSL India stressed team building (60 employees).
- Leo Burnett Worldwide organized two workshops in APAC and Latam dedicated to Shopper Marketing (2 groups of 40 employees).
- Publicis Venezuela (130 employees) launched an ambitious program focusing on creation and cooperation between creative departments and project teams, with a view to improving working methods.
- Kaplan Thaler Group had a great number of its teams participate in sessions on surveys and planning (130 employees) and on new cultural trends (80 employees).
- Saatchi & Saatchi Worldwide put much emphasis on «soft skills» with a twofold aim: for the benefit of employees themselves, in order to boost their own skills and confidence, and to improve dialog and communications with clients, making for smoother working relationships (2 groups of 40 employees).
- Saatchi & Saatchi X expanded its LEAP Program (Leadership, Education and Personal Development).
- Razorfish deployed an extensive plan aimed at facilitating integration with Digitas, building around different subjects (1,800 employees, then in groups of some 50 people).
- SMG US expanded its Connections College Program (600 employees), teaching trainees the basics of the media professions, and its Management Development Series to bolster the management skills of more experienced staff (200 employees).
- In addition, all networks are continuing their Senior Management programs.

| GRI | Global Compact | French NRE law (Art. 116) | ISO 26000 |
|------|----------------|---------------------------|------------|
| LA12 | | Art. 2.3°, 2.6° | 6.4, 6.4.7 |

Percentage of employees receiving regular performance and career development reviews

In 2010, **66%** of all employees had a formal evaluation interview (compared with 67% in 2009 for a smaller scope of consolidation).

The Groupe's goal is still to ensure that these interviews are actually conducted over each 12-month period.

FOCUS - Internal climate

Our networks conduct internal climate Surveys on a regular basis, integrating the results into the agencies' management evaluation criteria. Based on a response rate of at least 65% (87% in some agencies), the 2010 survey yielded the following findings:

- Weaknesses needing improvement: basically the same issues as in 2009, management at all levels must be more attentive and responsive when it comes to recognizing the work accomplished by employees and their degree of involvement (with emphasis on training, compensation and resources, etc.). Expectations still run high in this area.
- Strengths: employees are still quite satisfied with their work, with their management and the client projects they are assigned to (satisfaction rate between 60% and 80%, according to item).
- These surveys also enable network senior management to determine how deeply their staff adheres to changes in the Groupe's positioning and organization. This was accomplished in 2010 mainly by MSL, PHCG and the production platforms.



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1.2.5 Diversity and equal opportunity

| GRI | Global Compact | French NRE law (Art. 116) | ISO 26000 |
|------|----------------|---------------------------|---------------------------|
| LA13 | | Art. 2.3°, 2.4°, 2.7° | 6.3.7, 6.3.10, 6.4, 6.4.7 |

Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership and other indicators of diversity

Gender Balance

• Groupe-wide gender balance

Women: **55%** - Average age: **31 years**

Men: **45%** - Average age: **33 years**

• **Supervisory Board:** chaired by Mrs. Elisabeth Badinter, the Board counts 7 women out of 16 members, i.e. **44%** women

• **Management Board:** made up of 5 men

«P12» or Executive Committee: 2 women out of 11 members, i.e. **18%**

• Women in Executive Committees

- **In network senior management alone:** women represent **28.6%** (compared with 28.3% in 2004 on a nearly-comparable scope of consolidation basis).

- **In networks and agencies (Groupe as a whole):** women comprise **39%** (compared with 42% in 2009 and 37% in 2007 on a smaller but comparable scope of consolidation basis).

This distinction stems from the more accurate breakdown made in 2010, but close analysis shows that the figures are nonetheless consistent. A network of women throughout the Groupe conducted a survey of the needs and expectations in several major countries, including the US and France. There have been local networks operating independently within the agency networks for several years. The Groupe-wide women's network has a threefold purpose: to assist and accompany women in their professional lives within the Groupe; to share and communicate with women clients (as well as other women's networks); to help further the professional advancement of girls and young women in society, within each individual's local environment.

Affinity groups: there has been an increase in the number of affinity groups, especially in large agencies. The Groupe encourages actions promoting diversity in all its forms, finding that these affinity groups perfectly reflect what is happening in society at large.

FOCUS - Diversity

Based on the model developed in the US for the Groupe's Diversity Council created in 2007, the Groupe encourages joint actions instigated by several agencies in other countries such as France and the UK, or in major cities where several Groupe's agencies have common interests. These joint actions are complementary to local initiatives led by each agency. It could be interesting for several agencies to coordinate their presence in a large-scale recruitment trade show, or for each one to follow up closer ties with a given academic establishment in order to recruit more specific profiles.

Diversity is underpinned by a great number of criteria. At the Groupe level, we look particularly closely (but not exclusively) at these seven factors:



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Some examples

In the US, 2010 was also the year of recognition for initiatives of this type. To quote a few: the Global Visionary Award from Howard University New York, and the Hall of Women Achievers from the Boston YWCA which inducted Sandra Sims-Williams, SVP Diversity and Inclusion at VivaKi and coordinator of the Groupe's programs in the US.

The Groupe's Diversity Council - with representatives from Leo Burnett, Publicis, Saatchi & Saatchi, Kaplan Thaler Group, VivaKi-Digitas, ZenithOptimedia, Starcom MediaVest Group, Publicis Healthcare Communications Group, MSL, and others - continued its plan of action to carry through with the work begun in previous years, namely via the following programs:

- a) Leadership, Commitment and Involvement: to increase direct, tangible action (on-the-job presence, training, etc.) on the part of network managers
- b) Education: to help all employees move forward in their mindset and behaviors. It is up to each network to take its own initiatives in keeping with its own culture (training, awareness sessions, setting up affinity groups, among others)
- c) Recruitment: to complement agency efforts, actions of the Groupe revolve around:
 - a) joint participation in trade shows and conventions (Multicultural Advertising Internship Program - MAIP; Most Promising Minority Students; Mosaic Program; ANA Conference, etc.)
 - b) the Black Enterprise Women of Power Summit, in which the Groupe is increasingly involved each year, around the theme of loyalty and career opportunities
 - c) permanent ongoing contacts with very large groups of students from diverse backgrounds, for one-day discovery seminars on the Groupe's different professions
- d) Business imperative: an ongoing process of continued undertakings with clients of the Groupe, either in *ad hoc* events such as Ad Color or in specific projects between a client and the different partner agencies who handle the account

Certain networks conducted large-scale initiatives:

- Leo Burnett (Minority Employee Resource Group) led a series of actions throughout the year to help 250 employees get to know each other better through networking, management involvement, mentoring programs and so forth.
- Publicis took a similar approach, with year-long initiatives for smaller groups (7 to 10 people) in different agencies in the US - most of the time in collaboration with associations and/or schools and universities.
- The same type of program was carried out at Kaplan Thaler Group: at the New York agency, small groups of 3 or 4 people were teamed up with professional organizations AAF and AAAA, and with Howard University.
- In 2010, Saatchi & Saatchi instigated a series of events both internal and external (Life in Color Group), all led by the Saatchi Diversity Council. Saatchi & Saatchi L.A. continued to involve all its teams in its Multicultural Advertising Training program (MAT) and continued its support at the Long Beach Polytechnic High School (Light Burger Project).
- VivaKi: in addition to joint operations with the Groupe, each agency in the Starcom MediaVest, ZenithOptimedia and Digitas networks followed up its own efforts at the local level with small groups of employees. The Starcom MediaVest Group Diversity Exchange Program is an example of cooperation, as it works to associate the media (5 different content modules). VivaKi also led operations for all its agencies in all branches of activity, associating some of its clients in certain operations.

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Some of the most telling conclusions drawn from these actions are as follows:

- The percentage of young talent recruited among minorities has increased significantly, attaining between 25% and 35% depending on networks and job profiles.
- Long-term partnerships with professional organizations and learning institutions are proving fruitful, as the number of students participating increases every year.
- Agency management as well as team members are more than willing to move on these operations, which require a good deal of availability.

In Europe, although Diversity issues are similar in nature, regulations are different with respect to evaluation criteria and items. For this reason, it is of primary importance in Europe to ensure that all agencies apply non-discriminatory policies and that the diversity of employee profiles is indeed a reality.

These issues in connection with recruitment are addressed in meetings with the Internal Audit Committee and examined with management.

HR managers follow these developments closely, stepping in to promote and support all proactive training and information initiatives. Many local initiatives are introduced by agencies for their own managers and employees, as well as with partners outside the agencies who all want to encourage and facilitate cultural diversity.

| GRI | Global Compact | French NRE law (Art. 116) | ISO 26000 |
|------|----------------|---------------------------|----------------------------------|
| LA14 | | Art. 2.3° | 6.3.7, 6.3.10, 6.4, 6.4.3, 6.4.4 |

Ratio of basic salary of men to women by employee category

The Groupe is constantly watchful to ensure that the principle of equal compensation for men and women is translated into actual fact and is duly implemented in real situations. The work involving consultation and coordination, begun by HR teams in recent years on such issues as homogenization and defining jobs and positions, is ongoing.

FOCUS - Compensation, incentives and employee share ownership

(See the 2010 Reference Document, chap. 4 - Note 2B, pp. 152-159)

All employees have employment contracts defining their activities, responsibilities and compensation (fixed and variable portion, where applicable). Contracts are drafted in accordance with local rules and regulations as set forth in labor law.

Publicis Groupe's compensation policies include various stock option plans for members of the Management Board, executive managers and different groups of salaried employees.

In 2010, the Groupe continued to roll out its Free Shares Program, awarding 50 free shares to each employee in the US and the UK. This share ownership program will account for 1% of the current share capital when it has been fully deployed throughout the Groupe.

In addition, a new Long-Term Incentive Plan (LTIP 2010) has been put in place.









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In certain respects, this chapter presents a somewhat kaleidoscopic vision of the reality and rich diversity of work performed and initiatives taken by the agencies, as well as their ability to involve themselves in the cultural and community fabric of society. This diversity is the hallmark of an approach where priorities are both established and managed at local level.

*Our policy continues to be **to play an active role in society.***

*Our goal is efficiency and recognition of our involvement as **an economic player taking an active part in community life.***

By way of these and other features that will be characterized by a number of indicators, this chapter will also deal with various cultural and community issues that extend way beyond the scope of corporate entrepreneurship. The Groupe has always considered it normal and natural to be involved in numerous areas of community life.

2.1 Cultural / Community issues

2.1.1 Community

| GRI | Global Compact | French NRE law (Art. 116) | ISO 26000 |
|-----|----------------|---------------------------|---------------------------------|
| SO1 | | Art. 1 | 6.3.9, 6.8, 6.8.5, 6.8.7, 6.6.7 |

Nature, scope and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating and exiting

For quite some time the Groupe's agencies have been very closely involved in their communities. Each management team freely decides not only which causes and organizations to support, but also what type of support to provide, whether on an *ad hoc* basis or spanning a period of several years. This is the case with nearly all Groupe's agencies throughout the world. However, their involvement may take on various forms.

FOCUS I - Pro bono campaigns

These campaigns chiefly consist of unpaid communications campaigns in favor of a cause of general interest or of an organization or association working to this end. The time spent by staff working on these projects, just as they would on a conventional commercial contract, is not charged by the agency. The only costs borne by the client are producing and carrying out the campaign. In certain cases, an agency may be paid a flat fee to compensate time spent on a project, though this type of "compensation" is mainly symbolic and therefore very small.

In 2010, the Groupe decided to completely review its methods of assessing the contribution of *pro bono* campaigns. While this figure is only an estimation, it covers the 300 or so large-scale *pro bono* campaigns worked every year.

This figure has been relatively stable for a number of years, and is all the more interesting an indicator that, despite the difficult economic situation, it shows there has been no decline in staff commitment. Moreover, this figure does not include the countless, though more modest, *ad hoc* contributions to these causes and organizations. This dedicated input is still underestimated and poorly assessed.

Working for a *pro bono* cause is part of normal professional experience for all levels of staff in our agencies. This is always volunteer work and a matter of pride for our employees who are enthusiastic about actively using their professional skills for the benefit of a good cause. The benefits are therefore twofold: the organization/associations receive help, and motivation is galvanized within the teams.



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Examples of *pro bono* campaigns in 2010, by theme

- **Community work:** Fallon Minneapolis for the Basilica of Saint Mary; Leo Burnett USA for the Girl Scouts of Greater Chicago and NorthWest Indiana (GCNWI) and for the National Advertising Review Council (NARC); MSL Atlanta for Big Brothers – Big Sisters and The Home Depot; Publicis Mexico for ChildFund; Team One – Los Angeles for “Heal the Bay, Beach Clean Up”; Digitas USA for the Light Foundation; ZenithOptimedia UK for the Castlehaven Community Association
 - **Healthcare:** Medicus Life Brands for the Epilepsy Foundation; Publicis Singapore and Modem for the Central Narcotics Bureau; Fallon Minneapolis for the Children’s Defense Fund; MSL Japan for MSD; Publicis Consultants France for the Institut du Cerveau et de la Moelle épinière (Brain and Spinal Cord Institute); MSL Atlanta for United Way; Badillo Nazca – Saatchi & Saatchi for the Children Foundation of the San Jorge Children’s Hospital; Saatchi & Saatchi France for Médecins du Monde (Doctors of the World) and France Alzheimer; Saatchi & Saatchi UK for Quid; ZenithOptimedia Canada for the Princess Margaret Hospital
 - **Education, art & culture:** Leo Burnett USA for the Chicago Charter School in Irving Park; Saatchi & Saatchi Italy for the Ambiente Fondo Italiano; ZenithOptimedia Germany for the National Education Association; VivaKi China for the Sichuan Hope School
 - **Nutrition:** Leo Burnett USA for the Greater Chicago Food Depository; Publicis Consultants France for Action contre la Faim (Action against Hunger); Razorfish for Charity Water
 - **Environment:** MSL China for Conservation International; Starcom for the WWF
 - **Human rights:** Saatchi & Saatchi France for Reporters sans Frontières (Reporters Without Borders); Digitas France for Plan France; Leo Burnett for the Off The Street Club; MSL for the International Youth Foundation
 - **Others:** MSL New York for Pet2Vet; MSL Atlanta for United Way
- Agency staff work for the organization in question is on a **volunteer basis** and is counted in half days, full days or more devoted by employees to support the organization in its daily undertakings. For instance, to help volunteers on collection days (funds, objects, etc.) or with projects such as the cleaning up of a garden or neighborhood, the refurbishing of premises, helping the sick, elderly or the disabled, or simply to provide information or to communicate with the general public. This type of approach is very commonplace in the English-speaking countries where it is even a cultural tradition.

Examples of voluntary work or charity action

- Kaplan Thaler Group with the New York Cares “Coat Drive” (aimed at collecting coats to clothe the needy every winter) and the NY Cares Day (when volunteers paint walls, decorate classrooms or organize the libraries in about one hundred public schools).
- Publicis Modem contributed to the reconstruction of Haiti by created a website to raise awareness and to collect funds for the United Nations after the earthquake; VivaKi USA employees donated USD 100,000 in the days following the disaster; the MSL Group’s employees contributed USD 5,400 via the World Food Program, an amount that was then doubled by the agency.
- Saatchi & Saatchi X and the CARE initiative which successfully collected over USD 80,000 for associations supporting underprivileged children, as well as the Christmas Angel Tree event at which over 100 employees choose an Angel from one of the supported Charities and provide gifts for the child.
- Leo Burnett and the Ronald McDonald House children’s charity which make and serve dinner to children and their families once a month.
- Starcom Norway worked with the WWF to boost the effectiveness of Earth Hour 2010, in addition to the involvement of Leo Burnett with this event in recent years.
- ZenithOptimedia obtained the equivalent of USD 11 million worth of advertising space to support the work of the Autism Speaks association.



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- Digitas France and children's rights NGO Plan France-Lutte pour le respect des droits des enfants joined forces in a campaign to raise awareness about underage children subjected to forced marriages.

- **Sponsorship by skills transfert**

While this concept “Mécénat de compétences” is very strictly defined in certain countries, the underlying idea consists of allocating staff to work free of charge for days or weeks within an organization or association. This approach is very conducive to the transferring of skills or knowledge.

FOCUS II - Relationships with schools and universities

For a very long time, the great variety of businesses and brands within the Groupe has led each agency to establish ties with the schools and universities in the vicinity. One of the most common forms of partnership consists in accompanying students studying our business sector through a sharing of experience and know-how. These relationships often result in the Groupe taking on these talented young people whether temporarily (internships, apprenticeships) or for longer periods (employment).

Groupe's experts volunteer to work on campus, lecturing courses where they share their know-how, skills and business experience. In addition to helping train students in these business skills, the Groupe's benefits considerably from its relationships with the up-and-coming generations by honing its understanding of young people's expectations and how to include these notions in the way agencies manage their projects.

In 2010, the Groupe continued its involvement, in terms of value added and material means, alongside schools and universities throughout the world, particularly those in sectors in which the Groupe is expanding its business. Examples of partnerships include the following:

- **Educational contributions** through teaching, practical case studies, mentoring and other expert involvements: Phoenix High, Fulham Cross, Compton Schools (GB); London College of Communications (GB), Communications University of China, New York University (NYU), Northwestern University (US), University of Chicago (US), University of Pennsylvania – Wharton Business School (US), University of Toronto (Canada), ISCOM (France), Sciences-Po (France), HEC (France), XIC Mumbai (India), Stockholm School of Economics (Sweden), Copenhagen Business School (Denmark), University of Puerto Rico (Puerto Rico), European Institute of Design (Italy), Académie Libanaise des Beaux-Arts (Lebanon), Bahcesehir University (Turkey), Zayed University (Emirates), Warsaw School of Economics (Poland), Poh Chang Academy of Arts (Thailand), High School of Amsterdam (Netherlands), State University of Management and International Institute of Advertising (Russia), etc.
- **Meetings and encounters within our agencies**, including initiatives such as “Discovery” sessions, the Publicis Groupe Advertising Immersion Days which began with, in particular, Charterhouse, The Lady Eleanor Schools (GB), Howard University (US), the Berg School of Communications (Sweden), University of Western (Canada), Central University for Nationalities (China), Instituto Superior de Publicidad (Argentina); Open Days for the Universities of Moscow endowed with a Faculty of Arts (Russia); Open Days for the schools and universities in various agencies in France.
- **Skill enhancement programs** in conjunction with universities. Students are invited to take part in a creativity competition organized by an agency which awards prizes to the best creations of the year: the Gail Yacula Award from the Ontario College of Art and Design (Canada), the AdWeek Competition (Canada), among others.



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- **Apprenticeship and internship programs** with, in addition to the above-mentioned schools and universities, City College of New York (US), Saint John's University (US), Howard University (US), Miami Ad School (US), University of Wilfried Laurier (Canada), Université Saint Joseph (Lebanon), University of Dubai (Emirates), CELSA (France), ESMA (France), IULM (Italy), ISBM (India), Cambridge Business School (GB), Frankfurt School of Finance and Management (Germany), Marknadsakademien (Sweden), Fudan University (China), etc.
- **Support for the development of schools and their students** which tends to be more immaterial than financial: sponsoring of programs, fellowships, educational events, sports and cultural events, publications in journals and magazines, scholarships.

FOCUS III - Participation in professional organizations

Managers at Groupe, network and agency levels take part in the work of a very large number of organizations. The latter come into distinct categories that complement one another perfectly: firstly, organizations at local or national level, in which agency managers have an important part to play, and then international bodies where the Groupe is involved in numerous think tanks and projects.

2.1.2 Corruption

| GRI | Global Compact | French NRE law (Art. 116) | ISO 26000 |
|-----|----------------|---------------------------|------------|
| SO2 | Principle 10 | | 6.6, 6.6.3 |

Percentage and total number of business units analyzed for risks related to corruption

There is a chapter in *Janus* (Code of Conduct) called Gifts and Inducements which refers very clearly to the issue of gifts and other types of dealings deemed inappropriate or unethical, whether with suppliers or clients.

(See the 2010 Reference Document, chap. 2.4.2, pp. 49 and 50)

As regards risk management in general, the Groupe Committee, which convenes every fortnight, reviews exposure to major risks.

Additionally, the risk map updated in 2009 is the basis on which risk exposure is closely monitored and is constantly being improved. This map takes stock of all risks liable to have an impact on the Groupe's finances, operations or image. A study is currently being conducted to analyze and determine the degree of grievousness of these risks in order to monitor them more closely.

Under the authority of the Groupe Vice-President in charge of Internal Auditing, the internal audit departments, which report to the General Secretary and to the Audit Committee, continue to analyze, audit and formally review the operations of the entities on a daily basis.

In 2010, an Internal Control and Risk Management Division was set up to oversee risk management, also known as ERM (Enterprise Risk Management).

The Groupe also initiated a program called Financial Monitoring Controls (FMC) which consists of a series of controls carried out on all entities. Dedicated FMC teams work under the authority of the Internal Control and Risk Management Division to constantly check the efficiency of controls. Their annual plan of action encompasses a very large number of entities representing more than 65% of the Groupe's consolidated revenue.

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| GRI | Global Compact | French NRE law (Art. 116) | ISO 26000 |
|-----|----------------|---------------------------|------------|
| SO3 | | | 6.6, 6.6.3 |

Percentage of employees trained in organization's anti-corruption policies and procedures

The fight against corruption is an integral part of the Groupe's values and is covered in *Janus* (Code of Conduct) under various chapters, e.g. Gifts and Inducements and Improper Payments. This issue is regularly addressed by the Internal Audit teams.

During the audits and reviews conducted throughout the year, over 600 managers are informed and trained in the field of regulatory developments (e.g. the OECD Convention).

2.1.3 Public policy

| GRI | Global Compact | French NRE law (Art. 116) | ISO 26000 |
|-----|----------------|---------------------------|-------------------|
| SO5 | | | 6.6, 6.6.4, 6.8.3 |

Public policy positions and participation in public policy development and lobbying

- The Groupe's values (see *Janus*) clearly state the principle of refusing to work for partisan campaigns, a political party, sect or any ideological organization spreading propaganda. This principle has always applied and continues to apply for all entities.
- Conversely, the Groupe has every intention of playing its part as a civic-minded organization, participating openly in various renowned international and local bodies, addressing issues relating to numerous economic, social or society-related matters. That is the normal role of a company, actively contributing to group endeavors aimed at improving the economic and social aspects of the civil society to which it belongs. In these groups, companies like Publicis Groupe not only meet their peers from various sectors of activity, they also meet representatives of all stakeholders (public authorities, administrations, citizens' representatives, users, consumers, trade unions, academic staff and teachers, experts, researchers and so on). The Groupe's participation is always perfectly transparent, and is part and parcel of the current trend consisting in increasing dialogue between stakeholders.
- The Groupe fully respects individual and personal positions and commitments on the part of its employees within organizations and associations.

| GRI | Global Compact | French NRE law (Art. 116) | ISO 26000 |
|-----|----------------|---------------------------|-------------------|
| SO6 | | | 6.6, 6.6.4, 6.8.3 |

Total value of financial and in-kind contributions to political parties, politicians or related institutions, by country

The Groupe's values (see *Janus*) clearly state the principle of refusing to work for partisan campaigns, a political party, sect or any ideological organization spreading propaganda. This principle has always applied and continues to apply for all entities.

This does not prohibit managers or employees from making individual commitments within organizations of a political nature, provided the distinction between private and business activities is clear and unambiguous.



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2.1.4 Anti-competitive behavior

| | | | |
|------------|----------------|---------------------------|------------------|
| GRI SO7 | Global Compact | French NRE law (Art. 116) | ISO 26000 6.6 |
|------------|----------------|---------------------------|------------------|

Total number of legal actions for anti-competitive behavior, anti-trust and monopoly practices and their outcomes

The Groupe has not been party to any legal action for monopoly practices or for failure to comply with antitrust laws.

2.1.5 Compliance

| | | | |
|------------|----------------|---------------------------|------------------|
| GRI SO8 | Global Compact | French NRE law (Art. 116) | ISO 26000 6.6 |
|------------|----------------|---------------------------|------------------|

Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations

The Groupe did not incur any legal or administrative sanctions for non-compliance with laws and regulations.





Chapter 3 – Governance & Economics

This chapter should be read in conjunction with the 2010 Reference Document (accessible at www.publicisgroupe.com). This official document is, under French law governing listed companies, certified by the Statutory Auditors and then submitted to the financial market authorities. In particular, it provides detailed information on the following:

- Presentation of the Groupe's activities
- Corporate governance (Publicis Groupe is a company with a Supervisory Board and a Management Board)
- Detailed review of the financial period, including consolidated and parent company financial statements
- Information about the company and its capital

The Groupe will thus rely on the complementarity of these various documents in order to avoid repetition and duplication. Numerous matters relating to this chapter are addressed and monitored directly by the Groupe's Finance Department and/or by the Groupe's Legal Affairs Department.

*Our policy is, as always, to manage our business in an **ethical and profitable way**, in accordance with the principles and values set forth less than two decades ago in our Code of Ethics and subsequently in Janus (the in-house document stipulating the rules governing Groupe's operations).*

*Our goal is to repeatedly ensure the company is operated in **a responsible and transparent manner** to anticipate and influence developments.*

It should be recalled that the Groupe's internal management is based on Janus which notably includes the Code of Conduct, with standards of conduct and behavior that apply to everyone in the Groupe, and to certain management functions in particular (the public aspects can be accessed on www.publicisgroupe.com). Janus is a compilation of all the rules of law governing internal management of the company, and defines responsibilities and measures implemented to monitor and control operations. It also stipulates the rules for conducting business as well as a whole series of operational procedures.

Janus is not set in stone and, while the rules are set forth in a rigorous and stable manner, it is updated regularly.

N.B. – This chapter combines two parts of the GRI method, namely Governance and Economics, and Product Responsibility (including services).

3.1 Economics

3.1.1 Economic performance

| GRI | Global Compact | French NRE law (Art. 116) | ISO 26000 |
|-----|----------------|---------------------------|-----------|
| EC1 | | Art. 1.8° | 6.8 |

Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments

(See the 2010 Reference Document, chap. 4 – Consolidated accounts, pp. 90 to 97 mainly)

Key figures for 2010

- Revenue: 5,418 million euro
- Operating margin: 856 million euro
- Personnel expenses: 3,346 million euro
- Other expenses: 1,105 million euro
- Net income: 551 million euro



Chapter 3 – Governance & Economics

| | | | |
|-----|----------------|---------------------------|-----------|
| GRI | Global Compact | French NRE law (Art. 116) | ISO 26000 |
| EC2 | | | 6.5.5 |

Financial implications and other risks and opportunities for the company's activities due to climate change.

In keeping with our commitment to reduce our greenhouse gas emissions, the Groupe has stepped up its policy of investing in equipment to enable employees to work from remote locations in comfortable conditions, e.g. the "Here and Now" telepresence rooms in eight cities, in addition to the numerous teleconferencing facilities. This is part of our effort to reduce air travel.

Publicis Groupe has also signed the United Nations Caring for Climate initiative (2007). The development of all these technologies based on personal mobility has an impact on our working methods and organization. One of the main objectives is to reduce costs but also travel-induced fatigue.

For the various measures taken by the Groupe in favor of the environment, see chapter 4 of this 2010 CSR report.

| | | | |
|-----|----------------|---------------------------|-----------|
| GRI | Global Compact | French NRE law (Art. 116) | ISO 26000 |
| EC3 | | | |

Coverage of the organization's defined benefit plan obligations

(See the 2010 Registration Document, chap. 4.6, note 21, p. 129)

The Groupe has obligations in a certain number of defined-benefits pension schemes (retirement benefits and medical coverage). Significant schemes are subject to annual evaluation in accordance with IAS 19.

| | | | |
|-----|----------------|---------------------------|-----------|
| GRI | Global Compact | French NRE law (Art. 116) | ISO 26000 |
| EC4 | | | |

Significant financial assistance received from government

The Groupe did not receive any significant direct or indirect financial assistance from government.

3.1.2 Market presence

| | | | |
|-----|----------------|---------------------------|-----------|
| GRI | Global Compact | French NRE law (Art. 116) | ISO 26000 |
| EC5 | | | 6.4.4 |

Range of ratios of standard entry level wage compared to local minimum local wage at significant locations of operation

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In the vast majority of cases, wages offered to employees are above the local minimum wage set by law (when such a law exists). The Groupe has not set a minimum entry level wage. Publicis Groupe's activities are intellectual services with very little standardized production. A large number of the Groupe's businesses is carried out within a local market which helps managers determine average compensation levels based on skill sets, experience and responsibilities.

The advertising and communications market is highly competitive and has a high staff turnover rate. Moreover, on average, employees are relatively young and boast higher education degrees, as a result of which the notion of a minimum wage would appear to lack relevance.

| GRI | Global Compact | French NRE law (Art. 116) | ISO 26000 |
|-----|----------------|---------------------------|--------------------------|
| EC6 | | | 6.6.6, 6.8, 6.8.5, 6.8.7 |

Policy, practices and proportion of spending on locally-based suppliers at significant locations of operation

Most of our operations require that we work with local suppliers, whether upstream or downstream of our work on behalf of our clients, and this is particularly the case with the media.

The Groupe's purchasing policy mainly comes into play when finalizing commercial agreements that benefit the Groupe as a whole. Purchasing is very often on a local level (city or country).

Suppliers are chiefly selected in calls for tenders, in the course of which the solution sought is the best combination of product/service quality and price.

The Groupe's Purchasing Division, along with the Re:Sources purchasing staff operating within the SSCs (Shares Service Centers), seeks to act in the interests of the company while ensuring compliance with regulatory requirements and encouraging responsible suppliers via its choices and in-house "catalogues". Whence the work ongoing on a Responsible Purchasing charter at local level.

| GRI | Global Compact | French NRE law (Art. 116) | ISO 26000 |
|-----|----------------|---------------------------|-------------------|
| EC7 | | | 6.8, 6.8.5, 6.8.7 |

Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation

Between 90% and 95% of our agencies are headed by local management: CEOs, CFOs, COOs, ECDs, etc. (Chief Executive Officers, Chief Financial Officers, Chief Operating Officers, Executive Creative Directors, etc.). This is a key success factor from a managerial point of view and in relation to the Groupe's clients. The majority of employees, regardless of business line, are also recruited locally.

The Groupe considers it important that agencies should, insofar as possible, maintain relationships with local schools and universities in order to promote the recruitment of local talent while encouraging diversity of profiles. Understanding local culture is of the essence in our business, so sharing local cultural references is clearly a prerequisite.

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3.1.3 Indirect economic impacts

| GRI | Global Compact | French NRE law (Art. 116) | ISO 26000 |
|-----|----------------|---------------------------|------------|
| EC8 | | | 6.3.9, 6.8 |

Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement

In providing intellectual services, Publicis Groupe is not involved in infrastructure investment or the provision of services for public benefit.

| GRI | Global Compact | French NRE law (Art. 116) | ISO 26000 |
|-----|----------------|---------------------------|--|
| EC9 | | | 6.3.9, 6.6.6, 6.6.7, 6.8, 6.8.5, 6.8.7, 6.8.9, |

Understanding and describing significant indirect economic impacts, including the extent of impacts

(See the 2010 Reference Document, chap. 1.4, pp. 12 to 20)

The Groupe's activities – comprised of a vast array of intellectual services provided in the fields of advertising and communications – are, in essence, highly varied and tailored to the needs of each particular client.

The strategic and creative skills of staff enable the agencies to identify the ideas that best serve their clients at local and international levels. These ideas are then developed and woven into communication campaigns arranged in various formats and channels.

A very high quality of cooperation is thus established between companies, products and brands, orchestrated notably around the agencies' knowledge of consumer expectations and needs.

The success of certain brands and products is the result of a partnership, mutual trust with end consumers, and the communication agency's showcasing of the product.

The direct contribution of advertising and communications needs no demonstrating. Digitization, which is now ever-present in all sectors of the economy and society, along with the growing pervasiveness of computers and internet, have made the role of communications professionals absolutely crucial.

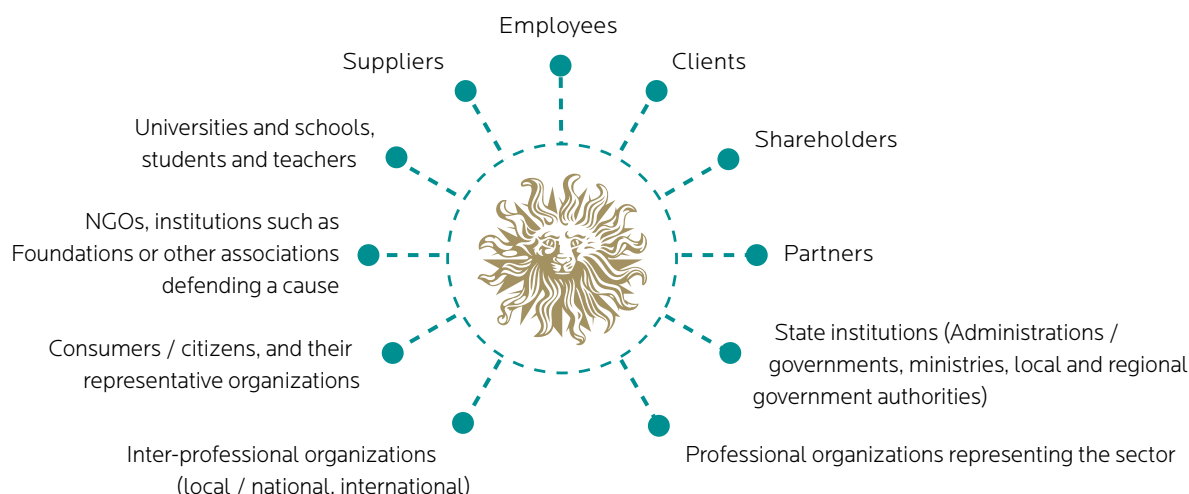
Furthermore, the input of our agencies and teams directly helps increase immaterial/intangible capital which is acknowledged as a significant economic component.

As an employer, the Groupe, its networks and agencies have an economic and social impact that is both direct and immediate.

Finally, in cooperating with partners, and especially technical partners, the Groupe is involved in a large number of projects researching and developing new tools, particularly digital tools, thus directly taking part in the development of new technologies and consumer applications.

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Publicis Groupe's stakeholders can be shown as follows:



3.2 Product responsibility (including services)

3.2.1 Consumer health and safety

| | | | |
|------------|----------------|---------------------------|-------------------------|
| GRI PR1 | Global Compact | French NRE law (Art. 116) | ISO 26000 6.6.6, 6.7 |
|------------|----------------|---------------------------|-------------------------|

Life cycle stages in which health and safety impacts of products and services are assessed for improvement

The life cycle of services provided by the Groupe and its agencies (intellectual services) does not expose employees or clients to any health or safety hazards.

Working on computer screens, which is now completely commonplace, has led agencies to be careful about users' visual comfort in particular.

| | | | |
|------------|----------------|---------------------------|-------------------------|
| GRI PR2 | Global Compact | French NRE law (Art. 116) | ISO 26000 6.6.6, 6.7 |
|------------|----------------|---------------------------|-------------------------|

Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services by type of outcomes

Publicis Groupe did not record any incident of non compliance with regulations and voluntary codes concerning health and safety impacts.

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3.2.2 Products and services labeling

| GRI | Global Compact | French NRE law (Art. 116) | ISO 26000 |
|-----|----------------|---------------------------|--|
| PR3 | | | 6.7, 6.7.3, 6.7.4, 6.7.5, 6.7.6, 6.7.9 |

Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements

In recent years, the Groupe has actively participated in discussions aimed at self-regulation and/or regulation on the important area of digital advertising, and more specifically OBA (On-line Behavioral Advertising). This concerns a certain number of online advertisements where personal browsing data can be used by third parties.

All professionals in the sector are concerned by this phenomenon: public authorities, professional organizations, manufacturers, operators, brands, agencies, etc.

The Groupe is taking part in a number of international, European, American and national working groups on this relatively complex issue.

The Groupe's philosophy consists in ensuring its entities adopt very high standards of behavior and practice, in order to ensure that end users are given clear information on how to manage their personal data and protection in a simple way. End users must not only have a choice, they must also be capable of controlling these data, as it is clearly stated in the Advertising Option Icon (or Opt-Out). This icon enables web surfers to opt out of Online Behavioral Advertising.

It is important that all the Groupe's entities share clear-cut, common positions with regard to Online Behavioral Advertising. Given its core business, the whole VivaKi network is in the front line of our thinking, discussions and work in this area. Our *modus operandi* in this area is articulated as follows (in compliance with European and American charters and regulations):

- VivaKi has included the other Groupe's agencies in entering into a certain number of agreements to ensure that its applications - as indeed applications developed on behalf of its clients - are produced in compliance with rules and regulations, especially self-regulatory requirements, or even over and beyond compliance standards, in the field of data transparency and protection
- VivaKi has associated the other Groupe's agencies in setting up a program to train its staff in legal obligations and good practices. This project is being spearheaded by the US, with the help of an independent consultant accredited by the US administration. The Groupe's agencies insist upon compliance with the following principles, among others, even upstream of all communications campaigns:
 - work must be in conjunction with clients and the brands to ensure compliance with data transparency and protection rules, especially when OBA notification is needed
 - recourse to an Opt-Out icon enabling end users to easily contact the organization in charge of Online Behavioral Advertising (identity, objectives, practices, etc.) which will offer them a simple means of opting out
 - give end users access, via the Opt-Out icon, to clear information concerning how their data will be used
 - systematically give end users a choice regarding protection and utilization of their data;
 - systematically provide clear information concerning the company or third-party collecting the data on behalf of the client and/or brand.



Chapter 3 – Governance & Economics

| | | | |
|------------|----------------|---------------------------|------------------|
| GRI PR4 | Global Compact | French NRE law (Art. 116) | ISO 26000 6.7 |
|------------|----------------|---------------------------|------------------|

Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes

Publicis Groupe did not experience any case of non-compliance with regulations and voluntary codes concerning product and service information.

| | | | |
|------------|----------------|---------------------------|-------------------------|
| GRI PR5 | Global Compact | French NRE law (Art. 116) | ISO 26000 6.7, 6.7.6 |
|------------|----------------|---------------------------|-------------------------|

Practices related to customer satisfaction, including results of surveys measuring customer satisfaction

In 2010, nearly 3000 individual customer surveys were carried out (up from 2000 in 2009 thanks to improved reporting). These surveys provide an objective analysis of the service provided, how it was perceived, the quality of the work performed by the teams, while also enabling us to appraise the effectiveness of the communications campaign.

Customer satisfaction surveys are conducted almost every year, often in the form of an annual review that is not necessarily as formally structured as the questionnaire sent to the agencies' main partners.

3.2.3 Marketing communications

| | | | |
|------------|----------------|---------------------------|---------------------------------------|
| GRI PR6 | Global Compact | French NRE law (Art. 116) | ISO 26000 6.7, 6.7.3, 6.7.6, 6.7.9 |
|------------|----------------|---------------------------|---------------------------------------|

Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship

Under good professional practices, *Janus* specifies that our international reference in good practices continues to be the ICC's (International Chamber of Commerce) Consolidated Code on Advertising and Marketing Communication Practices. This was supplemented in 2010 by the ICC Framework for Responsible Environmental Marketing Communications which applies to eco-friendly and environmental rationales.

Furthermore, in almost all countries, local authorities (e.g. the FTC – Federal Trade Commission, in the USA) or joint structures (such as the EASA - European Advertising Standards Alliance), or even national self-regulation organizations or representative bodies, are all taking part in the drafting of a "soft" law aimed at encouraging good practices. The Groupe encourages its CEOs and agency managers to take part in these undertakings at national level, which in turn enables them to share these developments in professional practices with staff.

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| GRI | Global Compact | French NRE law (Art. 116) | ISO 26000 |
|-----|----------------|---------------------------|--------------------------|
| PR7 | | | 6.7, 6.7.3, 6.7.6, 6.7.9 |

Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes

Some countries, particularly in Europe, have officially recognized organizations in this area (e.g. the ARPP in France or the ASA in the UK). The number of campaigns in respect of which a non-compliance was registered was less than ten (in countries where a comparable approach exists), a figure that should be put into the broader perspective of several thousands of campaigns carried out every year. Our legal experts are currently examining the best ways to quantitatively and qualitatively monitor this issue more accurately at Groupe level.

3.2.4 Customer privacy

| GRI | Global Compact | French NRE law (Art. 116) | ISO 26000 |
|-----|----------------|---------------------------|-----------|
| PR8 | | | 6.7 |

Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data

There were no claims filed against Publicis Groupe for breach of privacy or loss of customer data.

The Groupe's philosophy is to ensure that its entities adopt high standards of behavior and practice in order to clearly inform end users while enabling them to simply manage and protect their personal data. Users must not only have a choice, more importantly it must be easy for them to exercise control over their personal data.

3.2.5 Compliance

| GRI | Global Compact | French NRE law (Art. 116) | ISO 26000 |
|-----|----------------|---------------------------|-----------|
| PR9 | | | 6.7 |

Monetary value of significant fines for noncompliance with laws and regulations concerning the provision and use of products and services

Publicis Groupe was not fined for any instance of noncompliance with laws and regulations concerning the provision and use of its products and services.







Chapter 4 – Environment

Where environmental matters are concerned, our entities have much work ahead of them. We have to act on two levels at once: on the one hand, we have to improve our *modus operandi* and thus its impact on the environment; on the other hand, we have to anticipate, test and implement new, original and innovative communications solutions that meet today's ecological requirements. These two aspects go hand in hand.

Our policy still comes down to: **consume less, and consume better** (in other words, more wisely).

Our objective is to **reduce our direct impact** and to create a sustainable future for our planet (and ourselves).

European "20-20-20" strategy:
reduce greenhouse gas emissions
by at least 20% below 1990 levels;
increase renewable energies to 20%
of total final energy consumption;
increase energy efficiency by 20%.

The Groupe wishes to integrate its own objectives for reducing environmental impact into those of EU policy and set forth in the «20-20-20» target set at the Grenelle Environment Round Table.

Calculating a carbon footprint or greenhouse gas emissions is becoming a legal obligation in certain countries, especially in Europe. In addition to the snapshot of the Groupe's direct impact given in this chapter, efforts have been made in the past two years to arrive at the same sort of figures on local levels, i.e., for our entities and agencies, mainly in countries where legislation is more advanced, but not only those countries. This local overview will also serve as a tool to develop strategies for improvement and to measure a given entity's progress.

4.1 Environment

4.1.1 Materials

| GRI | Global Compact | French NRE law (Art. 116) | ISO 26000 |
|-----|----------------|---------------------------|------------|
| EN1 | Principle 8 | Art. 2.1° | 6.5, 6.5.4 |

Materials used by weight or volume

IT equipment

Workstations, laptop computers and copy machines: **66,100 machines**.

Paper

Total volume of the main types of paper used most frequently: **1,800 tons**.

| GRI | Global Compact | French NRE law (Art. 116) | ISO 26000 |
|-----|----------------|---------------------------|------------|
| EN2 | Principle 8 | Art. 2.1° | 6.5, 6.5.4 |

Percentage of materials used that are recycled input materials

In all our operations we work with many different media. In the past two years, we have noticed that our teams have been paying closer attention to the demands of our clients to use recycled materials for paper, boxes, plastics, packaging (bags, small sacks, etc.) and banners, to name but a few.

Assessing the volumes of materials used both upstream and downstream of our activities is a new and complex task for us. The difficulty lies in tracking and accounting for all the different media we use. We have attempted to accurately assess the volumes of recycled paper we use (or paper corresponding to FSC or PEFC standards). For in-house use and for our own purposes, it comes to more than **1,200 tons** (calculated on an incomplete basis).

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This is an imperfect indicator, and we are endeavoring to give pride of place to green-label paper with our supplies, whether FSC or PEFC certified.

4.1.2 Energy

| GRI | Global Compact | French NRE law (Art. 116) | ISO 26000 |
|-----|----------------|---------------------------|------------|
| EN3 | Principle 8 | Art. 2.1° | 6.5, 6.5.4 |

Direct energy consumption by primary energy source

Total electricity consumption: **152,449,000 kWh**, i.e. an increase of more than 10% over 2009, which is consistent with the Groupe's growth rate.

N.B. - 36,000,000 kWh (about 20%) come from a renewable energy source.

| GRI | Global Compact | French NRE law (Art. 116) | ISO 26000 |
|-----|----------------|---------------------------|------------|
| EN4 | Principle 8 | Art. 2.1° | 6.5, 6.5.4 |

Indirect energy consumption by primary energy source

Publicis Groupe, given the configuration of its office facilities, is unable to identify this indicator.

| GRI | Global Compact | French NRE law (Art. 116) | ISO 26000 |
|---------|----------------|---------------------------|-----------|
| EN5/EN6 | Principle 8 | Art. 2.1° | 6.5 |

Energy saved due to conservation and efficiency improvements

Initiatives to provide energy-efficient or renewable energy based products and services

Measures taken in previous years were extended in 2010, in particular:

- Automatic «switch off» mechanisms for individual workstations have been installed on all Macintosh equipment and we have now begun installing them on all PCs. We are working closely with suppliers of computers and copiers to make sure that the Groupe's «internal catalog» is comprised of the most recent models with the best energy consumption and component recyclability factors, reflecting constant progress in this field.

On a completely different level - the energy efficiency of our buildings - we cite two key examples:

- In the US, Saatchi & Saatchi has worked extensively with the owner of the Hudson Street agency in New York to continue efforts commenced years ago (with the help of all tenant firms in the building, which include Saatchi & Saatchi and ZenithOptimedia). The building was the first to receive LEED Gold accreditation, based on the following criteria:
 - reducing electricity consumption (by 110,000 kWh per year) by installing automatic dimmers
 - significantly reducing heating consumption by modifying the systems
 - significantly reducing water consumption by replacing sanitary facilities

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This shows that even by remaining in buildings we have used for years, it is possible to work together to improve existing installations and reduce energy consumption.

- In France, the Groupe is working to optimize office and working space in the Paris area by putting seven sites together in one spot. Priority has been on a very recent building called Spallis, in Saint Denis, which is classified HQE (High Environmental Quality).

| GRI | Global Compact | French NRE law (Art. 116) | ISO 26000 |
|-----|----------------|---------------------------|------------|
| EN7 | Principle 8 | Art. 2.1° | 6.5, 6.5.4 |

Initiatives to reduce indirect energy consumption and reductions achieved

Other than the factors mentioned in EN5 and EN6, our work does not require direct massive consumption of natural resources for production purposes. One of the areas we keep focusing our attention on is travel. This concerns business trips, for one, but also individual commuter trips.

- **Business trips and travel:** there is no substitute for meeting people face to face in actual physical circumstances, but many intermediate work stages can be accomplished comfortably using phone or video conferencing techniques, webinars, and so forth. The Groupe and its networks have invested massively in such means, and we intend to continue to do so. These tools also enable us to measure our progress in reducing our carbon footprint, because they measure the savings in real terms. However, while there was a real cutback in business travel in 2008/2009, these trips began to step up again in 2010, especially air travel.
- **Individual travel:** in addition to strict rules applied to the kind of vehicles used as company cars or service vehicles (emphasis on very low-emission vehicles or hybrids), many agencies have worked to encourage public transportation in cities, and successfully so. In several agencies, especially in the US, we observe an increase in the number of users of public transportation.

4.1.3 Water

| GRI | Global Compact | French NRE law (Art. 116) | ISO 26000 |
|-----|----------------|---------------------------|------------|
| EN8 | Principle 8 | Art. 2.1° | 6.5, 6.5.4 |

Total water withdrawal by source

Due to a change in the unit of measure used in 2010 (cubic meters instead of liters) and estimated 2010 consumption that was nearly double that of 2009, this indicator cannot be used as it stands. It will be entirely recalculated.

Efforts continue to install in-house filtered water systems for individual use, in order to reduce plastic bottle consumption.

In the area of hygiene and sanitary facilities, the installing of newer facilities (including captors or pre-regulated devices) is gaining ground as renovations are carried out.

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| GRI | Global Compact | French NRE law (Art. 116) | ISO 26000 |
|----------|----------------|---------------------------|------------|
| EN9/EN10 | Principle 8 | Art. 2.1° | 6.5, 6.5.4 |

Water sources significantly affected by withdrawals of water Percentage and total volume of water recycled and reused

Certain buildings - through owners' initiatives - have chosen to install recycled and repurified water for their hygiene and sanitary facilities. It is not possible to accurately assess the volumes used at this point in time.

As in the case of recycling waste water, we know that certain establishments have invested or plan to invest in these areas (independently of new property legislation, in Europe mainly). As tenants, we support such measures when consulted on the matter, as long as they do not entail inappropriate increases in rental rates.

4.1.4 Biodiversity

| GRI | Global Compact | French NRE law (Art. 116) | ISO 26000 |
|------------------------|----------------|---------------------------|-----------|
| EN11/EN12 EN13/EN15 | Principle 8 | Art. 2.2° | 6.5 |

Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas

Description of significant impacts of activities, products and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas

Habitats protected or restored

Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk

Publicis Groupe has no operating site concerned by the above issues.

| GRI | Global Compact | French NRE law (Art. 116) | ISO 26000 |
|------|----------------|---------------------------|------------|
| EN14 | Principle 8 | Art. 2.2° | 6.5, 6.5.6 |

Strategies, current actions, and future plans for managing impacts on biodiversity

Two years ago the Groupe began to examine the issue of carbon credit offsetting. It is also looking closely at actions taken in the area of biodiversity. Many different factors come into play when evaluating existing measures in the light of the Groupe's expectations. This study is ongoing, and based also on feedback from other corporations with similar profiles, specifically: highly decentralized organizations operating service businesses.



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Over the past three years, agencies have undertaken programs combining carbon credit off-sets with preserving biodiversity (in the UK, BBH was a pioneer in this field). In addition to the agencies, Re:Sources entities (Shared Services Centers) are also involved. In Costa Rica, Re:Sources joined the «Aliados per el cambio climatico» (Climate Change Alliance), taking action in favor of reforestation and protection of local tree species.

4.1.5 Emissions, effluents and waste

FOCUS - Carbon Footprint



The Groupe's Carbon Footprint was calculated in 2010 with the help of Bureau Veritas, on the basis of 95% of the Groupe's operations (an improvement over 2009).

The calculation was carried out primarily using the Ademe method (French Environment and Energy Management Agency), assessing data on the firm's direct and indirect greenhouse gas (GHG) emissions. As in 2009, calculations were carried out on three levels: internal (energy consumption including electricity, heating, air conditioning, etc.), intermediate (employee travel, transportation of materials and equipment such as computers, etc.), and global (buildings and transportation, which gave us a partial view because services on behalf of clients were not included in the calculation). At the same time, we continued to base our calculations on the GHG Protocol and analysis of these three levels.

It is important to note that the 2009 Carbon Footprint contained an error due to overweighting the energy factor, attributable to an error by the calculation tool use for gas consumption. The technical error was detected during the 2010 mid-year audit by the Bureau Veritas. This point was therefore corrected for the 2010 Carbon Footprint calculation, the results of which should be compared with the restated 2009 calculation (*erratum* figuring in the 2009 CSR Report).

The 2010 Carbon Footprint takes into account the Groupe's entire scope of consolidation - which is to say the firm itself - not counting products and services for our clients. However, as in 2009, all travel, the great majority of which is done on behalf of our clients, is included in the calculation.

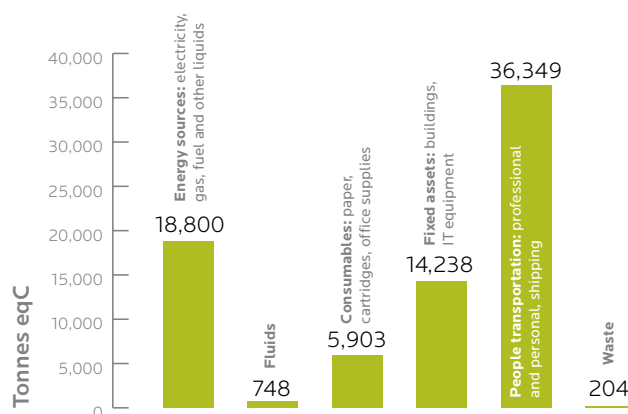
N.B. - The Groupe participates in local initiatives, most often carried out under the supervision of professional organizations, to determine the tools used to provide services and products.

2010 Carbon Footprint

Methodology (ADEME-Europe)

Total 76,242 TeqC

Average: 1.57 TeqC *per capita*



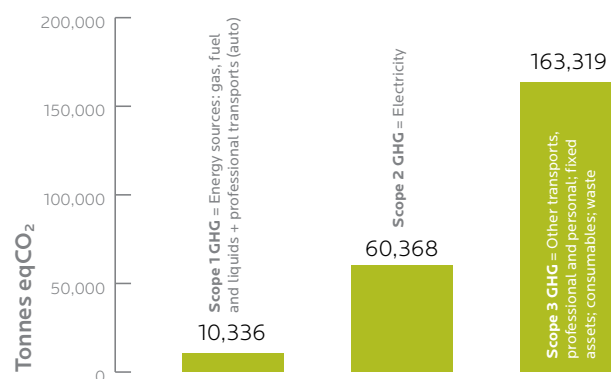
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Greenhouse Gas Emissions 2010

GHG Protocol (United States)

Total: 234,023 TeqCO₂

Average: 4.8 TeqCO₂ *per capita*



| GRI | Global Compact | French NRE law (Art. 116) | ISO 26000 |
|------|----------------|---------------------------|------------|
| EN16 | Principle 8 | Art. 2.1° | 6.5, 6.5.5 |

Total direct and indirect greenhouse gas emissions by weight

Direct emissions = 76,242 TeqC, i.e., 1.57 TeqC *per capita* (compared with 69,733 TeqC, i.e. 1.54 TeqC *per capita* in 2009, Carbon Footprint as restated in 2010).

Observations

- 2010 is the second year of calculation for the entire Groupe, thus making it possible to consolidate data collection, quality and processing.
- After 2009, a year when many business trips were postponed or suspended, business travel picked up again in 2010, especially air travel.

The main sources of energy consumption were:

- Professional and personal transport = 36,349 TeqC
- Energy = 18,800 TeqC
- Fixed assets (buildings, office equipment including IT, servers, etc.) = 14,238 TeqC
- Consumables (paper, cartridges, offices supplies) = 5,903 TeqC
- Waste = 204 TeqC

| GRI | Global Compact | French NRE law (Art. 116) | ISO 26000 |
|------|----------------|---------------------------|------------|
| EN17 | Principle 9 | Art. 2.1° | 6.5, 6.5.5 |

Other relevant indirect greenhouse gas emissions by weight

Publicis Groupe has no facility or site that produces such types of emissions.



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| GRI | Global Compact | French NRE law (Art. 116) | ISO 26000 |
|------|----------------|---------------------------|------------|
| EN18 | | Art. 2.1° | 6.5, 6.5.5 |

Initiatives to reduce greenhouse gas emissions and reductions achieved

In recent years, there have been two principal aspects of our work for clients that we have focused upon to save energy in the upstream stages. We try to find alternative, more «virtuous» solutions in these two major areas:

- **Digital applications**

This area concerns us directly: designing web sites. We have to optimize their architecture, user-friendliness and ease of navigation (simplified), their content (rich, but in appropriate formats), and their intrinsic «lightness». Our teams vigilantly apply a number of basic principles in order to prevent the site from being used or treated in energy-intensive ways. The biggest difficulty is coming up with an accurate final figure, because after this point everything depends on the end user's computer.

Work is also under way on applications for mobile phones.

- **Paper supports**

The entire Groupe is developing the reflex - increasingly more prevalent in Europe than elsewhere in the last few years - of taking into account the quality and origin of the types of paper used or proposed in many of our operations. Papers certified FSC or PEFC, or those carrying major recognized labels such as Rainforest Alliance, are given priority among the options we offer to our clients.

Options are available on a case by case basis depending on the project, which makes quality assessment even more difficult.

| GRI | Global Compact | French NRE law (Art. 116) | ISO 26000 |
|-----------|----------------|---------------------------|------------|
| EN19/EN20 | | Art. 2.1° | 6.5, 6.5.3 |

Emissions of ozone-depleting substances by weight

NO_x, SO_x, and other significant air emissions by type and weight

Publicis Groupe has no facilities or site concerned by this type of emission.

| GRI | Global Compact | French NRE law (Art. 116) | ISO 26000 |
|------|----------------|---------------------------|------------|
| EN22 | | Art. 2.1° | 6.5, 6.5.3 |

Total weight of waste by type and disposal method

The total volume of waste generated by the Groupe is estimated at more than **6,400 tons**.

The first item on this list is paper. Agencies have taken numerous measures at local level to institute waste sorting by type (at the very least, separating paper from the rest). In most cases, agencies have contracted specifically with recycling firms or specialized organizations that guarantee the recycling process.

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| GRI | Global Compact | French NRE law (Art. 116) | ISO 26000 |
|-------------------|----------------|---------------------------|-----------|
| EN23/EN24 EN25 | | Art. 2.2° | 6.5 |

Total number and volume of significant spills

Weight of transported imported, exported or treated waste deemed hazardous

Percentage of transported wastes shipped internationally

Publicis Groupe has no facilities or site concerned by these types of waste.

4.1.6 Products and services

| GRI | Global Compact | French NRE law (Art. 116) | ISO 26000 |
|------|----------------|---------------------------|--------------------------|
| EN26 | Principle 8 | Art. 2.1° | 6.5, 6.5.4, 6.6.6, 6.7.5 |

Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation

Adding to initiatives already undertaken, we can mention that an increasing number of agencies are now installing multifunction printers (MFPs), which make a big change in everyday life at those agencies. Printing can be done in B&W and on both sides of the page, plus the pages do not come out of the printer unless the user comes personally and triggers it with a badge. These are simple steps that instill more disciplined work habits and avoid unnecessary printing.

In its digital activities, for the past two years the Groupe has been working on an evaluation of certain sites and online pilot operations for which we have calculated that energy consumption (electricity) at the source has been reduced by 30%. The evaluation process can still be improved, because there are too many outside factors involved to get a clear and accurate picture.

4.1.7 Compliance

| GRI | Global Compact | French NRE law (Art. 116) | ISO 26000 |
|------|----------------|---------------------------|-----------|
| EN28 | | Art. 2.7° | 6.5 |

Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations

Publicis Groupe did not incur any fine or non-monetary sanction for non-compliance with environmental laws and regulations.

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4.1.8 Transportation and shipping

| GRI | Global Compact | French NRE law (Art. 116) | ISO 26000 |
|------|----------------|---------------------------|-------------------|
| EN29 | | Art. 2.7° | 6.5, 6.5.4, 6.6.6 |

Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce

The total figure for all transport (travel and shipping) represented 36,258 TeqC (a logical increase on 2009, due to the resurgence of air travel).

The various means of transportation for Groupe's employees and the impact thereof can be broken down as follows:

- Commuting: 243,915,685 km
- Business travel: 356,249,297 km
 - by airplane: 293,123,204 km
 - by road: 54,389,825 km
 - by train: 8,736,266 km

4.1.9 General

| GRI | Global Compact | French NRE law (Art. 116) | ISO 26000 |
|------|----------------|---------------------------|-----------|
| EN30 | | Art. 2.5° - Art. 2.7° | 6.5 |

Total environmental protection expenditures and investments by type

An accounting analysis of this type of investment still needs improvement. Investments in connection with rooms and equipment dedicated to remote work modes: telephone conferencing, video conferencing, computers with cameras for web conferencing, and so forth.

For 2010, these investments were assessed at 6 million euro for the Groupe, plus investments made by the networks themselves.



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