

## **Publicis Groupe Environmental Policy & Guidance**

In 2007, Publicis Groupe formalized its commitment to the fight against climate change, by signing the United Nations' Caring for Climate initiative. Since then, the Group has voluntarily joined other initiatives such as the Carbon Disclosure Project (CDP), adopted TCFD Recommendations (Task Force on Climate-related Financial Disclosure), and in 2016 signed the French Business Climate Pledge supporting the Paris Agreement.

### **Strategy**

- In 2020, following the early achievement of 2030 targets under our existing environmental action plan, the Group joined the Science Based Targets initiative (SBTi), to set new targets by 2030, aligned with the scenario 1.5°C of the Paris Agreement. This will mean reducing drastically our emissions by nearly 50%. We will also work to be carbon neutral before 2030.

### **Governance**

The policy applies Groupe-wide – to all employees in our agencies as change agents.

- The organization's governance around climate-related risks and opportunities, the Supervisory Board's oversight and Management Board role in assessing and managing these climate-related risks and opportunities are to be found in the Risks and Risk Management & Governance and Compensation chapters of the company Universal Registration Document.
- Groupe CSR Department under the supervision of the Publicis Groupe Secretary General Member of the Management Board ("Directoire") is responsible for the Groupe Environmental strategy, carrying out regular reviews with internal partners such as IT department, facilities and shared service centers (Re:Sources) who are providing support to the local teams.
- Local teams in our agencies are responsible for identifying local solutions such as Environmental Management Systems, helping 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).

### **Risk Management**

- The actual and potential impacts of climate-related risks and opportunities relating to business strategy are available in the Risks and Risk Management chapter of the company Universal Registration Document (URD). Climate change risk is increasing; it is taken into account when planning our infrastructure and business continuity plans. As a digital services company, environmental and climate change topics are addressed in the context of the "Duty of Care" plan, with one of its pillars focusing on our direct environmental impacts and how climate change can impact us.

### **Metrics and Targets**

- Publicis Groupe has been disclosing data annually on emissions and related environmental indicators since 2009, as part of the company CSR Reporting, to comply with the French regulation and European directive on non-financial reporting. Our Carbon emissions calculation is externally audited by an independent third party, Bureau Veritas, and covers 100% of all agencies, with selected onsite verifications.
- Environment is an important topic in the Top Management agenda and is part of the variable compensation of the Directoire members. (Governance and Compensation URD Chapter)



To achieve the targets set, Publicis Groupe has identified **7 levers** around resource & emissions reduction:

- 1 – Reduce travel and transportation impacts, particularly air travel,
- 2 – Reduce energy consumption in general, with a target of 100% renewable energy (RE) by 2030 for the entire Group,
- 3 – Reduce the use of raw materials: water, paper ...
- 4 – Reduce waste and making recycling the norm,
- 5 – Reduce the business impact from all our activities and services
- 6 – Engage our suppliers to reduce environmental impacts together.
- 7 – Achieve Net Zero Carbon before 2030 for the unavoidable emissions,

The levers are summarized in 5 priority action areas, where changes (collective and individual behaviors) can be made. To put simply: **“Consume Less & Better”**



*(from 2019 Publicis Groupe Universal Registration Document)*

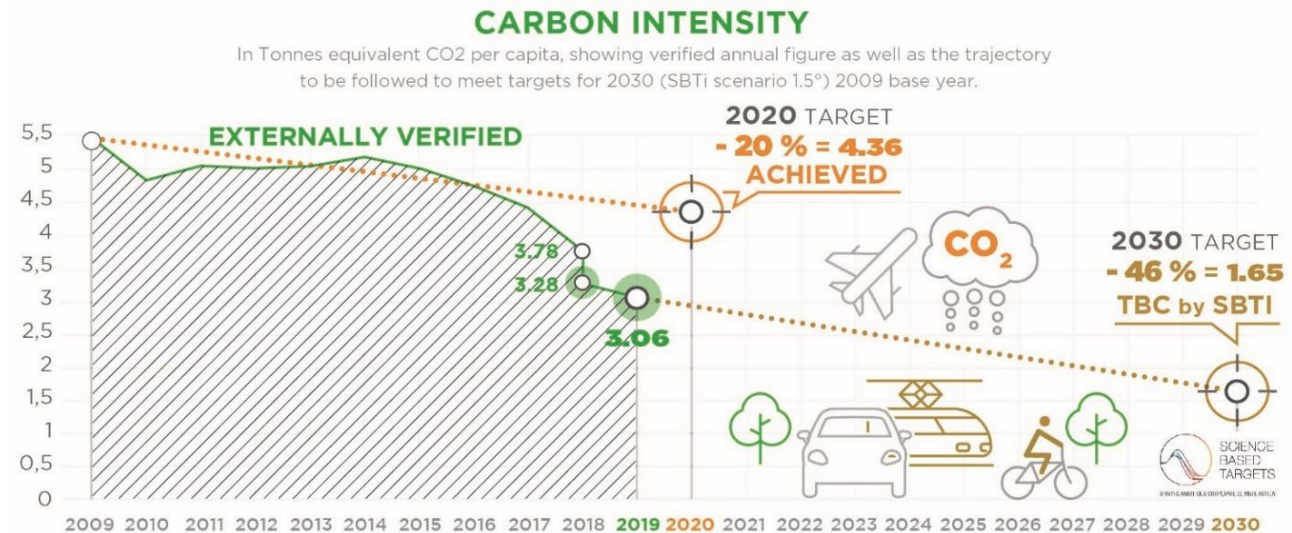
## 1 – Reducing Travel, Transport & Employee Journeys

Transportation and travel are identified as the largest single contributor to Publicis Groupe’s carbon emissions. Publicis Groupe is working with clients to use alternatives to carbon-intensive travel, (Skype, visio or teleconference...), as well as for work efficiency (time lost in transportation, avoidable fatigue...). Employees are also encouraged to use online tools (carbon calculators) when otherwise planning travel and trips, to help them make a full assessment of the environmental impact in terms of the carbon equivalent of their journey.

Publicis Groupe is promoting where possible, employee initiatives that promote the diversity of transport methods for commuting purposes – for example carpooling or car sharing, providing bicycle storage at office locations, participation in local bicycle incentive schemes, financial incentives to encourage public transportation as conditions allow. Solutions like remote working are to be managed locally on a case by case basis, helping employees’ work/life balance.



Measuring our Carbon Intensity permits us to track our carbon emissions, where we can set targets to drive improvements. Over the past 10 years (2009-2019), Publicis Groupe was able to reduce by 43% its carbon intensity.



Carbon intensity (shown in Tonnes equivalent CO<sub>2</sub> per capita), showing verified annual figure as well as the trajectory to be followed to meet targets for 2030 – Still underwork with SBTi. Final targets will be known in 2020.

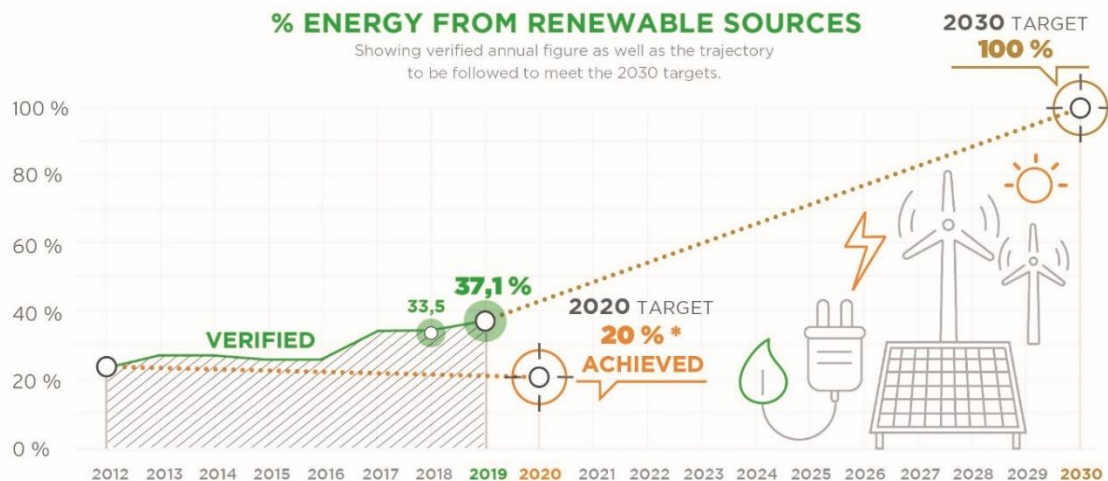
## 2 – Reducing Energy Consumption and focus on Renewable Energy

Publicis Groupe is engaging strategies to optimize and monitor energy efficiency;

- i. Setting environmental performance thresholds for prospective properties or offices, with the Real Estate Department, based on local existing norms or Groupe ones.
- ii. Encouraging new electric and IT equipment, whereby new generations of machines clearly save energy, with IT, Facilities and Procurement Departments taking the lead
- iii. Screening CO<sub>2</sub> emissions from Data centers used by the Groupe on a periodic basis, to ensure emissions are as low as possible while still providing the required performance, with IT Department
- iv. Encouraging employee's responsibility via "Switch off" policies (workstation, laptop, light...)

### ➤ Renewable Energy

In addition to the goal to become more energy-efficient, our goal is to have **100% of our energy from Renewable sources before 2030**. This will be a coordinated effort between procurement, Re:Sources – our shared services centers - and local teams, to identify opportunities to increase the proportion of renewable electricity share under their jurisdiction and therefore contribute to the overall Group target.



*% Energy from renewable sources, showing 2030 target, as well as the trajectory to be followed to meet it*

### 3 – Reducing usage of Raw Materials

In terms of raw material consumption, water and paper (and inks) are the highest consumed across the Groupe. Water consumption must be managed locally in conjunction with landlords and Facilities teams, to find ways it can be reduced.

Publicis Groupe is continuing to strengthen its focus on sustainable suppliers to encourage certified paper (NFC, PEFC) consumption and recycled products for office furniture when appropriate. Improvements are coordinated with local Re:Sources teams, to achieve tangible results while also raising awareness of sustainability issues in all of our agencies.

### 4 – Reducing Waste, Improving Recycling process

Publicis Groupe wants to apply a waste hierarchy to materials, to maximize recycling (and therefore minimize the need for final disposal), in all practicable locations. These processes and organization will have to be managed with local Re:Sources teams, to identify the best options, (partners, solutions...) and encourage circular economy and employee engagement on a daily basis. As an example, with WEEE (Waste Electrical & Electronical Equipment) practice extended in our agencies, the goal is to ensure that 100% of our digital and IT machines are managed via contractual clauses with suppliers or with specialist contractors, volume reduction, as well as widespread re-use and/or recycling of other waste materials.

Waste - Our ambition is to implement worldwide a goal of **zero waste to landfill**. To reach this goal, we aim to ensure that all our buildings have the facilities for employees to separate their waste (paper, plastic, cans, glass...) as well as maintaining at least a 2% annual reduction in the Groupe overall waste figures.

### 5 – Reduce the business impact from all our activities and services

To help our teams across the business better **understand and limit** the environmental impact of their work in terms of carbon emissions, in conjunction with Bureau Veritas we have developed the online platform A.L.I.C.E.\*\* This internal platform allows our teams to carry out a simulation of the carbon emissions generated by a project or campaign, according to the decisions taken on the format, production, energy consumption for example. The methodology is aligned with GHG



Protocol. This can then be used as a guide for our teams and our clients to assist them with any decisions about reducing or offsetting this impact.

## 6 – Supplier Engagement

In accordance with our Publicis Groupe CSR for Business Guidelines, Suppliers will be questioned about their actions and objectives in terms of reducing environmental impacts, using our own proprietary CSR self-evaluation tool for suppliers, named P.A.S.S.\*. Refusal to engage with an environmental action plan will constitute a non-selection criterion. Publicis Groupe is encouraging all suppliers to take action to fight climate change that can fit well with their business, but **sharing the same goal** asked by the Paris Agreement: limiting global warming rises to 1.5° (or at least 2°). The Group and agencies' procurement policy is also proactive in terms of eco-responsible, eco-designed products from the circular economy or that have been responsibly sourced or have a recognized environmental certification.

## 7 – Achieving Net Zero Carbon before 2030

While all the above actions will enable a managed reduction in Carbon emissions from the Group over time, there will always be an unavoidable carbon emissions footprint, due to reasons such as availability of Renewable energy in a market, certain raw materials without equivalent, and travel elements. This policy commits to achieving net zero carbon, including as a last resort, carbon offsetting in the form of purchase of voluntary carbon credits being undertaken.

\*P.A.S.S. - Publicis Groupe's Platform for **P**roviders' Self-**A**ssessment for a **S**ustainable **S**upply chain

\*\*A.L.I.C.E. – **A**dvertising **L**imiting **I**mpacts and **C**arbon **E**missions