

## Publicis Groupe Environmental Policy & Guidance

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 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° scenario.

### 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 validated by the SBTi (Science Based Targets Initiative);
- 2030 Targets are
  - **Reduction by 47% for the scopes 1 & 2**
  - **Reduction by 14% for the scope 3**
  - **Shift to 100% Renewable sources of energy**
  - **Achieve Net Zero before 2030.**

### Governance

The policy applies Groupe-wide :

- Decisions around climate-related risks and opportunities are under the responsibility of the Directoire (Management Board). The action plan is also discussed and validated by the Risks & Strategies Committee of the Supervisory Board.
- Achievement of our targets is a component of the variable compensation of Directoire Chair and members; it is also part of the Long Term Incentive plan for the Top Managers of the company.
- The Groupe CSR Department under the supervision of the Publicis Groupe Secretary General, member of the Directoire, is responsible for the Groupe Environmental strategy, action plan, and Environmental Management System. The team carries out regular reviews with agencies and internal partners such as the IT department, facilities and shared service centers (Re:Sources) who provide support to the local teams.
- Local teams in our 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).

### Risk Management

- The actual and potential impacts of climate-related risks and opportunities relating to our business strategy are available in the Risks and Risk Management chapter of the company Universal Registration Document. Climate change risk is increasing; it is considered in our infrastructure and business continuity plans. As a digital services company, topics such as environment and climate change are addressed in the "Duty of Care" plan. One of its pillars focuses on our direct environmental impacts, and how climate change can impact us. However, climate change hasn't been identified as a severe risk that could damage the company.



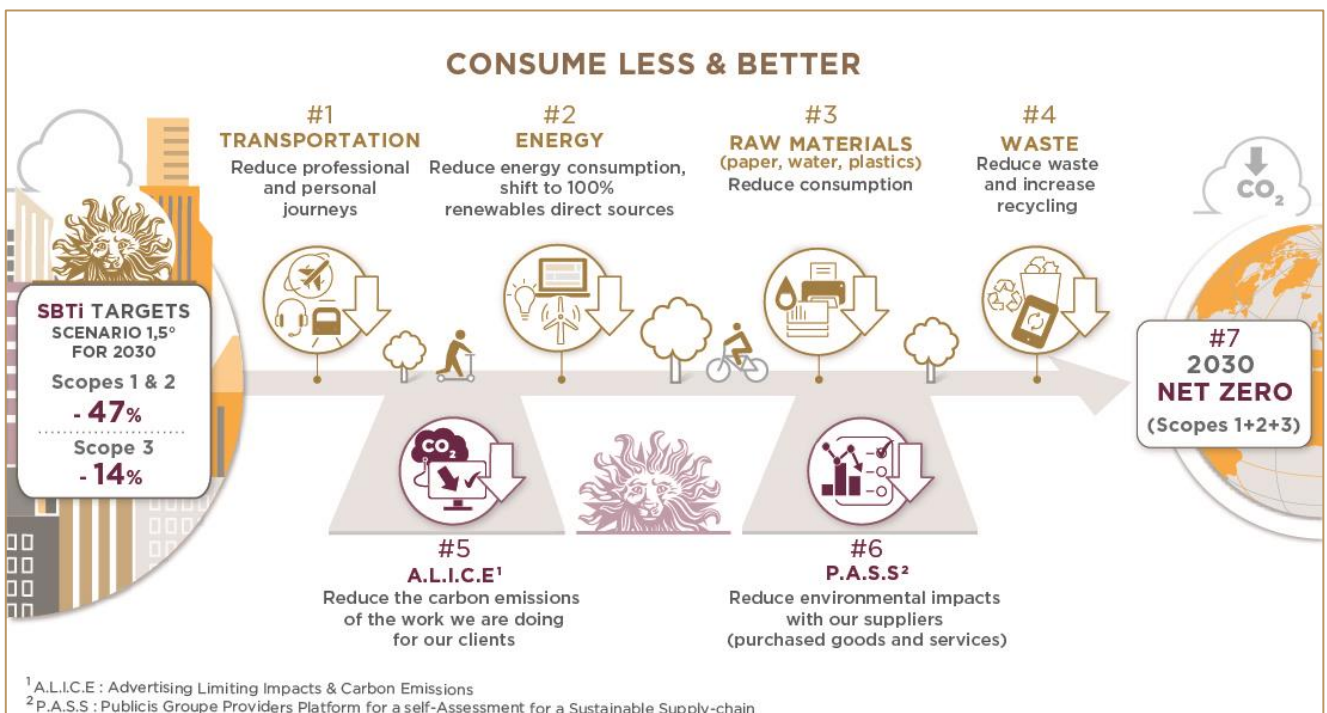
## Metrics and Targets

- 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 French regulations and the European directive on non-financial reporting. Our Carbon emissions calculation is externally audited to a level of reasonable assurance by an independent third party, Bureau Veritas, and covers all agencies, with selected onsite verifications.
- Environmental targets are part of the Top Management agenda, and part of the variable compensation of the Directoire members. (Governance and Compensation URD Chapter)

To achieve our targets, Publicis Groupe has identified **7 levers** around resource use & 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 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 – **Reduce environmental impacts from our purchased goods and services**, by asking Groupe providers to join this journey and to be assessed by a third party; all local strategic partners will be asked to provide a self-evaluation on CSR topics including climate change through **P.A.S.S (Publicis Groupe Providers Platform for a self-Assessment for a Sustainable Supply-chain)**,
- 7 – Achieve **Net Zero Carbon** before 2030 for the unavoidable impacts.

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



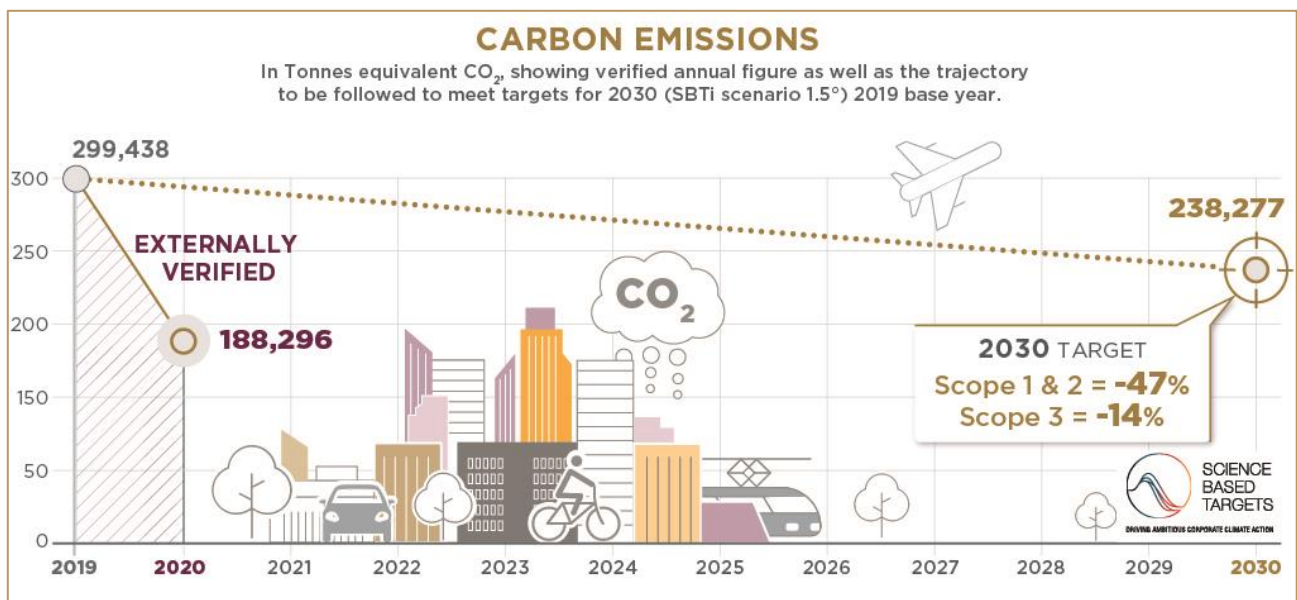


## 1 – Reducing Travel, Transport & Employee Journeys

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, Teams or teleconference...), company car policy promotes low-emissions vehicles such as electric or hybrid. 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.

Publicis Groupe is promoting where possible, employee initiatives that facilitate a 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. Working from home (WFH) or Teleworking is organized based on Groupe guidelines and is managed locally, based on individual type of job or situation, to ensure business efficiency and improve employees' work/life balance.

**Since 2009, Publicis Groupe has been able to measure a 60% reduction in carbon intensity per capita.** Our 2030 target requires reductions in Scope 1, 2 & 3 absolute emissions:



Carbon Emissions (shown in Tonnes equivalent CO<sub>2</sub>), showing verified annual figure as well as the trajectory to be followed to meet targets for 2030.

## 2 – Reducing Energy Consumption and shift to 100% Renewable Energy sources

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

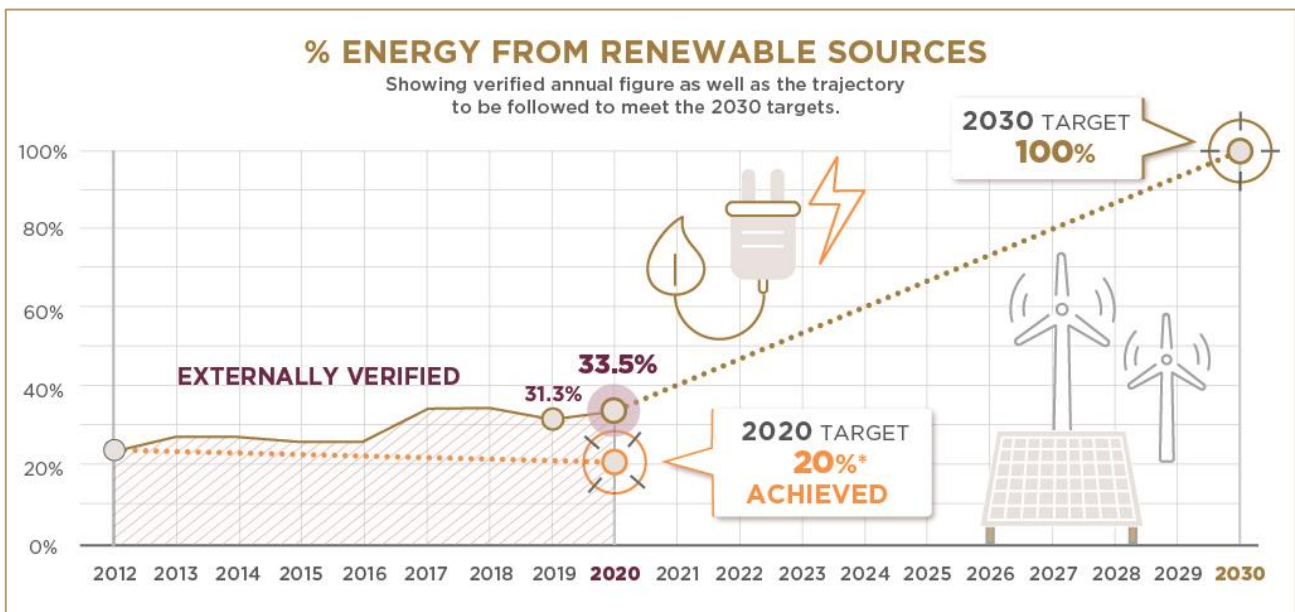
- Setting environmental performance thresholds for prospective properties or offices, with the Real Estate Department, based on local existing norms (LEED, BREAM, HQE, Energy Star...) or Groupe ones,
- Encouraging new electrical and IT equipment with a new generation of machines clearly saving energy, with a focus on IT, Facilities and Procurement Departments,
- 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,
- Encouraging employee responsibility via "Switch off" policies (workstation, laptop, lights...).



## ➤ Renewable Energy (RE)

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.

Until this goal of 100% is achieved, Publicis Groupe will invest annually in Renewable Energy Certificates (RECs) in the 4 countries where we have most of our employees: USA, India, France, UK. These RECs will help reduce the impacts of the actual use of non-renewable energy sources before achieving 100% RE by direct source.



*% 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 most raw material consumption, water, paper (and inks) are consumed systematically 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) and recycled products for office furniture when appropriate. Improvements are coordinated by local Re:Sources teams, to achieve tangible results while also raising awareness of sustainability issues.

In 2020, the Groupe launched its “**Zero Single Use Plastic**” plan in order to eliminate these types of plastic and replace them with recyclable and environmentally friendly products.

## 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 for our Clients

Eco-design and Eco-production is the new norm. To help our teams across the business better **understand and limit** the environmental impact of their work in terms of carbon emissions, we have developed the online platform **A.L.I.C.E\*** (**Advertising Limiting Impacts and Carbon Emissions**). This internal platform allows our teams to carry out a simulation of the carbon emissions generated by a Client's project or campaign, according to decisions taken regarding format, production, energy consumption for example. The output is aligned with GHG Protocol and methodology and calculations are supervised by Bureau Veritas, bringing its expertise in calculations, and acting as an independent third party. **A.L.I.C.E** can 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\*** (**Publicis Groupe Providers Platform for a self-Assessment for a Sustainable Supply-chain**). 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: limiting global warming rises to 1.5° (or at least 2°). The Group and its agencies' procurement policy is also proactive in terms of eco-responsible, eco-designed products from the circular economy or goods 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 of course, professional and personal transportation, including commuting and some business travel. This policy commits to achieving net zero carbon, whereas as a last resort, carbon offsetting in the form of purchase of voluntary carbon credits will be undertaken.

In this context, Publicis Groupe decided to invest in a five-year compensation program based on certified projects and compliant with international standards. The first is a wind project in India – Gandhi Project – providing renewable energy to hundreds of villages in 3 regions (Gujarat, Karnataka, Maharashtra) also providing education to kids and supporting women entrepreneurship and financial autonomy; the second is a reforestation project in Peru – Madre de Dios – protecting rainforest and local biodiversity.

*Publicis Groupe environmental data and emissions are publicly available on [CSR Smart Data](#). The company CSR Reporting includes an environmental assessment, which is verified each year by external auditors.  
\*A.L.I.C.E and P.A.S.S will both be certified ISO 14001 in 2021.*