



PUBLICIS GROUPE

2011 CORPORATE
SOCIAL RESPONSIBILITY REPORT

Message from Maurice Lévy	P. 1
Preliminary comments	P. 2



CHAPTER 1 – SOCIAL P. 4

- 1.1 Human rights
- 1.2 Labor practices and decent work

Human rights – Themes and GRI indicators HR1, HR2, HR3, HR4, HR5, HR6, HR7, HR8	P. 5
--	------

Labor practices and decent work – Themes and GRI indicators LA1, LA2, LA3, LA4, LA5, LA6, LA7, LA8, LA9, LA10, LA11, LA12, LA13, LA14	P. 7
--	------



CHAPTER 2 – SOCIETY P. 15

- 2.1 Cultural / Community issues

Society – Themes and GRI indicators S01, S02, S03, S04, S05, S06, S07, S08	P. 16
---	-------



CHAPTER 3 – GOVERNANCE & ECONOMICS P. 21

- 3.1 Economics

Economics – Themes and GRI indicators EC1, EC2, EC3, EC4, EC5, EC6, EC7	P. 23
--	-------

Responsibility for products and services – Themes and GRI indicators PR1, PR2, PR3, PR4, PR5, PR6, PR7, PR8, PR9	P. 25
---	-------



CHAPTER 4 – ENVIRONMENT P. 28

- 4.1 Environment

Environment – Themes and GRI indicators EN1, EN2, EN3, EN4, EN5, EN6, EN7, EN8, EN9, EN10, EN11, EN12, EN13, EN14, EN15, EN16, EN17, EN18, EN19, EN20, EN21, EN22, EN23, EN24, EN25, EN26, EN27, EN28, EN29, EN30	P. 29
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Chairman's message



Publicis Groupe has resolutely committed to its Corporate Social Responsibility policy over the past several years. To ensure the continuity and adoption of this policy across all our entities, it must be developed in partnership with our clients. It is a policy that must be embraced by each and every member of the Groupe's staff.

This is by no means the least of the challenges facing us. We are present in over a hundred countries with more than 800 agencies and a staff of over 53,000. Because of the different regulations, cultures and sensitivities, the need to inform, raise awareness and train our people is quite considerable if we are to implement a consistent policy. That said, we are naturally more inclined to focus on the quality of service we provide to our clients rather than on our own internal requirements. I am acutely aware of the difficulties involved in implementing this type of policy and am very grateful to the teams responsible for this work which is of the utmost importance for the Groupe's future.

We have chosen an active approach in four areas: Social issues (for and with our employees), Society (our role in society), Governance (how we operate, our code of ethics), and Environment (the impact of our activities).

This leads us to devise plans of action for each area, while ensuring they integrate well across all our activities and sectors. Very early on, we developed a Code of Good Conduct that is now one of the structural elements of our CSR policy. We still have a long way to go to reach a satisfactory level in the different areas of focus. We are working hard to achieve this goal because we are convinced that the best way to do our work is obviously to do it well, and to make sure this effort is understood by those around us.

Communications must be responsible. That is an absolute necessity. Our clients are demanding and require us to factor in new dimensions underpinning the notion of sustainability in our proposals and productions. Citizen-consumers also have high expectations. We therefore have a major role to play. Moreover, these responsible communications are built with the implication of many people and are constantly changing since the new digital technologies have given both voice and power to citizen-consumers. This is what makes the challenges of the years to come so exciting.

Maurice Lévy
Chairman of the Management Board

Preliminary comments

INTRODUCTION

This third Corporate Social Responsibility (CSR) report marks the end of an important cycle. As Chairman Maurice Lévy has pointed out, this is an ongoing commitment.

In 2007 and 2008, we took the necessary steps to embark on this form of non-financial reporting, in anticipation of the then future regulatory obligation to publish a CSR report in France. To put matters into perspective, for a Groupe whose business is mainly immaterial (provision of intellectual services) and whose culture is more oral than written, to undertake CSR reporting was something of a mini-revolution. From the ethics and strategy perspective, the Groupe has long since been attuned to the need to evolve towards greater sustainability. Though non-financial CSR reporting is somewhat new and complex, it does have the merit of inciting us to greater discipline, consistency and relevance in devising and tracking the plans of action we roll out. More importantly, it shows us just how much progress can be achieved in numerous areas, which is particularly encouraging, even though we know there will have to be priorities.

Our first CSR report covered the year 2009 and was based on the same three-part rationale that has governed this 2011 report:

- firstly, to include the entire Groupe in **the scope** of the report despite the difficulties this entailed (over 800 entities throughout the world and an organization that is regularly being modified) and the attendant risk of errors. In other words, a scope that has been evolving in a natural, logical manner between 2009 and 2011;
- secondly, over and beyond the requirements of the 2002 French NRE law (Nouvelles Régulations Économiques - literally “new economic regulations”), we opted to align these requirements with the **Global Reporting Initiative (GRI)** already used by a number of our clients and suppliers, in order to structure the data in the report. The GRI framework is sometimes a little rigid for a group like ours, but nonetheless spans an interesting spectrum of indicators;
- thirdly, the goal of immediately calculating the Groupe’s impact on the **environment** and its greenhouse gas

emissions embracing –all business units– again in anticipation of legal requirements (French Grenelle II law on the environment), and using two different assessment methods (French/European carbon footprint method and the GHG protocol).

This 2011 CSR report provides a more stable inventory that includes a large number of themes and indicators. It need hardly be recalled that this report must be read in conjunction with Publicis Groupe’s Registration Document (available at www.publicisgroupe.com) which comprises detailed and essential information on the company, its businesses, markets, financial statements and risk factors that are not given in the CSR report.

With the hindsight we now have at the end of this three-year cycle, it will be easier to set quantitative targets for certain indicators, thus commencing a new cycle.

The challenge is therefore to continue raising awareness, on the one hand, among management and staff with regard to all these new challenges that influence our daily lives and the way we work, and, on the other hand, in the work we do for and with our clients. The recommendations we make in our communications campaigns must integrate and take into account CSR considerations.

The Groupe’s Corporate Social Responsibility department is operated on a push-and-pull basis. The Groupe sets strategic orientations and work targets in conjunction with the networks and agencies, while its highly decentralized structure leaves the agencies considerable leeway to determine their own priorities.

Along with staff, clients, suppliers and all our stakeholders, we must improve and progress together in order to play our part in making the world fairer and more sustainable place.

Mathias Emmerich, General Secretary
Eve Magnant, VP – Director Corporate Social Responsibility

METHODOLOGY AND FRAMEWORK

Scope: Quantitative data are reported via a dedicated tool with the help of the Financial Department, the data being collated within each entity with support from Re:Sources, the Shared Services Centers (SSCs).

These data are checked in-house in accordance with the Groupe's procedures. **Nearly 95%** of the entities controlled by the Groupe are covered in this 2011 CSR report. Qualitative data (which are selectively analyzed by theme and not just a catalog) are centralized by the head of the networks and then completed locally by the agencies where necessary.

The reference systems used and quoted are based on the following:

- the French NRE law (*Nouvelles Régulations Économiques*, 2002) and its most recent enforcement decree (2012), as well as the French Grenelle II law (art. 225);
- the GRI – Global Reporting Initiative (see www.globalreporting.org) – taking into account a very large number of indicators (on the basis of the “comply or explain” rule);
- the UN Global Compact, signed by Publicis Groupe in 2003, a commitment that is reasserted every year, and the UN “Caring for Climate” pledge signed in 2007;
- ISO 26000: As the Groupe takes part in a number of different working groups, ISO 26000 is used today as a new and complementary guidance, in order to address Corporate Social Responsibility from an even more global perspective.

CHAPTER 1
SOCIAL





With nearly 54,000 people working around the world, Publicis Groupe has a terrific strength: the men and the women who make up its teams.

The formula may sometimes seem overused, yet it's the plain truth. This diversity of talent, skills, experience –and above all this vast community of passionate, enthusiastic and highly motivated men and women who make up the Groupe's "human capital"– is one of the key factors behind the Groupe's success.

Our **major challenge** is twofold: to build up our teams in order to foster creativity and bring our clients' projects to fruition, and to nurture individual changes in terms of skills and career management. The challenge demands work: on the individual and collective levels.

There is a very high turnover in our businesses, an aspect shared by the entire industry. This is owed partly to a characteristic proper to the profession: the operations of all our agencies depend on powerful internal dynamics in which changing client teams is part of why we can constantly build strong proposals, give our recommendations a driving force and avoid the creative fatigue that could naturally set in after a few years. In management terms, the challenge consists in being able to offer our people the possibility of working on other projects, thus enlarging their spectrum of skills and experiences. In addition there are the specific economic and historical factors that can influence staff movements. Therefore there is a paradox that we have to manage on a daily basis: we have to build staff loyalty and manage team rotations, in the best interests of our people, the Groupe's agencies and our clients. Training is one of the keys to achieve this twofold objective. In a business infused with continuous technological innovation, our competitive edge must be imperatively and constantly reinforced. Training becomes more flexible, it moves faster, morphing into multiple forms, wholly invested in new digital tools.

Our Groupe policy remains anchored on a solid baseline: **increasing the skills of all our staff members.**

Our objective remains the same: **enabling our people to work efficiently and feel good about their work.**

For each agency, this is a daily challenge. It is a process in perpetual motion. Priorities for action are therefore determined locally, within the framework of a policy determined by each network, respecting the Groupe's common goal.

IMPORTANT: Many key themes are long-term, and actions (or projects, approaches) undertaken by the Groupe are designed to span several years. This is why we try in this 2011 report to emphasize new developments and key events (to avoid repetition of themes developed in previous years).

1.1 HUMAN RIGHTS

1.1.1 Investment and procurement practices

GRI HR1	GLOBAL COMPACT Principle 1
FRENCH NRE LAW (ART. 116) Art. 2.9 ^a	ISO 26000 6.3, 6.3.3, 6.3.5, 6.6.6

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

- For the firm, and particularly with respect to our people, "Janus", the internal Code of Conduct, is the main reference for keeping our managers and staff abreast of their rights and duties. It is true that the great majority of our people are highly educated and qualified professionals, but we still review the basic principles with them on a regular basis. Knowledge of the fundamental rules is essential, as is a thorough familiarity with local rules and regulations. We continuously remind our staff of the key principles advocated by the ILO (International Labor Organization), with

specific attention to:

- gender equality in employment and income;
- the scope and efficiency of social protection for everyone;
- reinforcing social dialog.

- All Groupe supplier contracts (central and regional) contain criteria relating to human rights through our “Publicis Groupe Procurement CSR Questionnaire” – see HR2.
- Through its *pro bono* campaigns to support human rights causes, carried out via its agencies and networks, the Groupe has remained a staunch defender of those basic rights and freedoms. In this manner, the Groupe exercises a kind of “dutiful vigilance”. This is how our concrete actions find their strongest and most legitimate expression.

GRI HR2	GLOBAL COMPACT Principles 1 & 2
FRENCH NRE LAW (ART. 116) Art. 2.9°	ISO 26000 6.3, 6.6.3, 6.3.5, 6.4.3, 6.6.6

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

- In addition to major Groupe contracts managed at the central level, the Groupe Procurement Department has established its own internal guidance, the “CSR Procurement Chart”. As a consequence, the contracts handled by the Procurement staff in Re:Sources are designed to extend application of the “Publicis Groupe Procurement CSR Questionnaire” to a larger number of suppliers.
- Together with the Groupe’s main partners and suppliers, certain points concerning compliance with human rights within their organizations and supply chains are addressed in contractual reviews on an annual and/or semi-annual basis.
- The Groupe does not have the capacity to carry out on-site monitoring.

GRI HR3	GLOBAL COMPACT Principles 1 & 2
	ISO 26000 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.

- Compliance with human rights is part of the Groupe’s steadfast and inalienable internal values. It is a component of “the Difference” in the Groupe’s corporate culture. All em-

ployees, especially new recruits as they go through their initial orientation sessions, are reminded of these values.

1.1.2 Non-discrimination

GRI HR4	GLOBAL COMPACT Principles 1 & 6
FRENCH NRE LAW (ART. 116) Art. 2.3° - Art. 2.7°	ISO 26000 6.3, 6.3.6, 6.3.7, 6.3.10, 6.4.3

Total number of incidents of discrimination and actions taken.

- “Janus” serves as a reminder, in several chapters of the internal Code of Conduct, of the intangible principle of non-discrimination. Staff members must be chosen, either when they join the Groupe or when they go through career moves within the firm, “solely on the basis of their professional qualities, must not benefit from preferential treatment and must not be discriminated against in any way” (“Janus”).
- The Groupe’s HR Committee chaired by the General Secretary pays particularly close attention to this issue and is doubly vigilant in its regard. To date, no complaint filed on the basis of possible discrimination, notably in the US, has ever been admitted on these grounds in the courts. Notwithstanding, each case that arises is subjected to a thorough internal investigation, which gives rise to a critical examination of our in-house practices. The intangible postulate of non-discrimination is thus reiterated in each network’s HR policy.
- The judicial procedure referred to in the 2010 CSR Report, involving a former employee of MSLGROUP in the US, is still pending. We recall that the US Equal Employment Opportunity Commission (EEOC) examined the claim in 2010 and stated that “the case does not present any infringement or violation of the law”. The Groupe continues to uphold that the claim is unfounded and remains determined to defend its case in the courts.

1.1.3 Freedom of association and collective bargaining

GRI HR5	GLOBAL COMPACT Principle 3
FRENCH NRE LAW (ART. 116) Art. 2.3°Art. 2.4°	ISO 26000 6.3, 6.3.3, 6.3.4, 6.3.5, 6.3.8, 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.

- The Code of Conduct section of “Janus” states that in addition to complying with the legal obligations specific to each



country, it is very important to foster social dialog and to listen closely to what our employees have to say.

- The majority of our agencies employ an average of between 50 and 100 persons (except very large agencies with more than 300 employees, which means there are a great number of very small entities). This is a size conducive to direct relations between staff and management.
- Freedom of association and collective bargaining are part of fundamental human rights, compliance with which is one of the Groupe's main concerns.

1.1.4 Child labor

GRI HR6	GLOBAL COMPACT Principle 5
	ISO 26000 6.3, 6.3.3, 6.3.4, 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.

- The Groupe's operations (providing intellectual services) do not directly entail any risk of child labor issues.
- "Janus" stipulates in the Code of Conduct that child labor is prohibited, and it is necessary to integrate this principle into our work.
- This commitment is also reiterated in the "Publicis Groupe Procurement CSR Questionnaire" of the Groupe's Procurement Department, and made known to our suppliers.

1.1.5 Forced and compulsory labor

GRI HR7	GLOBAL COMPACT Principle 4
	ISO 26000 6.3, 6.3.3, 6.3.4, 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.

- Due to our business specificities, there is no risk in our operations of forced or compulsory labor. "Janus" states very explicitly that such forced or compulsory labor is prohibited and that we must ensure compliance.

- Likewise, this same commitment is contained in the "Publicis Groupe Procurement CSR Questionnaire" of the Groupe's Procurement Department and required of to our suppliers.

1.1.6 Security practices

GRI HR8	
	ISO 26000 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 HR9	
FRENCH NRE LAW (ART. 116) Art. 2.4°	ISO 26000 6.3, 6.3.6, 6.3.7, 6.3.8, 6.6.7

Total number of incidents of violations involving rights of indigenous people.

- The Groupe's businesses (offering intellectual services), which operate through offices in large cities, do not involve any risks for the rights of indigenous peoples.

1.2 LABOR PRACTICES AND DECENT WORK

1.2.1 Employment

GRI LA1	
FRENCH NRE LAW (ART. 116) Art. 2.1°a - Art. 2.2° - Art. 2.3°	ISO 26000 6.4, 6.4.3

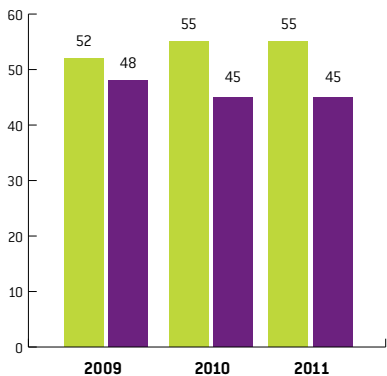
Total workforce by employment type, employment contract and region.

- Gender balance in 2011:

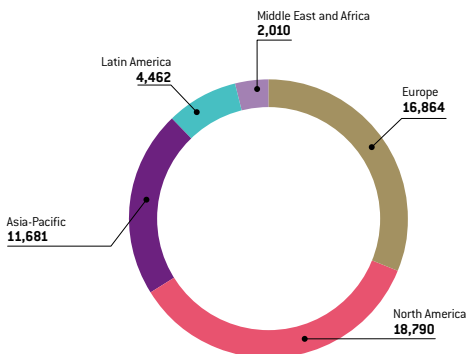
55% women (average age: 33)

45% men (average age: 34)

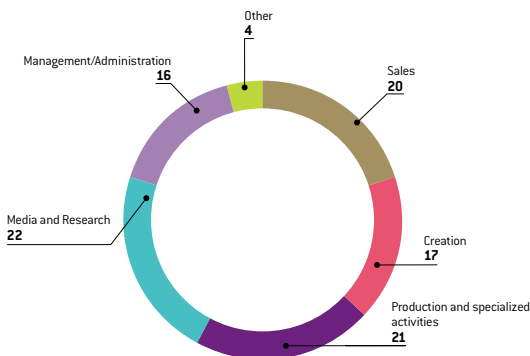
These figures are essentially stable.



- Workforce breakdown by geography



- Workforce breakdown by activity (%)



Nota bene:

- Independent freelancers contributing to projects: Since 2011, the Groupe has taken on a significant number of freelancers to work with in-house staff.

- Interns go through training in agencies on a regular basis. They are students who, as part of their studies, come to discover the world of communications and its various professions. They stay for an average of 3 months and are not included in the Groupe headcount.

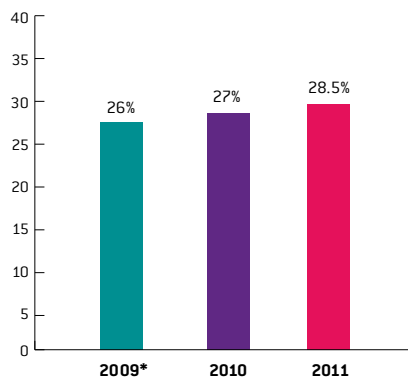
GRI LA2	
	ISO 26000 6.4, 6.4.3

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

- Turnover rate in 2011: **28.5%**



Calculation method: total number of departures (over 12 months) is divided by the average headcount over the same period, multiplied by 100 for percentage purposes.



* Smaller scope of consolidation (85%)

- Internal mobility: The Groupe continues to work on determining a reliable indicator, which is not yet stable for the Groupe as a whole: It works out at less than 10%.



Calculation method: total number of employees leaving an agency to work in another Groupe entity, divided by average headcount, multiplied by 100 to arrive at a percentage.

GRI LA3	GLOBAL COMPACT Principle 3
	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).
- An annual medical examination is required by law in almost every European country. In the US, this type of medical benefit is more a voluntary process decided by individual employees, to which the company may contribute. The Groupe sees that this examination is proposed to employees in other countries where the law does not require it, beyond the initial examination upon hiring. Evaluation of this practice is difficult because in certain countries it enters into the area of personal information, which is protected everywhere by individual privacy laws. Through its plans of action and information campaigns set up by the HR people in Re:Sources, the Groupe has undertaken to encourage its staff to have regular medical check-ups for preventive purposes (every 12 to 18 months).

1.2.2 Labor/management relations

GRI LA4	GLOBAL COMPACT Principle 3
FRENCH NRE LAW (ART. 116) Art. 2.1° a - Art. 2.4°	ISO 26000 6.3.10, 6.4, 6.4.3, 6.4.4, 6.4.5

Percentage of employees covered by collective bargaining agreements.

- A Groupe indicator is not pertinent in that this is a very European concept, which defines a framework for negotiations.
- In most European countries where this principle is followed, agency employees are covered by a collective bargaining agreement. In France, for example, all employees are covered mainly by the Collective Bargaining Agreement applicable to the Advertising sector (though they can also be covered by other collective agreements pertaining to different trades, depending on their jobs).

GRI LA5	GLOBAL COMPACT Principle 3
FRENCH NRE LAW (ART. 116) Art. 2.1° a - Art. 2.4°	ISO 26000 6.4, 6.4.3, 6.4.4, 6.4.5

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

- This legal obligation is contained in every Collective Bargaining Agreement in accordance with the terms and provisions applicable in each country; there is no unique regulation in this respect.
- In addition to what is stipulated in each Collective Bargaining Agreement, the Groupe ensures that staff members are

always fully informed, especially with regard to changes in the organization. This is no mean task, taking account of how quickly the Groupe is evolving and constantly transforming.

1.2.3 Occupational health and safety

GRI LA6	
FRENCH NRE LAW (ART. 116) Art. 2.5°	ISO 26000 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.

- The greater part of Groupe personnel is based in offices located in buildings in which the Groupe's agencies are not the only tenants. Depending on local regulations, most of our agencies have committees, with equal or multi-party representation, to address and treat health and safety issues in the workplace.
- Whatever the formal context, the same major questions arise in every situation:
 - providing a "safe" working environment, free of any danger and risk;
 - fostering a materially comfortable workplace in pleasant surroundings (arranging the different spaces, making sure employees are comfortable and their "work life" is a good one).
- In the US, there is a Federal law (under the "Occupational Safety and Health Administration") which can be completed by laws in every State, and even reinforced by a city ordinance.
- In Europe, this is the remit of local "Health and Safety Committees", the purpose of which is similar to that of the French CHSCT (*Comité d'Hygiène et de Sécurité des Conditions de Travail* – or "Health, safety and working conditions committee").
- All these measures aim to ensure dialog and ongoing consultation in order to improve working conditions and "work life" in the building.
- A statistical indicator for the Groupe would not be informative in this instance because of the different names of the bodies concerned and the varying responsibilities of the different committees. However, employee/management relations are addressed and followed up in several Groupe agencies regarding such issues as Well-Being in the workplace (and anti-stress measures and "Work Life Balance"). There are joint working groups that meet regularly, involving management, to devise specific plans of action within the agencies.

GRI LA7	
FRENCH NRE LAW (ART. 116) Art. 2.4° - Art. 2.5°	ISO 26000 6.4, 6.4.6

Absenteeism.

- The Groupe continues to use an overall Groupe indicator.
- In 2011, absenteeism worked out at **2%** (stable from 2% in 2010, the first year of testing the indicator).



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.

GRI LA8	
FRENCH NRE LAW (ART. 116) Art. 2.5°	ISO 26000 6.4, 6.4.6, 6.8, 6.8.3, 6.8.4, 6.8.8

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

- The Groupe has no overall preventive programs for health risks, in the light of the nature of its businesses (intellectual services) and its highly decentralized structure.
- However, in each country and in each agency this risk is addressed in three ways, on a voluntary basis:
 - for seasonal epidemics (such as the flu), the agencies who wish to do so set up preventive plans for their employees with ad hoc partners (such as vaccination campaigns);
 - in respect of nationwide prevention measures (anti-smoking, anti-alcohol programs or testing for certain pathologies), agencies carry out information campaigns in an effort to spread the details into the workplace and encourage such prevention programs;
 - as part of exploration and action plans on the themes of Well-Being in the Workplace and anti-stress campaigns, preventive actions can be carried out to raise staff awareness of certain risks in the agencies. This is how the Groupe acts to prevent Repetitive Strain Injury (RSI), which is a frequent affliction among sedentary employees who work on computer screens, as well as eyesight problems. Information and awareness sessions are conducted in several agencies as a preventive measure.

GRI LA9	
FRENCH NRE LAW (ART. 116) Art. 2.4° - Art. 2.5°	ISO 26000 6.4, 6.4.6

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

- These issues can be reviewed only on a country-by-country basis.
- In in-house programs such as "Work Life Balance" (or anti-stress measures), we approach questions in connection with the pace of work, important matters in the communications professions where the pace is naturally intense, and where keen and quick responsiveness is a major challenge in this heavily digitized working environment.

1.2.4 Training and education

GRI LA10	GLOBAL COMPACT Principle 6
FRENCH NRE LAW (ART. 116) Art. 2.6°	ISO 26000 6.4, 6.4.7

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

- In 2011, the Groupe provided roughly **85,600 training days** (compared to 110,000 in 2010, a figure that included online sessions, now referred to as "e-learning" and accounted for separately below). There were 64,000 training days in 2009 in a smaller scope of consolidation.
- In addition to this, in 2011, there were **31,135 hours of "e-learning"**, comprised of shorter sessions (between 1 and 3 hours). This figure is probably not yet complete, given the great number of very short in-house training sessions (1 hour), which make up a form of ongoing training very much used for digital applications.
- **56%** of total employees were trained in 2011: an indicator that has been improved but is probably not yet complete.



* Smaller scope of consolidation (85%)
** Total Groupe (90% to 95%)



GRI LA11	GLOBAL COMPACT Principle 6
FRENCH NRE LAW [ART. 116] Art. 2.3° - Art. 2.6°	ISO 26000 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.

- The Groupe considers that two areas of training are central to structuring the training programs in the networks and agencies:

- Management skills: Staff members can go through major career moves and rapidly take on greater responsibilities in their agencies. These young managers therefore have to acquire solid basic skills in management: it is important to help them and, on an ad hoc basis, give them the means to assume their new job positions. Management training is essential in all areas of our businesses' activities.

- Skills and mastery of digital technologies: The Groupe's strategic move to digital went hand in hand with a higher level of competence in this field. The skills used are many, on a global level and very local levels. It is not simply a question of technical and technological skills, but also creative and marketing skills that involve a high degree of professional know-how in all these new fields, which for some people did not exist ten or even five years ago.

FOCUS

Major training areas in network programs

▼ All agencies have implemented training using outside support, but have also deployed many internal sessions to optimize knowledge sharing. The proportion of Webinars and online sessions has increased considerably. Changes in our working methods happen so fast that keeping our people up to performance is a constant challenge. The examples below are typical of how far some of these changes have taken us, along with some of the basic themes and approaches job training has taken.

- **ZenithOptimedia UK** has for some years now been running the "ZenithOptimedia Academy" for numerous internal training programs. In 2011, "Google Advertising Professionals Academy" helped more than 100 staff qualify for the "search" section ("Google Search Qualification"); this agency was the most proactive in its market, putting in the most effort in this field. In the same spirit, ZenithOptimedia China took a similar approach with Google concerning more than 50 people. Training on Touch Points, and a number of media impact analysis tools (both new and traditional media) was implemented in several countries (US, China, Spain, Portugal and others). A significant effort was made towards increasing knowledge of digital communities, how they are articulated, how they function and their leverage sources. In addition, several leadership programs concentrated on helping groups of between 30 and 50 people to acquire and improve their management skills (in the UK, China, France and elsewhere).

- **Starcom MediaVest Group**: The network has a far-reaching e-learning catalog, also with programs in common with Google, aiming to optimize skills in detecting changes, possible applications and results analysis. Nearly 3,500 individual training sessions were held. SMG UK continued its Management Development Series to assist managers in their job functions. New training courses were rolled out with clients; these joint sessions are one of the agency's success factors. In China, a five-day seminar for new staff brought the younger teams up to par on the network's proprietary methods and tools. In Vietnam, a session lasting several days for rising talent and managers concentrated on knowledge of the broad trends in the industry. In Argentina, several online programs enabled the entire agency to follow a complete review of ongoing themes, from brand strategies to new mobile applications. In Australia, sessions of several days for 100 persons were dedicated to an overview of the fundamentals of all aspects of the profession.

- **Digitas USA** has for several years had a dynamic internal program called "Learning & Development at Digitas (L&D)" divided into three different sections: the basics, core skills (technical and managerial), and tailor-made programs with outside training experts. In addition to the quasi-continuous sessions on technical subjects in 2011, the emphasis was on three career management programs: for new recruits, "New Employee Immersion" comprised several modules for more than 400 people; skills enhancement (277 young staff members) and leadership/project management (435 members). Three other programs addressed Team Leadership qualities, taking 110 people; a course at "How to preserve inspiration and renew your ideas" 137 people; and for 370 people, on the indispensable ability to make effective and sharp presentations to clients. The concepts of skill sharing and working together were pointed up through a training session involving more than 60 people. A new program on transgenerational management was implemented for nearly 90 people.

- **Razorfish**: "Career Lab" was followed by 1,750 staff members, who received overall training in this program which is divided into several modules, designed to help them manage their careers. Another program addressed working with clients and following up on projects (150 members). Some of Razorfish's Webinars are now open to Digitas staff and other VivaKi entities, with a view to enhancing the sharing of know-how and knowledge.

- **Publicis Healthcare Communications Group (PHCG)**: The network took stock of the diverse needs of its agencies and set up an "e-learning library" containing more than 200 different sessions made available and accessible to all staff members (seven languages), covering the principle aspects of the specific know-how of PHCG in the healthcare field. Management training sessions were held for 150 people in the US and 160 in the UK. Compliance sessions are ongoing in several countries, generally lasting one day, to bring team members up to date on rules and regulations in this respect. For digital applications, "Lunch and Learn" sessions are planned all year long, with small groups of 10 to 20 receiving training in the latest changes in technology and new applications.

- **Leo Burnett** has been running an in-house university (LBU) for several years, spanning several different fields and training programs for five broad levels of employees, from "Entry Level" to "Top Senior Management". An important 2-day session in New Media Training was held for 500 employees in the US (and nearly 250 in the UK), on the

subjects of technological innovations, new applications and creativity. In the same vein, a specific three-day training session brought 160 Executive Managers up to date on issues involving new media and social media, new consumer behaviors linked to these media, and their various impacts in terms of business. Leo Burnett continues its TANK program, a 5-day training module for juniors in the network, mainly in the US. Two management programs stand out: the People Management Program, which was followed by 100 managers, and the New Manager Program followed by 60 staff members. Both programs are geared towards improving teamwork and a better grasp of the keys to good management.

- **Saatchi & Saatchi**: Training in the network is organized through a vast array of programs, often according to country and with support from specialized institutions. In the US, all employees followed a one-day session on Ethics, which is fundamental to two aspects of our business: enhancing the knowledge and awareness of staff members, and ensuring the quality of the work we do for our clients. Likewise in this spirit, there are seminars with those clients with a view to consolidating their grasp on ethical issues. In China, 250 staff members followed the internal program called "Lovemarks", on in-house culture and the conceptual issues deployed in our work with clients. These seminars are held in almost every large S&S agency. Also in China, two programs were implemented: one on management and teamwork, the other on strategic and creative work. In keeping with a network tradition, several agencies and teams have sessions dedicated to team building. All the large agencies rolled out training modules on digital technology to keep the team performance levels up to par.

- **Publicis Worldwide** deployed a vast global program for more than 2,800 employees, with an introduction to the culture, positioning and working methods of the network. A "Digital Bootcamp", designed for 250 staff in the US and South Africa, enabled them to improve their digital skills. Along the same lines in Brazil, intensive one-day sessions (in four groups) were aimed at 90 people who learned to better understand the possibilities and performances of digital communication (innovations on mobile units, new types of e-commerce, etc.). In Russia, training programs for fifty staff members treated new forms of dialog and the "Digital Conversational Process". And in Mexico, the accent was on social networks and all new forms of interaction. Publicis Worldwide also continued its training modules on Creativity and Inventiveness, and changes in the professions such as "Trade Marketing" among others.

- **Fallon**, continuing former actions, has an intensive training agenda aimed at all divisions in its agencies, which is very closely followed in London. "Brainfoods", the online training program, covers a great number of subjects with a prospective purpose as well as educational objectives. These modules are widely used by the US teams in Minneapolis with as many as 60 to 100 participants each time.

- **MSLGROUP**, through its MSL Academy, deployed applications Webinars in digital technology in its different entities, led by both internal and outside experts in the field. In the US, the agency continued to roll out its Client Engagement modules. MSLGROUP New York and Canada also worked on a joint training module called "Impact & Influence". In China, two large sessions for 200 staff members were held, one lasting seven days, on "New and Social Media" and "Social Networking Strategy". Three main themes were developed through agencies in Asia: "Knowledge & Expertise", "New business skills" and "Social Media &

Reputation". In Europe, several agencies conducted sessions on the culture of the network.

GRI LA12	
FRENCH NRE LAW (ART. 116) Art. 2.3° - Art. 2.6°	ISO 26000 6.4, 6.4.7

Percentage of employees receiving regular performance and career development reviews.

- In 2011, **77%** of total employees had a formal evaluation interview.



* Smaller scope of consolidation

- The Groupe's objective remains the same: arranging to hold an official interview for every staff member once a year. The high level of turnover over the 12-month period had an influence on the scheduling of those interviews.

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In-house climate – or internal satisfaction surveys.

It is ingrained in some networks' cultures to conduct this type of traditional annual interview for staff members, especially at Leo Burnett, where this regular practice has been established for nearly 10 years (other networks conduct similar interviews but every 18 or 24 months). Even if each network functions with its specific approach, we applied the same grid for overall analysis in 2011, to arrive at the following summary conclusions on what areas need to be improved.

- It is still frequent (except at Leo Burnett, Digitas, Razorfish, Fallon US, Kaplan Thaler Group and certain agencies of each network), that the notion of "recognition" receives a low note from employees.
- Despite the Groupe's expansion, employees are hard put to see the possibility of career changes within the Groupe (the very notion of "Groupe" is still recent, and bridges between entities are being set up).



• Diversity has emerged as an important issue that merits closer attention. On the other hand, the strengths that came out of the staff survey are as follows:

- a real pride in being part of their network (and/or agency); this emerged in almost every network and large agency, and reveals a great sense of commitment on the part of our people;
- true satisfaction in their daily work;
- a good impression of their agency/network/Groupe as an employer.

1.2.5 Diversity and equal opportunities

GRI LA13	
FRENCH NRE LAW (ART. 116) Art. 2.3° - Art. 2.4°	ISO 26000 6.3.7, 6.3.10, 6.4

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

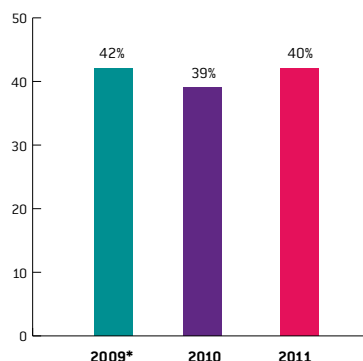
- Gender balance
Groupe-wide gender balance in 2011:
55% women (Average age: 33 years)
45% men (Average age: 34 years)

These data are essentially stable (see diagram p. 9).

- Supervisory Board: Chaired by Mrs. Elisabeth Badinter, in 2011 the Board was made up of seven women out of 16 members, i.e., 44% women. Since 2012, there are seven women out of a total of 14 members, thus 50% women.
- Management Board: Composed of 5 men. The “P 12” or Executive Committee had two women out of 12 members at 1 December 2011 (16%, as in 2010); since then, there has been one woman for 12 members (8%).
- “Strategic Leadership Team” (a think-tank and strategic orientation group) set up in mid-2011 (see 2011 Registration Document, p. 47) is comprised of the members of “P 12” plus nine others, of whom two are women.

Presence of women on executive committees:

- at network leadership levels alone: 30% women (versus 28.6% in 2010);
- within networks and agencies or entities: **40% women** (versus 39% in 2010).



* Smaller scope of consolidation (85%)

- “VivaWomen!”: In 2011 an internal women’s network was born in the Groupe. The main goal is to accompany women working in the Groupe in their personal and career orientations, with the approach that men and women must work together on this topic and find answers and solutions to certain problems that are more often encountered specifically by women. For the first year, VivaWomen! was set up in the US, France and China. Deployment will continue on local levels in order to ensure consistency with local cultures. Several actions are already underway, including mentoring for women: meetings with experts to share experiences and best practices; working groups on concrete, specific topics in which the content or scope touches other areas which are not exclusively women-oriented.



- Affinity groups: The list of affinity groups is long, and they depend greatly on the local context of each country; the emergence of these groups, and their activities, fully reflect the more global trends that are found in the societies of several countries.
- In 2011 in the US, after several years of smaller groups existing in the agencies, a cross-agency affinity group emerged called “Égalité”. The objective is to be a resource and provide support for members and their allies (as the continuation of the movement labeled “LGBT: Lesbian, Gay, Bisexual, Transgender”). Their dual goal is to facilitate staff integration and serve as a source of information for these communities, sometimes working with clients.



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Diversity



All the work done in the agencies, the networks and in common within the Groupe in order to promote Diversity is meant to fight against discrimination and encourage the establishment of multicultural teams, based on a sole criterion: competence. This is a daily task, a permanent one. The Groupe continues to focus its efforts on its seven criteria, without limitation: they simply make up the most important areas of concentration. Action plans are implemented at local levels (country, city, agency).

Some examples follow:

- In the US, under the impetus of the Groupe Diversity Council which includes the network HR Managers and their Diversity managers, several joint actions were continued: joint participation in initiatives such as “Ad Color”, the AAF (American Advertising Federation,) the Most Promising Minority Student, the Black Enterprise Women of Power Summit, the W.A.T.E.R Coalition Session, the GLADD Media Awards, and different initiatives with universities and schools. At the same time, networks and agencies continue to deploy their own specific actions. In 2011, the managers of ZenithOptimedia and Saatchi & Saatchi were cited by the profession for their approach to “Diversity & Inclusion”, in their agencies and in projects with their clients;
- In France, an overall approach was undertaken on the initiative of France’s HR Division, supported by the networks and agencies. This begins with a preliminary internal analysis of the issues and needs, then by establishing a plan of action meant to increase the opportunities for greater diversity in the teams. Some agencies have also begun think tanks and working sessions to encourage greater diversity among talents.

GRI LA14	
FRENCH NRE LAW (ART. 116) Art. 2.3°	ISO 26000 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.

• Balance of Compensation by Gender

In addition to the principles of equality which are widely supported and shared within the Groupe, it is really the facts that count. HR teams are working on a grid to analyze and follow this balance more accurately, intended to yield a more precise breakdown. The major difficulty at this time is the uncertain comparability due to the great number of job titles. This work is underpinned by joint computer tools used in conjunction with ERP.

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Compensation, Incentives and employee share ownership

Compensation and Incentives (see 2011 Registration Document, p.57 to 71).

- All information concerning the terms and conditions of compensation of Groupe senior management is reported in great detail in the Registration Document. Groupe employees have labor contracts which set out their job descriptions, responsibilities and terms of compensation (fixed and variable, if applicable). These contracts are all subject to local laws and labor regulations.

- Employee shareholding: The various stock option plans for subscribing or acquiring stock are described in the 2011 Registration Document (pp. 162 to 174).

- The Groupe Free Shares Plan announced in 2009 (awarding 50 shares to each employee) was broadly rolled out at end 2011, reaching over two thirds of Groupe employees. When completed, this plan will likely represent about 1% of the share capital. (For the Groupe shareholding structure, see the 2011 Registration Document, pp. 215 to 219).

CHAPTER 2
SOCIETY





This chapter collates a whole series of initiatives, relationships and projects constituting a multifaceted view of the Groupe's numerous activities carried out in conjunction with an ever-increasing number of partners from civil society.

The Groupe, its networks and all its agencies play a part in a very large number of ways that have a positive impact on what is commonly known as community life or civil society. The very large number of highly diversified undertakings is a good reflection on the Groupe's culture of sharing. As it has become very difficult to enumerate every aspect of this involvement, this year we have chosen once again to structure our approach around a small number of important themes. Throughout this chapter, the narrative is one of strong commitment on the part of different categories of staff at all levels of hierarchy. The final picture, that some may see as a kaleidoscopic, is that of a group whose involvement in society in general is an everyday reality. Not only is this not new to Publicis Groupe, it is part of our corporate culture: so, despite the complex economic situation, playing our part in society is constantly at the forefront of our minds. In fact, this is one of the challenges the agencies are faced with, *i.e.* how to maintain our involvement at the same level despite dwindling resources?

Our policy consists in encouraging our people **to play an active part in society.**

Our goal is, as always, to act efficiently, as **social and economic players acknowledged for our commitment.**

2.1 CULTURAL / COMMUNITY ISSUES

2.1.1 Community

GRI S01	
FRENCH NRE LAW (ART. 116) Art. 1	ISO 26000 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.

- The Groupe's employees take a genuine interest in the activities of their local communities. Indeed, working with local people is one of the keys to success. Interest in these projects and initiatives runs particularly deep among the younger generations, and involvement is mainly in the form of *pro bono* campaigns and voluntary work, with the agencies deciding what causes they wish to support.
- Decisions regarding which causes to support are taken by the CEO(s) of each agency. This is a commitment that must meet several objective criteria: a) the cause must be of general public interest, b) the topic must be of real interest to agency staff, and c) the agency must be capable of successfully completing this project just as with its usual clients and on the basis of its general workload.

- In recent years, economic restrictions have obliged a lot of agencies to reduce the number of commitments they undertake in order to focus more on a major project each year.

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Pro bono campaigns



It is important to bear in mind that work for a *pro bono* client is of the same quality and intensity as work for any other client. In the course of its assignment, the agency will be equally demanding of itself. In most cases, there is no charge for these campaigns and the time and work put in and creative production are donated to the institution, association or organization in question. Only technical costs are borne by the advertiser. Sometimes the agency may receive some form of lump sum compensation, though this is always symbolic and therefore very small.

Overall, there were fewer *pro bono* campaigns in 2011 (though the output and achievements were more substantial) and the financial valuation was down. The Groupe is continuing its detailed analysis of the criteria specific to this type of assignment in order to improve its consistency and fairness in selecting projects. Involvement in *pro bono* campaigns may also entail what certain countries refer to as skills-based sponsorship which consists in temporarily releasing employees to contribute their skills to a project or cause. This enables even greater involvement in projects, particularly during the preparatory and/or launch phase, as well as a transfer of know-how. In this way, the approach adds value for both parties.

Child Protection: Leo Burnett USA/Arc (US) "World Strongest Girl" - Girl Scouts of Greater Chicago & Northwest Indiana; Hanmer MSL (India) "Public Relations" - Childline India Foundation; Leo Burnett USA/Arc (US) "Upside Down" - The Cradle; ZenithOptimedia (Australia) "Bequests" - Unicef; Fallon Minneapolis (US) "Beat the Odds" - Children's Defense Fund; MSL (Italy) "A Grain of Happiness" - Artsana; Digitas Boston (US) "Marketing Video" - Cradles to Crayons.



Society: Saatchi & Saatchi New York (US) "McGruff.org/ McGruff Comic Book" - National Crime Prevention Council (NCPC); Publicis Mexico (Mexico) "Paralife" - Fundación Paralife México, A.C.; JKL (Sweden) "Campaign" - Paralympics; Rosetta (US) "Lust for Better Meat" - Greenhouse; BBR Saatchi & Saatchi (Israel) "Blood Relations" - The Impossible Brief.



Healthcare - in General: Nazca Saatchi & Saatchi (Mexico) "065 Campaign" - American Red Cross; Publicis London (UK) "iHobo" - DePaul; Digitas Boston (US) "MGH 100" - Massachusetts General Hospital 100; ZenithMedia (Spain) "Open the Door to Rehab" - Mesa de Participación Social (90 social organizations); Saatchi & Saatchi X (UK) "Meals on Wheels" - Hairy Bikers / Meals on Wheels; Publicis Healthcare International (Italy) "Douala Project" - The African Medical Network.



Health - Blood Donation: Publicis Brasil (Brasil) "Team Pro-Blood" - Fundação Pró-sangue; SMG (India) "Your Blood Counts" - Blood Banks.



Fight against Drug Abuse: Saatchi & Saatchi Johannesburg (South Africa) "Vivienne" - Chabbad Addiction Rehabilitation Centre; Publicis New York (USA) "Drugs are Bad, Joint, Saved, Conversation, Family Portraits" - DrugFree Org; Publicis Consultants (France) "If You Hold Someone Close, Hold Them Back" - Sécurité Routière / Road Safety.



Cancer Prevention: Publicis Hal Riney (US) "Hope" - City of Hope; Starcom (Mexico) "Cancer" - Avon; Saatchi & Saatchi Healthcare Innovations AND Optimedia (US) "20th Anniversary Promotion" - Living Beyond Breast Cancer (LBBC).



AIDS Prevention: Saatchi & Saatchi Cape Town (South Africa) "AIDS" - Unicef; Saatchi & Saatchi Poland (Poland) "Campaign for World Aids Day" and "1%" - Polish Red Cross.



Other Specific Illness: Leo Burnett (China) "The Loneliness of Autism" - Guangzhou Yanggai Special Children Parent Club; Starcom (Australia) "CBD Golf Escape and the Cerebral Palsy Challenge" - Cerebral Palsy Alliance; Publicis Consultants (France) "Campaign" - Institut du Cerveau et de la Moëlle Epinière (ICM).



Environment: Leo Burnett AND Starcom (Sydney) "Earth Hour" - World Wildlife Federation; Saatchi & Saatchi Los Angeles (US) "Animals in Armor" - Surfrider Foundation; Genedigi (China) "E12 Green DIY" - Three Leaf Landscaping, LLC; Leo Burnett USA/Arc (US) "Design for a Living World" - The Nature Conservancy; MSL (Singapore) "Campaign" - Conservation International Singapore; Schwartz MSL San Francisco (US) "50th Anniversary" - Save the Bay.





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Volunteer work – US

The following are examples of volunteer work carried out in the US. Similar work is performed in all countries in which the Groupe has operations, and it is local management that decides what areas the agencies work in.

Leo Burnett - Ronald McDonald House, Ganbare Nippon, Anti-Cruelty Society, the Off the Street Club and Chicago Cares (Chicago), Workshop “Bring Your Kid to Work Day” (Chicago), “Give Back Day” (Chicago), Japan Earthquakes and Pacific Tsunami Fund (Chicago), “All American Basketball Game” (Chicago), Table Tennis Tournament (Chicago), International Charter Elementary School-Irving Park Campus, Junior Achievement (Chicago).

Saatchi & Saatchi - Ad Futures Competition (New York), “Pay it Forward” (New York), “True Blue” (New York), Good Day-Habitat for Humanity, Tree People, Salvation Army, Children’s Institute, Children’s Lifesaving Foundation Boxer Rescue, Seal Beach Animal Shelter, Madrona Marsh, LA Food Bank, Surfrider Foundation, Ronald McDonald House, Free Arts (Los Angeles), Team One Day of Good, 2011 AIDS Walk (Los Angeles), “Operation Backpack” (New York), Philippines Flood Relief, “You Gotta Believe” (New York).

Kaplan Thaler Group - Toys for Tots, NY Cares Coat Drive (New York), Community Service Day.

Fallon - Adopt a Family, One Heartland, GenerosITREE, Children’s Defense Fund Banquet, Fallonthropy Project: Feed My Starving Children, Children’s Hospital of MN, Battle Creek Elementary School, Gunflint Green Up, and Art Buddies.

VivaKi - Women’s Cancer Program (Chicago), Sailing Heritage Society (Seattle), Volunteers of America (Detroit), Moustache March (New York, Chicago, Detroit, Seattle), “Communities that Care” (Chicago), American Heart Association (Chicago), Primo Center for Women & Children (Chicago), Greening of Detroit (Detroit), Clean up Montrose Beach (Chicago), West Side Baby (Seattle).

Digitas - Henry Street Settlement (New York), Off the Street Club (Chicago), Pets Are Worth Saving, Start Heart Walk, Hearts in Action, Mill River Collaborative, The Nicholas House, Junior Achievement of New York (New York).

Starcom - Christopher House (Chicago), Liquid Thread Chicago/ Off the Street Club (Chicago).

ZenithOptimedia - Autism Speaks, My Story, ZO Gives Back.

Publicis Healthcare Communications Group - Bristol Youth Center, Red Cross Donation, Capital Health NICU, Lackawanna County Community Fundraiser.

MSLGROUP - Warehouse Repack Program, City Harvest (New York), NY Cares (New York), Brown University- Kekst Media Relations Advisory Council, New York Youth Symphony (New York), Be:CAUSE (New York), Atlantic Street Center (Seattle), Atlanta Humane Society (Atlanta), Atlanta Tipoff Club (Atlanta).

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Relationships with schools and universities

Our agencies have long-established and close ties with schools and universities in our sector of business. As a result of the tighter economic situation, the agencies have had to focus their efforts on the programs and schools they see as priorities. And because our businesses are evol-

ving very rapidly, with new players and challenges in the field of training, our agencies are also establishing new relationships and ties. These include:

- Educational contributions through teaching, practical case studies, mentoring and other expert involvement: École des Hautes Études Commerciales de Paris (France), L’Institut d’études politiques de Paris (France), New York University (US), London Business School (UK), Judge Business School, (Cambridge, UK), University of Illinois Urbana-Champaign – Advertising School (US), ESSEC Business School (Singapore), National University of Singapore (Singapore), People’s University (China), Shanghai Foreign Language University (China), Phoenix High School (UK), Fulham Cross School (UK), Henry Compton Schools (UK), Haverstock School (UK), The Central University for Nationalities (China), Oklahoma State University – Okmulgee (US), Savannah College of Art & Design (US), Escuela Europea de Direcciony Empresa (Spain), School of Communication Arts (UK), Warsaw School of Economics (Poland), PohChang Academy of Arts (Thailand), University of Minnesota (US), Carlson School of Management (US), Virginia Commonwealth University (US), Syracuse University (US), Gesamtverband Kommunikationsagenturen (Germany), Westdeutsche Akademie für Kommunikation (Germany), Universität Koblenz-Landau (Germany), HMKW Hochschule für Medien (Germany), Kommunikation und Wirtschaft (Germany), University of Applied Sciences (Germany), Guizhou village school (China), Hangzhou Normal University (China), Hsih-hsin University (Taiwan), etc.
- Welcome/Discovery Sessions and meetings within our agencies, including Career fair for Harvard University (US), University of Rochester (US), University of Georgia (US), Clarke-Atlanta University (US), Syracuse University (US); Scholarships for FH Düsseldorf (Germany), Universität zu Köln (Germany), HS Rhein-Main (Germany), Goethe Universität Frankfurt (Germany), Rheinische Fachhochschule Köln (Germany); Awards for Nebrija (Spain), EAE Business School (Spain), ESIC Business & Marketing School (Spain); Charity project held for Peking University (China); Lectures or speeches for University of Brussels (Belgium); the Gail Yacula Award for Ontario College of Art and Design (Canada); Auckland Business School (New Zealand); The City University of New York (US); Creative Circus (US), Minneapolis College of Art and Design (US), Portfolio Center (US); Open days for University of Paris (France), Northwestern University (US), Greenwich University (UK), Hunan Institute of Science and Technology (China), Accademia di Comunicazione (Italy), European Institute of Design (Italy), Università Cattolica del Sacro Cuore (Italy), Stockholm School of Economics (Sweden), Lund University (Sweden), Gothenburg University (Sweden), Copenhagen Business School (Denmark), Norwegian Business School (Norway), VU University of Amsterdam (Netherlands), Università di Lingue e Comunicazione (Italy), etc.
- Internship programs with, in addition to the above-mentioned schools and universities, École des Hautes Études Commerciales de Paris (France), École Supérieure des Sciences Économiques et Commerciales (France), L’Institut d’études politiques de Paris (France), Penn State University (US), Fudan University (China), Communication University of China (China), Boston University (US), Boston College (US), Bentley University (US), Vanderbilt University (US), Ecole supérieure de communication et de publicité (France), L’école des métiers de la communication (France), Northeastern

University (US), Buckinghamshire New University (UK), Niels Brock Business School (Denmark), BA Ravensburg (Germany), Complutense de Madrid (Spain), Rey Juan Carlos I (Spain), Abat Oliba (Spain), Ramón Llull (Spain), UNED (Spain), Autónoma (Spain), Valladolid (Spain), Alcalá de Henares Escola Superior (Spain), VCU – Brand Center (US), Universidad Argentina de la Empresa (Argentina), Brigham Young University (US), Miami Ad School (US and Europe), Pontifical Catholic University of Argentina (Argentina), Zeppelin University Friedrichshafen (Germany), Lomonosov Moscow State University (Russia), State Management University (Russia), College for Creative Studies (US), Indiana University (US), University of Missouri (US), Howard University (US), Sydney University (Australia), Charles Sturt University-School of Communication and Creative Industries (Australia), Royal Melbourne Institute of Technology (Australia), Baruch University (US), City College of New York (US), Fashion Institute of Technology (US), West Herts College (UK), Xerox Information Centre (India), Symbiosis Institute of Media & Communication (India), Pune & B'lore (India), Indira Institute (India), Institute of Business Management (India), Indian Institute of Mass Communication (India), University of Toronto (Canada), American University of Dubai (UAE), American University of Beirut (Lebanon), Academie Libanaise des Beaux Arts (Lebanon), etc.

FOCUS

Participation in professional organizations

Over and beyond the traditional activities that our agency managers naturally pursue within professional and sectoral organizations, it is interesting to observe that shared working spaces and multiparty consultation groups are becoming increasingly numerous and active. These constitute an important opportunity to work more closely alongside representatives of the various stakeholders. The following are mentioned as examples of such cooperation:

- in the US, the working group that informally brings together advertisers (ANA: Association of National Advertisers), agencies (4As: American Association of Advertising Agencies), and experts from numerous walks of life to discuss matters relating to sustainable development and the impact of communications campaigns on the environment;
- in France, after an initial three-year period of work, a new phase of cooperation has begun on the European program aimed at educating children in advertising. This program, called Media Smart, brings together advertisers, agency professionals, as well as representatives of the media, teachers, consumer organizations, government authorities and oversight bodies;
- in China, publication in 2011 of “China Responsible Marketing Code”, the first national code of good conduct in communications and advertising. Like a lot of local codes, this was inspired by the international code known as the “Consolidated ICC Code on Advertising and Marketing Communication Practice”. This publication brought together the different stakeholders in China, including national and international advertisers, teachers and professionals from a very wide variety of communications businesses.

2.1.2 Corruption

GRI S02	GLOBAL COMPACT Principle 10
	ISO 26000 6.6, 6.6.3

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

- There is a “Gifts and Inducements” chapter in “Janus”, our Code of conduct, which refers very clearly to the issue of gifts and dealings deemed inappropriate or unethical, whether with suppliers or clients.

GRI S03	
	ISO 26000 6.6, 6.6.3

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

- One of the ongoing tasks assigned to the Audit and Internal Control department is to systematically remind local managers of the rules governing the prevention and fight against corruption every time they audit an agency. In addition to local legal and regulatory requirements, the Groupe's strict principles are emphasized (see “Janus”, Code of conduct, and the chapters entitled “Gifts and Inducements” and “Improper Payments”).

GRI S04	
	ISO 26000 6.6, 6.6.3

Measures taken in response to incidents of corruption.

- A case of indirect fraud was handled in 2011. The Leo Burnett agency in Athens (Greece) was defrauded by Alter TV, aided and abetted by the majority of the advertising agencies in Greece. This fraudulent action seriously jeopardized the agency's balance sheet by creating financial obligations to third parties whilst Alter TV, the real counterparty on these commitments, had to file for bankruptcy. The damage caused had a profound effect on the agency's creditworthiness and business activity, which ultimately led the agency to file for bankruptcy.

2.1.3 Public policy

GRI S05	
	ISO 26000 6.6, 6.6.4, 6.8.3

Public policy positions and participation in public policy development and lobbying.

- e-G8 Forum: May 2011 saw the first staging of an e-G8 Forum in Paris. This forum was attended by over 1,500 global deciders in the digital sector (Google, Facebook, Yahoo!, Microsoft, Orange, Vivendi, Cap Gemini, eBay, Alcatel-Lucent, Eutelsat...). Organized by Publicis Groupe under the auspices of the French presidency of the G8, this event enabled professionals and players from over 30 countries to exchange points of view and share experience around core themes such as Internet and economic growth, Internet in society, the Internet of the future, intellectual property in the era of Internet, innovations and new applications, or the transformation of our world. There were also numerous workshops chaired by experts with a view to comparing prospective analyses and organizing discussions.

These two days of intensive work had a catalytic effect, leading to a number of concrete proposals presented by a delegation of CEOs to the G8 Heads of State. The goal of these proposals was to raise awareness concerning the new challenges and opportunities of the digital revolution. This was achieved by putting into perspective the structural changes the digital era has brought about and will continue to bring about, thus highlighting the benefits for one and all without overlooking the questions that will have to be answered, particularly from a political and global point of view.

On the subject of Internet, making its first appearance on a G8 agenda, the Heads of State concluded that *"... For our citizens, Internet is a unique educational tool and source of information; as such, it helps promote freedom, democracy and human rights. Internet fosters new forms of economic activity and stimulates efficiency, competitiveness and economic growth. Public authorities, the private sector, users and other players all have a role to play in creating an environment that is conducive to balanced growth of Internet.. "We have agreed on a number of founding principles, such as freedom, people's right to privacy and intellectual property, multi-actor governance, cyber-security and protection against criminal activity. These principles are the very basis upon which Internet has established its strength and its success... The e-G8 Forum has made a precious contribution to this debate."*



- One of the characteristic features of Publicis Groupe is that it refuses to let its agencies work on partisan campaigns, or for a political party, sect or ideological organization spreading propaganda. This feature is included in our values (see Janus, the Code of conduct), which helps ensure that people's ideas and commitments are respec-

ted. The Groupe fully respects personal and individual positions and commitments on the part of its employees within organizations and associations.

- The Groupe is very civic-minded and takes part, alongside representatives of civil society, in a large number of working groups focusing mainly on economic and social issues. This involvement is usually at local level and is always fully transparent. The Groupe considers that this type of involvement is one way of taking part as citizens in the society to which we belong.

GRI S06	
	ISO 26000 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 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.

2.1.4 Anti-competitive behavior

GRI S07	
	ISO 26000 6.6, 6.6.5, 6.6.7

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

- 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 S08	
	ISO 26000 6.6, 6.6.7, 6.8.7

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 includes two sections of the GRI chart and should be read in conjunction with the 2011 Registration Document (accessible at www.publicisgroupe.com) which includes 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 2011 financial period, including consolidated and parent company financial statements,
- Information about the company and its capital.

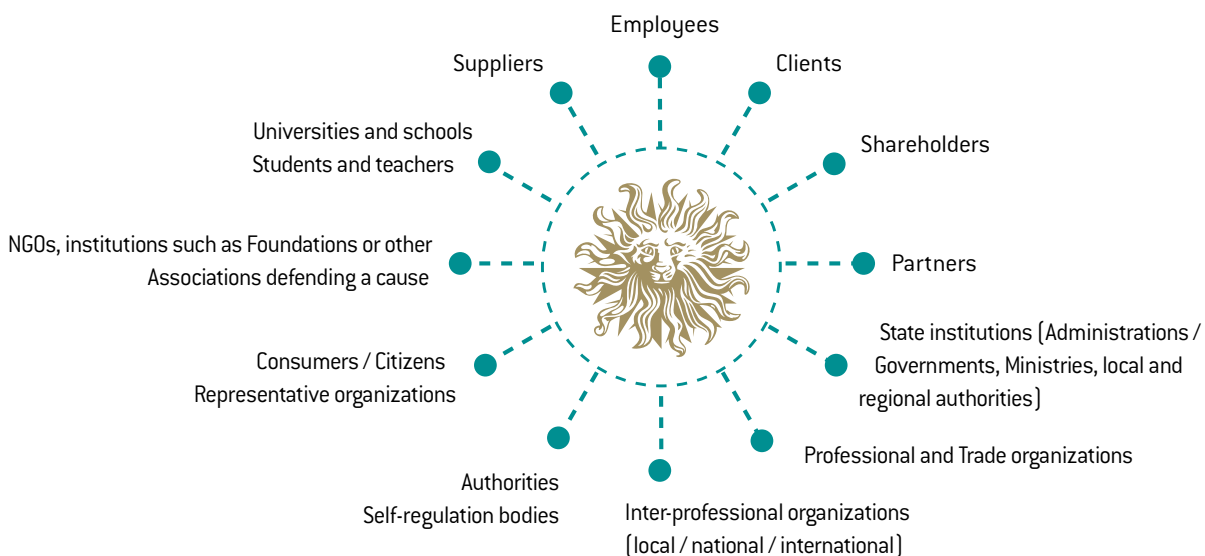
The Groupe will thus rely on the fact that these documents complete one another, in order to avoid repetition and duplication.



Given the Groupe's high level of internal and external growth in recent years, one of the big challenges is to integrate all these entities and teams while adjusting and modifying the Groupe's organization accordingly, and ensuring that the operating rules, regulations and ethics are fully understood and fully complied with everywhere. With networks and presence in over 100 countries, Publicis Groupe comprises over 1,200 legal entities including 800 active business units, and it is this organizational granularity that makes the Groupe both strong and agile. Operational consistency is articulated around "Janus", our code of ethics. "Janus" contains the Code of Conduct, the standards of conduct and behavior that apply to one and all, and in particular to certain management functions (the public part of "Janus" can be accessed at www.publicisgroupe.com). "Janus" is a compilation of all the rules and regulations governing the Groupe's internal operations, the responsibilities of the various parties involved the monitoring and control measures as well as the rules on how to conduct business and a whole series of operational procedures.

Our policy is, as always, to **conduct our business in an ethical and profitable way**, our goal being to ensure the company is operated in a **responsible and transparent** manner.

The Groupe considers its role as a social and economic player from a global point of view, using a 360° approach. In our digital era, the Groupe's reasoning is systemic in order to include the challenges facing its main stakeholders. Its rationale is thus both local and global.



3.1 ECONOMICS

3.1.1 Economic performance

GRI EC1	
FRENCH NRE LAW (ART. 116) Art. 1.8*	ISO 26000 6.8, 6.8.3, 6.8.7, 6.8.9

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 2011 Registration Document (Chap.1, p.6 and Chap.4, p.98)

Key figures for 2011

Revenue: 5,816 million euro

Operating margin: 931 million euro

Operating income: 914 million euro

Net income: 600 million euro

Personnel expenses: 3,615 million euro

Other expenses: 1,167 million euro

Impairment: 103 million euro

GRI EC2	
	ISO 26000 6.5.5

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

- Though its business as provider of intellectual services does not position it among the biggest producers of greenhouse gases, the Groupe has every intention of assuming its responsibilities as a company.
- Travel continues to be the main cause of greenhouse gas emissions, but certain trips are indispensable. For several years now, the Groupe has been implementing a plan to install 5 "Here and There" rooms, large telepresence facilities that can simultaneously connect five cities by teleconference. Over the last 18 months, the emphasis has shifted to smaller facilities and the Groupe now boasts 18 small facilities in addition to its 5 large telepresence rooms.
- These facilities are used by staff and clients alike. Whilst they are being used more and more frequently, it is too early to assess the benefits by comparison with the expectations of more intensive use. The results to date are very encouraging in the case of trans-Atlantic destinations and within the larger regions, and include a substantial decrease in the number of flights, without overlooking the personal comfort of users who are spared the fatigue and other inconveniences of air travel.

GRI EC3	

Coverage of the organization's defined benefit plan obligations.

- Detailed information relating to the arrangements made to cover pension schemes is set forth in the 2011 Registration Document (see Chap.4 pp.139 to 143).

GRI EC4	

Significant financial assistance received from government.

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

3.1.2 Market presence

GRI EC5	
	ISO 26000 6.4.4, 6.8

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

- The advertising market is highly competitive with a battle waged for talent and a structurally high level of staff turnover. Employees are relatively young, with higher education degrees. The notion of minimum wage would therefore appear to lack relevance.
- In the vast majority of cases, wages offered to employees are above the local minimum standards set by law (when such a law exists). The Groupe carries out very little standardized production, but does offer a vast array of intellectual services. It is therefore local context that determines the range of compensation.

GRI EC6	
	ISO 26000 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.



- All our agencies deal with a large number of local suppliers throughout the year. We deal with local partners (including the media) when communicating on behalf of our clients. We seek out the best combination of quality and price, but also keep an eye on choice and diversity. Moreover, the Groupe takes great care not to create situations of economic dependence in the case of highly repetitive services (e.g. printing).
- The Shared Services Centers (Re:Sources) have local Procurement Managers who follow up relations with local suppliers but also with suppliers with whom we have global agreements. These global agreements are drawn up and entered into by the Groupe Procurement Department. All these large-scale agreements include CSR-related criteria (Corporate Social Responsibility). The Groupe has drawn up a charter entitled “Responsible Procurement Charter” as well as the “Publicis Groupe Procurement CSR Questionnaire” which is gradually being applied to local procurement.

GRI EC7	
	ISO 26000 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.

- Approximately 90% of our agency managers are locals (or have been living in the region for a very long time). Staff is also mainly local. The cultural dimension is a fundamental part of our activities, and a good understanding of local economic, social and cultural issues is essential for our communications campaigns to be efficient. In our clients’ eyes, it is crucial that we share the cultural references of the country or region.
- For many years now we have recruited employees of numerous different nationalities, believing that the multicultural approach not only enhances our work but is a key factor to success.

GRI EC8	
	ISO 26000 6.3.9, 6.8, 6.8.3, 6.8.4, 6.8.5, 6.8.6, 6.8.7, 6.8.9

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 EC9	
	ISO 26000 6.3.9, 6.6.6, 6.6.7, 6.7.8, 6.8, 6.8.5, 6.8.6, 6.8.7, 6.8.9

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

(See Registration Document, Chap.4, p.11 et seq.)

- Publicis Groupe is one of the world’s foremost companies in the communications sector, and is ranked 3rd.
- One of its major challenges has always been to anticipate market developments and consumer behavior in order to be able to provide high quality service to its clients (firms, brands, institutions, services ...) at all times, and to enable them to reap the benefits of trends generating progress, growth and savings.
- The Groupe has thus kept abreast of the changing world of media which has been completely transformed by the fragmentation of audiences, the multiplication and subsequent converging of screens, the extraordinary development of digital technology driven by interactive and mobile communications, and the new types of relationships gathering pace on the social media that have emerged from these technological innovations.
- Given the proliferation of new channels of communication and content, but also the ever-increasing demands of consumer-citizens, the relationship between consumers, brands and companies must be managed in a more professional, rigorous and technical manner with greater creativity and originality. The role of our professionals has thus become more essential than ever before, as a result of which the value of a good, impactful communications campaign is now clearly acknowledged.
- As for the Groupe itself, as an employer, its direct social and economic impact is that of a multinational company employing nearly 54,000 people in some 100 countries.

3.2 PRODUCT RESPONSIBILITY (INCLUDING SERVICES)

3.2.1 Consumer health and safety

GRI PR1	
	ISO 26000 6.3.9, 6.6.6, 6.7, 6.7.4, 6.7.5

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

- The Groupe's business is to provide intellectual services. The notion of impact on health has therefore been assessed in the light of the business activities carried out by the Groupe's employees.
- The most significant impacts are related to human and psychosocial risks, particularly with regard to employees' work-life balance.
- The Groupe's businesses are mainly driven by customer satisfaction. The drawing up of projects is a very intensive phase, and successful completion of communications campaigns requires a lot of work and commitment. Time management is therefore quite challenging, even more so with digital tools. The latter have the particularity of considerably improving workflow (swifter execution, greater fluidity), and yet, at the same time, these same tools solicit employees in numerous ways that make great demands on concentration. The digital revolution has led communications agencies to review and question the way they plan to operate, but also to be careful about the degree of effort they demand of employees.

GRI PR2	
	ISO 26000 6.3.9, 6.6.6, 6.7, 6.7.4, 6.7.5

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.

3.2.2 Products and services labeling

GRI PR3	
	ISO 26000 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.

Information

- To follow up on the example commented in the 2010 CSR Report, here is a progress report on the cooperative and inter-professional discussions on OBA (Online Behavioral Advertising). Readers should be reminded that this relates to a certain type of digital advertising, where personal browsing data can be used by third parties.
- This work, which began in 2009 under the strong leadership of the US Federal Trade Commission (FTC), closely monitored progress made in this area in Europe, Canada and a number of other countries. On the issue of self-regulation in the US, the challenge for 2011 was to arrive at a set of rules and good practices around the Opt-In – Opt-Out rule and the icon to be displayed by every website carrying out OBA. VivaKi, which is very involved in this work, made a major contribution to this collaborative undertaking and brought together all the parties concerned (see the 2010 CSR Report, p. 37).
 - Self-regulation produced 7 fundamental principles aimed at guaranteeing the protection of personal data, namely: easily accessible consumer control of personal data, transparency of the system for web users, freedom to exercise control over data, security of data protection systems, easy access and updating possibilities, protection of sensitive data (children, healthcare, finance, etc..), accountability regarding compliance. These principles were included in the conclusions of the White House's Privacy Report in early 2012.
 - in the case of VivaKi, which already has processes in place with its clients and partners, the goal was to bolster compliance with these principles while focusing on three facets: help clients apply the do-not-track option (icon) for which they are directly accountable, ensure that the supplier of the Opt-In – Opt-Out options has the necessary skills and qualities, and organize in-house tracking within the agency, with the help of an ad hoc partner (Evidon or other duly approved provider) to ensure compliance.

Education

- The Groupe is involved in the European educational program called Media Smart, of which there are variations in a number of countries (known as "Pub Malin" in France).

The goal is to teach young schoolchildren to decipher advertising, by providing teachers with comprehensive and neutral educational toolkits. The main emphasis is on 8-11 year olds. The Groupe has been taking part in this program for three years already. In 2011, given the success of the program – which has been acclaimed by teachers, parents and children – the decision was taken to extend this program to older children (11-14 year olds). The Groupe signed



up for another three-year commitment to include both age groups.

[This program brings together advertisers, communications agencies, media and numerous other stakeholders such as oversight bodies, public authorities, representatives of consumer organizations and parent associations, and is a good example of the collaborative approach to which the Groupe attaches great importance].

GRI PR4	
	ISO 26000 6.7, 6.7.3, 6.7.4, 6.7.5, 6.7.6, 6.7.9

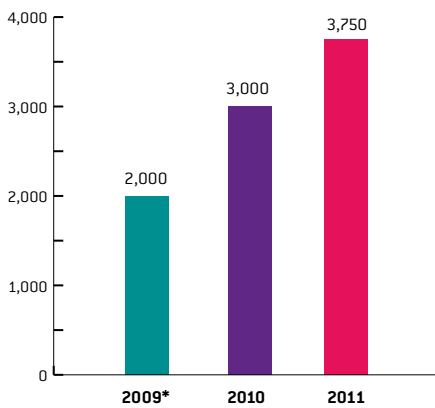
Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.

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

GRI PRS	
	ISO 26000 6.7, 6.7.5, 6.7.6, 6.7.8, 6.7.9

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

- In 2011, Publicis Groupe conducted nearly 3,750 customer surveys.



* Reduced scope (85%)

- Customer satisfaction surveys are carried out regularly, generally once a year, and the structure of these surveys is specific to each network or agency. Different types of surveys may be conducted from time to time, e.g. annual business reviews, and/or project

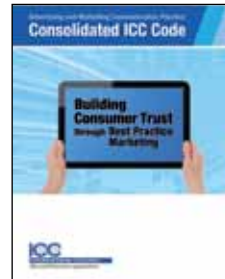
reviews. This will depend on what was initially agreed with the customer.

3.2.3 Communications – Marketing

GRI PR6	
	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.

- The Groupe took part in the finalizing of the latest version of the Consolidated ICC Code on Advertising and Marketing Communication Practice, published in September 2011 (www.iccwbo.org). This Code continues to be the communications sector's reference in self-regulation as well as inspiring a number of national codes. The new edition includes substantial updates to chapters D (Digital Interactive Media applications and challenges) and E (Environmental Claims in Marketing Communications), aimed at avoiding greenwashing and abusive or misleading environmental claims.



- In most of the countries in which the Groupe is well established, the CEOs and agency managers contribute to local professional organizations to help promote the highest standards at local level.

As part of its endeavor to roll out ISO 26000, the new international standard (no certification) on the Social Responsibility of organizations, Publicis Groupe took part in the sectoral working group on Communications. This group was initiated in 2009 in France, under the leadership of AFNOR, the French national standards organization (see www.afnor.org/metiers/normalisation/iso-26000/observatoire-francais-de-l-iso-26000).

The characteristic feature of this new standard, which supplements other reference systems, is that it combines two dimensions: on the one hand, the seven central issues (governance, human rights, working conditions and relations, the environment, good business practices, consumer and society issues, with the cross-cutting economic dimension), and on the other hand, the identification of and dialog with stakeholders.

This working group included advertisers, agencies, professional bodies representing the different communications businesses, oversight and regulatory authorities, NGOs, representatives of consumer associations. It worked on a simple issue: How to apply this standard to a given sector in concrete terms? What is its significance for the various parties involved? How should the priorities be articulated?

This collaborative exercise was particularly interesting, with a great wealth of ideas, exchanges with contrasting opinions, discussions, but always with the common goal of drafting a practical guide to serve professionals in the sector.

GRI PR7	
	ISO 26000 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.

- In 2011, very few of the Groupe's agencies had any incidents of non-compliance to deplore. In the Groupe's line of business, this can lead to an opinion or notification from the oversight authorities or self-regulation bodies.

3.2.4 Customer privacy

GRI PR8	
	ISO 26000 6.7, 6.7.7

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

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

3.2.5 Compliance

GRI PR9	
	ISO 26000 6.7, 6.7.6, 6.7.7

Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.

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

CHAPTER 4
ENVIRONMENT





2011 was the third year of a complex task: calculating the carbon footprint for the entire Groupe. In addition to producing a global overview of the Groupe's total environmental impact, it also gives more accurate snapshots on a country-by-country and unit-by-unit basis. These three years of calculating the carbon footprint have generated a precious tool for revising the Groupe's environmental policies, with precise figures for objectives.

The Groupe still intends to bring its performance in line with the "20-20-20"* target.

Recognition is in order for the progress already made by Groupe agencies in better analyzing and tracking their consumption and impact, and in starting to feel the beneficial effects of steps taken in the last few years. In the first stages the Groupe's attention was purposely attuned to direct impacts. There is a good deal of leeway at this level to improve operations and modify behaviors, change practices and reduce the adverse environmental impact of some of our activities. This is therefore an enormous long-term project, already underway, with a vast number of solutions and options to test, find, set up and deploy.

Concurrently, we are becoming increasingly aware of indirect impacts, mainly through a better assessment of what the Groupe's agencies are accomplishing for clients. Given the number of communication campaigns conducted every year, the stakes here are high. The task remains of defining analytical parameters and consistent indicators, as has been done internally for Publicis Groupe's direct impacts.

Our policy is still **consume less, consume better** (in other words, more wisely).

Our target is still to reduce our direct impacts and do our part to save the environment (and ourselves).

N.B. 2011 (3rd year of calculating the carbon footprint) looks like a better year due to reporting improvements. Many figures are on the rise compared to previous years, especially considering that the Groupe continued to grow (10% greater headcount due to new acquisitions), thus producing an automatic increase in different areas.

** EU «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%.*

4.1 ENVIRONMENT

4.1.1 Materials

GRI EN1	GLOBAL COMPACT Principle 8
FRENCH NRE LAW (ART. 116) Art. 2.1°	ISO 26000 6.5, 6.5.4

Materials used by weight or volume.

Our consumption is measured using the following criteria:

- Workstations: Desk computers, laptops, tablets, copiers: **66,754 machines** (renewed about every three years);
- Paper: Volumes consumed: **1,910 tons** (based on the first 10 categories of paper used: a larger scope than in 2009 and 2010). These figures increase mechanically due to the

higher number of people working, despite drastic efforts to reduce consumption in certain entities.

GRI EN2	GLOBAL COMPACT Principle 8
FRENCH NRE LAW (ART. 116) Art. 2.1°	ISO 26000 6.5, 6.5.4

Percentage of materials used that are recycled input materials.

- We are steadily increasing our recycled input materials – especially paper. This is a difficult assessment for us to make because of the differences among certifications and standards used in different countries. We estimate the volume of paper from certified environment-friendly sources (for our internal use) at **less than 1,000 tons**. This indicator, however, is still less than perfect.

4.1.2 Energy

GRI EN3	GLOBAL COMPACT Principle 8
FRENCH NRE LAW (ART. 116) Art. 2.1°	ISO 26000 6.5, 6.5.4

Direct energy consumption by primary energy source.

- Our total electricity consumption comes to **170,518,800 kWh**, for a 12% increase on 2010 (152,449,000 kWh), which is logical because the Groupe continued to grow in 2011 (with 10% more employees) and the reporting improved.
- Amount of electricity from renewable energy sources: **36,127,000 kWh**.

GRI EN4	GLOBAL COMPACT Principle 8
FRENCH NRE LAW (ART. 116) Art. 2.1°	ISO 26000 6.5, 6.5.4

Indirect energy consumption, by primary energy source.

- Given the fact that the Groupe's services businesses are operated in office environments, we are not able to isolate this indicator.

GRI EN5 and EN6	GLOBAL COMPACT Principle 8
FRENCH NRE LAW (ART. 116) Art. 2.1°	ISO 26000 6.5, 6.5.4

Energy saved due to conservation and efficiency improvements.

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

- Nearly everywhere when an agency changes location, the Groupe tries to make it an opportunity to move into buildings of higher environmental quality, if all cost requirements are met. In France, when several entities were grouped together (Leo Burnett, Mundocom/Production Platforms, Re:Sources and others) in Saint-Denis (Paris area) in the "Spallis" building, the Groupe became a co-tenant of an building with the HQE label (high quality environmental standard). This type of building makes it easier to set up permanent and daily initiatives (such as "eco-gestures") for and with the staff.
- In the US, several agencies are now operating in recent or remodeled premises. These modifications in the work environment provide an opportunity to work closely with our in-

house property management teams (Re:Sources Real Estate and Facilities) and with outside people to implement energy-saving innovations and to make better use of natural materials for interior furnishings.

FOCUS

Energy efficiency in the US



Among the most typical initiatives are the measures taken in New York, in the building located at Hudson & Houston Streets where Saatchi & Saatchi and ZenithOptimedia are located, along with others. The building owner altered the energy supply to switch to more renewable sources, with the agreement of the tenants (our agencies, among others). Water consumption in the building was also completely overhauled and cut down drastically (by half!) by eliminating useless water consumption. Heating and air conditioning units were renovated to limit energy loss and regulate the building temperature more evenly. The plan is taking several years to complete and is based on continuous improvement. The building is classified "LEED Gold EB" ("Existing Buildings").

PHCG grouped its entities together in Yardley (Philadelphia, Pennsylvania) in a new building also classified as an "LEED Gold Building" (the Floral Vale Building), which has all the qualities of buildings with the HQE label (high quality environmental standard) according to more European standards (such as green construction, eco-management, comfort and sanitation). Today, the Groupe pays close attention to locating entities together in recent buildings and, wherever possible, those complying with the highest environmental standards, so long as the rents remain in the range prescribed by the Groupe.

Along these lines, our internal Re:Sources people worked with building managers in the large building on West Wacker in Chicago where Leo Burnett and Starcom (and others) are located, in order to improve the entire chain of electricity consumption. Over the past three years they have cut consumption by 20% by working on three fronts: checking parts of the building that were permanently lighted for no reason, changing bulbs and lighting systems, and installing sensors and automatic shut-offs for copiers and other printers overnight and on weekends.

GRI EN7	GLOBAL COMPACT Principle 8
FRENCH NRE LAW (ART. 116) Art. 2.1°	ISO 26000 6.5, 6.5.4

Initiatives to reduce indirect energy consumption and reductions achieved.

- A major accomplishment in 2011 was the progress in setting up and using telepresence rooms, which saves a great deal of airplane travel.

In addition to the 5 large rooms that linked together five cities by the end of 2011, the Groupe added 18 smaller rooms that link up two or three cities. This makes a total of some 25 telepresence rooms for a total investment of 5 million euro over four years (2008-2011).



4.1.3 Water

GRI EN8	GLOBAL COMPACT Principle 8
FRENCH NRE LAW (ART. 116) Art. 2.1°	ISO 26000 6.5, 6.5.4

Total water withdrawal by source.

- Total water consumption stood at **800,000 cubic meters** (for some entities, calculating water consumption is difficult and the data were corrected by adjusting locally. Collecting such data still needs to be improved).
- Installing in-house systems of filtered water for everyday consumption is ongoing, in the continuation of the Groupe's efforts to reduce the use of plastic bottles.
- Where sanitation facilities are concerned, efforts are ongoing to deploy "water-savers" wherever possible.

GRI EN9 and EN10	GLOBAL COMPACT Principle 8
FRENCH NRE LAW (ART. 116) Art. 2.1°	ISO 26000 6.5, 6.5.4

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

- As a tenant in a number of rented offices, the Groupe is set to support measures initiated by owners or managers to better structure water supply according to use, and to install waste water recuperation units, wherever such measures do not entail a disproportionate increase in the rents paid.
- As concerns our own use, we do not have accurate information on these figures.

4.1.4 Biodiversity

GRI EN11 / EN12 / EN13 / EN15	GLOBAL COMPACT Principle 8
FRENCH NRE LAW (ART. 116) Art. 2.2°	ISO 26000 6.5, 6.5.6

- **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 sites concerned by such issues.

GRI EN14	GLOBAL COMPACT Principle 8
FRENCH NRE LAW (ART. 116) Art. 2.2°	ISO 26000 6.5, 6.5.6

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

- The analytical study of possible options with regard to carbon credit offsetting is continuing, as well as certain actions initiated in this area to encourage biodiversity. Some agencies (especially in the UK) and entities (such as Re:Sources Costa Rica) have already taken steps at the local levels for carbon credit offsetting; the examination of this type of project is underway and will be evaluated in the medium term.

4.1.5 Emissions, effluents and waste

GRI EN16	GLOBAL COMPACT Principle 8
FRENCH NRE LAW (ART. 116) Art. 2.1°	ISO 26000 6.5, 6.5.5

Total direct and indirect greenhouse gas emissions by weight (TeqC).

- A company which provides intellectual services such as Publicis Groupe has an impact on the environment. Calculating the different impacts, in particular concerning greenhouse gases is interesting not only as an exercise in reporting, but above all in terms of in-house learning. This calculation also helps staff members to ingest this type of information, for a greater awareness of impact of their working activities which could – quite mistakenly – be misunderstood as negligible.
- The total for 2011 was **89,259 TeqC**, i.e., **1.65 TeqC per capita**.
- The main sources remain unchanged, in this order:
 - Travel (professional and personal) + shipping = **45,883 TeqC**
 - Energy = **20,959 TeqC**
 - Fixed assets (buildings, office equipment including IT, servers) = **14,842 TeqC**
 - Consumables (paper, cartridges, office supplies, etc.) = **7,014 TeqC**
 - Waste = **172 TeqC**

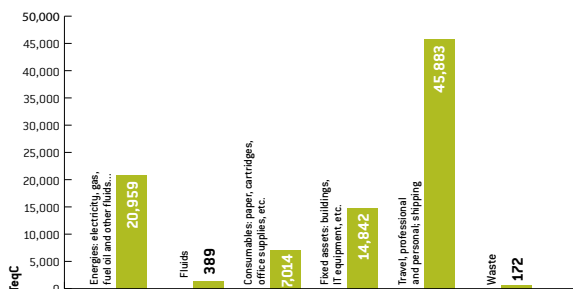
FOCUS

Carbon Footprint

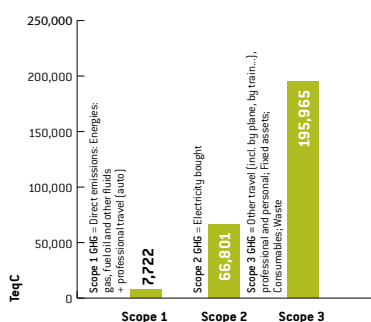


For the third year, the carbon footprint was calculated with support from Bureau Veritas. The scope of consolidation used represents 95% of the Groupe. The calculation is still presented according to two methods:

- 1- ADEME (European method) which accounts for the greenhouse gases produced directly and indirectly by the Groupe, according to the Kyoto Protocol;
2. "GHG protocol" (US method), which takes into account three scopes of greenhouse gas emissions.



1- 2011 emissions – ADEME carbon footprint. Total: **89,259 TeqC i.e., 1.65 TeqC per capita** (average for service companies: **1.45 to 2.4 TeqC**)*



2- Emissions 2011 - GHG Protocol. Total: **268,064 TeqC i.e., 4.9 TeqC per capita** (average for service companies: **5.3 to 8.8 TeqC**)*

Observations: Internal reporting of the data necessary for calculating emissions in 2011 was improved, but is not yet perfect. It is based on more than 850 units of highly variable size. For some entities and certain items, data were corrected using a weighting process based on an average by country for the Groupe.

* Source: Veritas Bureau

GRI EN17	GLOBAL COMPACT Principle 9
FRENCH NRE LAW (ART. 116) Art. 2.1°	ISO 26000 6.5, 6.5.5

Other relevant indirect greenhouse gas emissions by weight (TeqC).

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

GRI EN18	
FRENCH NRE LAW (ART. 116) Art. 2.1°	ISO 26000 6.5, 6.5.5

Initiatives to reduce greenhouse gas emissions and reductions achieved.

- The enormous increase in digital applications developed has led the Groupe's staff, together with clients, to anticipate future changes in this area. Certain work orders come with specific demands to design "energy-saving" web sites and applications. However, accurate assessment of the energy consumption of digital applications remains a difficult task, because it depends on the final support: family computer or office station (and the type of equipment, the generation, etc.), a tablet, a mobile phone or smart phone, and so forth.

GRI EN19 / EN20 / EN21	
FRENCH NRE LAW (ART. 116) Art. 2.1°	ISO 26000 6.5, 6.5.3

- Emissions of ozone-depleting substances by weight.
- NOx, SOx, and other significant air emissions by type and weight.
- Total weight of waste by type and disposal method.

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

GRI EN22	
FRENCH NRE LAW (ART. 116) Art. 2.1°	ISO 26000 6.5, 6.5.3

Total mass of waste by type and treatment method.

- The Groupe's total mass of waste was 5,250 tons, reduced from 2010, thanks to substantial efforts to "consume less".



- The waste is essentially paper and cardboard (paper used in printing, thick graphics paper, newspapers and magazines, light cardboard, etc.). A good number of cities, mainly European capitals and very large cities, have invested in waste recuperation and recycling with local partners. Our agencies deal with local service providers, many of whom are part of the Social and Solidarity Economy.

GRI EN23 / EN 24 / EN 25	
FRENCH NRE LAW (ART. 116) Art. 2.2°	ISO 26000 6.5, 6.5.3, 6.5.4, 6.5.6

- **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 facility or site concerned by this type of emission.

4.1.6 Products and services

GRI EN26	
FRENCH NRE LAW (ART. 116) Art. 2.1°	ISO 26000 6.5, 6.5.4, 6.7.5

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

- These initiatives are taken up with our clients and in respect of our client relationships, mainly in two ways:
 - Firstly, in daily business operations, by making an effort to reduce travel by using telepresence rooms on both sides, or videoconferencing, telephone conference calls, and being careful to use less paper (using digital technology for presentations);
 - Secondly, in communications per se, by using eco-designing in the upstream stages of our work. This is manifested in different ways: by carefully selecting communications supports (working with qualified, certified printers); in events communication, by choosing the materials used (by definition, for a short lifespan) and planning their end-of-life stages; in packaging, working with specialists to anticipate materials and consider environmental factors in our client proposals; in the design of certain web sites or digital applications, to find graphics solutions or navigation architectures that use less energy (in the "slow surf" spirit).
- We point out that about twenty agencies are certified ISO 9001 and/or ISO 14 001, in addition to local certifications. The point of these measures is, in one manner or another

depending on the agency's specific activity, to lead them and their people to using more "virtuous" processes which are more environment-friendly.

GRI EN27	
	ISO 26000 6.5

Percentage of products sold and their packaging recycled, by category.

- Publicis Groupe has no operations involving packaged products.

4.1.7 Compliance

GRI EN28	
FRENCH NRE LAW (ART. 116) Art. 2.7°	ISO 26000 6.5

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

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

4.1.8 General

GRI EN29	
FRENCH NRE LAW (ART. 116) Art. 2.1°	ISO 26000 6.5, 6.5.4, 6.6.6

Significant environmental impacts of shipping products, other goods and materials used by the organization's businesses, and transportation of personnel.

- The total for all transport (personnel and shipping) was **45,883 TeqC** (a 20% increase in the impact compared to 2010, during which the Groupe put a restriction on travel - see N.B.*).

The direct impacts of employee transportation can be broken down as follows:

- Commuting: **294,631,024 km**
- Business travel: **457,966,572 km**
- by airplane: **392,225,925 km**
- by road: **54,920,716 km**
- by train: **10,819,904 km**

* N.B.: The increase in air travel is due to the recovery of domestic flights in the US and the increase in flights to China, entirely logical given the increase in the Groupe's business in that region.

GRI EN30	
FRENCH NRE LAW (ART. 116) Art. 2.5° - Art. 2.7°	ISO 26000 6.5

Total environmental protection expenditures and investments by type.

Investments

- Above and beyond major investments –e.g. to install and equip the telepresence facilities (5 million euro from 2008 to 2011)– there were investments in various sites to save energy and water, plus the efforts made to cut down paper consumption. Added to this are the more modest investments made here and there by the agencies themselves in an effort to further environmental protection. The calculation is made difficult by the nature of some of these “investments”, which can in fact range from charity donations, carbon offsetting plans, contributions with employees to various campaigns from time to time, etc. The accounting for all these different investments is not yet coherent enough to produce an accurate assessment.

Employee awareness

- For several years now, “Green Teams” (made up of volunteers from the agencies) have been active in local initiatives and various campaigns (like the “True Blue” movement in the entire Saatchi & Saatchi network). The Groupe has counted about 300 of these Green Teams throughout the different entities. Their role is to take local initiatives, in agreement with their management, to stage occasional or regular information days to boost staff awareness and get them moving on daily “eco-gestures”, keeping them abreast of new products and services that meet the highest environmental standards, and to inform and train them in respect of the complex challenges of sustainability.
- The Green Teams exist in a great number of countries. They were present in Groupe meetings to share experiences among agencies held in 2011 in Paris, London, Boston, New York, Chicago, Beijing, Shanghai and other cities.

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“Green Week” in France



The Green Teams in French agencies decided to try out a collective approach in 2011. In addition to local actions each entity undertakes, which will always be pertinent, the volunteers on the teams all got together for a concerted effort for a week in November. They wanted to take an overall approach, going into topics ranging from social to environmental

in nature. Different themes had to be organized for each day of the week (Nutrition, Health, Energy saving, Waste sorting, to name a few). The volunteers had to contact and invite experts in the various fields, specialized service providers, clients or suppliers for joint actions, and make sure it all came together as a coherent whole. The final results observed for this first Groupe-wide Green Week were very positive in terms of participation, team spirit, interest and internal dynamics.

It was a real kick-off experience, the very first time that a collective and cross-agency endeavor was organized for the whole Groupe in one country, at the initiative of the Green Teams themselves. The internal satisfaction survey that followed the event confirmed the staff’s interest in this movement and their wish to renew the experience.



PUBLICIS GROUPE

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