



I. THE PUBLICIS WAY TO PROTECT OUR TALENT AND OUR ENVIRONMENT

7. NET ZERO *CLIMATE*

WHY?

In 2003, Publicis Groupe was the first communications company to join the United Nations Global Compact, with a focus on limiting environmental impacts. We since formalized our specific commitment to fight against climate change by signing in 2007 the United Nations' Caring for Climate initiative. The Groupe has voluntarily joined other initiatives such as the Carbon Disclosure Project (CDP), adopted TCFD Recommendations (Task Force on Climate-related Financial Disclosure). In 2015, Publicis Groupe signed the French Business Climate Pledge supporting the Paris Agreement and its 1.5°C scenario and joined SBTi (Science Based Targets Initiative) in 2020.

FOR WHOM?

To all employees in our agencies as change agents.

WHAT? Strategy

In 2021, following the early achievement of 2030 targets under our existing plan, the Groupe set up new targets to achieve by 2030, aligned with the 1.5°C scenario of the Paris Agreement. These have been approved by the SBTi and re-assessed in 2022, with a Near-Term target by 2030 and a Long-Term target reaching Net-Zero by 2040:

- **2030 Near-Term target: to reduce by 50%**, compared to 2019, the absolute scopes 1+2+3 GHG emissions*
- including a **shift to 100% Renewable Energy** by direct source before 2030 and become Carbon Neutral before 2030.
- **2040 Long-Term & Net-Zero target: to reduce by 90%**, compared to 2019, the absolute scopes 1+2+3 GHG emissions*
- and to neutralize the remaining 10% of emissions using permanent carbon removals.

Governance

The policy applies Groupe-wide:

- The ESG Committee of the Supervisory Board is embracing ESG topics including progress in the fight against Climate change. Projects and evolutions are discussed and shared with the Supervisory Board.

- Decisions around climate-related risks and opportunities are under the responsibility of the Directoire. Environment & Climate Change is in the Top Management agenda.
- The Groupe CSR/ESG Department, under the supervision of the Publicis Groupe Secretary General, is responsible for the Groupe Environmental strategy, action plan, and Environmental Management System (EMS). The team carries out the mandatory annual CSR/ESG reporting, externally audited, and conduct regular reviews with agencies and internal partners (IT, Facilities and shared service centers-Re:Sources).
- Local teams in the agencies are responsible for identifying local solutions to reduce environmental impacts. This work is done with partners (Landlord, Building and/or Office management), with local shared services teams and with providers (energy providers or brokers, waste management companies) or other services providing 'green' solutions.

Risk Management

In the context of the Duty of Care plan, Climate change risk is already taken into account when planning our infrastructure and business continuity plans.

Several scenarios aligned with those of the UN IPCC (United Nations - International Panel on Climate Change) are driving the work:

- a low-carbon transition scenario compatible with global warming limited to 1.5°C by 2100 (RCP 2.6)
- a trend scenario leading to global warming of more than 4°C by 2100 (RCP 8.5).

Based on the typology established by the TCFD, scenarios have identified:

- 1 - the physical risks associated with the impacts of climate change (offices, employees, data centers) which may impact employees and their working environment and alter the continuity of service for clients,
- 2 - the transition risks arising from changes in the market, regulations or technology that limit global warming to 1.5°C, including investments in new technologies, or some regulatory changes such as additional taxes (carbon taxes or similar).

*GHG: Greenhouse Gas emissions; Scope 3 covered is from purchased goods and services, fuel-and energy-related activities, business travel, employee commuting and upstream leased assets, with 2019 base year.

Metrics and Targets

Publicis Groupe discloses data annually on carbon emissions. This is part of the CSR/ESG reporting externally audited by an independent third party, covering all agencies in the world, with onsite audits.

To achieve the targets set, Publicis Groupe has identified **8 levers**:

- 1 - **Reduce travel** and transportation impacts, particularly air travel,
- 2 - **Reduce energy** consumption in general, with a target of 100% renewable energy (RE) before 2030 for the entire Group,
- 3 - **Reduce the use of raw materials**: water, paper...,
- 4 - **Reduce waste** and make recycling the norm,
- 5 - **Reduce the carbon emissions of the work we are doing** for our clients, in all activities, thanks to an internal platform: **A.L.I.C.E.** (Advertising Limiting Impacts and Carbon Emissions),
- 6 - **Innovate** to help our clients to reduce the impacts of their marketing and communication action. Internal education & training is a key-lever like the **NIBI** program (No Impact for Big Impact),
- 7 - **Reduce environmental impacts from our purchased goods and services**, by asking Groupe providers to be assessed by a third party; all local strategic partners will be asked to provide a self-evaluation on CSR/ESG topics including climate change through **P.A.S.S.** (Publicis Groupe Providers Platform for a self-Assessment for a Sustainable Supply chain),
- 8 - Achieve **Net-Zero** before 2040 for the unavoidable impacts, using sequestration Carbon Credits.

Reduction, Compensation, Sequestration

Publicis Groupe decided to invest in a five-year compensation/reduction program (2020-2024). These operations are exclusively managed centrally at the Groupe level by the Groupe CSR/ESG Department.

WHO?

Environmental impacts review is a daily task driven by all managers and their teams reporting to agencies' CEOs. This is coordinated by the Groupe CSR/ESG Department under the supervision of Publicis Groupe's Secretary General.