UNIVERSAL REGISTRATION DOCUMENT

2021

ANNUAL FINANCIAL REPORT

PUBLICIS GROUPE

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ANNUAL FINANCIAL REPORT

GROUPE PROFILE

Publicis Groupe is a world leader in communications.

The Groupe supports its clients across the entire marketing and communication value chain to help them stand out in a world made of platforms.

Clients have always been at the heart of the Groupe's model and benefit from a fluid and unified organization by country. Publicis Groupe offers them dynamic, diverse and disruptive creativity, targeted media expertise on a large scale, as well as unique data and technology skills, which enables them to gain in-depth knowledge on consumers, create direct digital channels for dialog with end customers and continuously enhance relationships with them.

Founded in Paris in 1926, the Groupe is present in more than 100 countries and has nearly 88,500 employees.

The Universal Registration Document was filed on April 25, 2022 with the AMF (the French Financial Markets Authority) in its capacity as competent authority under Regulation (EU) 2017/1129, without prior approval, pursuant to article 9 of said regulation.
The Universal Registration Document can be used for an initial public offering of financial securities or for the admission of financial securities to trading on a regulated market if it is supplemented by a Transaction Note (or financial securities note) and, where applicable, a summary of, as well as all the amendments made to, the Universal Registration Document. The whole package is then approved by the AMF pursuant to (EU) Regulation 2017/1129.

MESSAGE FROM THE CHAIRMAN OF THE SUPERVISORY BOARD

Maurice Lévy
Chairman of the Supervisory Board

Always be ready for the next world

Following two years of a global health crisis, that we thought we had seen the end of, I could have told you about restored serenity. This serenity is all the more credible given Publicis' rather exceptional 2021 results. We exceeded all expectations, in terms of both growth and profitability. If such a performance is a source of great pride in normal times, it is all the more so in a period when "the abnormal" is becoming the new norm.

Obviously, I want to start by acknowledging everyone's hard work and ability to adapt. From employees to managers, from the Management Board to the Supervisory Board, we have all had to adapt: reviewing our working methods over time, rethinking our organisation and our services. We have had to react quickly to preserve the physical and mental health of our employees, save jobs, consolidate the confidence of our clients and our shareholders. The Groupe's financial results have proven the accuracy of our reactions, the extent of the efforts made by everyone, the relevance of the solutions provided and the power of our tools and our model. Given this commitment by all, the Supervisory Board supported the proposal to provide a bonus to all employees who have been with the Groupe for the past two years.

"We exceeded all expectations, in terms of both growth and profitability. If such a performance is a source of great pride in normal times, it is all the more so in a period when «the abnormal» is becoming the new norm."

This performance, this resilience, this ability to reinvent oneself in adversity, to imagine the "next world", is in my opinion deeply rooted in the Groupe's culture.

Always being ready for the next world is in Publicis' DNA. The Groupe has always been able to seize opportunities in opening up to the world, internationalising very early on, making bold and decisive acquisitions, some which were not always understood, and anticipated the changes linked to digital, to the Platform World, before they became the norm.

Always being ready for the next world is an essential quality of our industry. "The future" is our raw material as communicators! We need to surround ourselves with the best talent to understand the fundamental trends of society, identify the transformations faced by clients and their business sectors, decipher new consumer habits via data and imagine creative responses to all of these developments. The Management Board has therefore worked hard to diversify, strengthen, train and reinvigorate the Groupe's teams, particularly at a managerial level. 2021 also made it possible to cement the "Future of Work", with for example, the ambitious "Work Your World" program; a fine demonstration of the Groupe's creativity and attractiveness as an employer. Since hybrid working is now an obvious choice for employees and candidates, it is better to make it an opportunity for our people's mobility and an accelerator to draw synergies across our agencies all over the world.

"This performance, this resilience, this ability to reinvent oneself in the face of adversity, to imagine the "next world", is in my opinion deeply rooted in the Groupe's culture."

“ Faced with the critical urgency of the environmental crisis, it was essential to us to further accelerate our efforts. Not only has the Management Board chosen to massively raise awareness among employees, but it has also taken, with the full support of the Supervisory Board, very concrete measures which have earned the Groupe recognition as an industry leader on ESG criteria. In this regard, I am delighted with the creation of the ESG committee, which is actively working to respect and strengthen our commitments. ”

Always being ready for the next world is a proactive commitment. It means adapting to change, viewing it as a lever for reinvention, progress, relationship and dialogue with the society around us. Publicis has always committed proportionately to this responsibility. Take, for example, our commitment to diversity and inclusion among employees, by progressing the Groupe's leadership to 41% of women in key management positions in 2021. Our motto «Viva La Difference» has also evolved through strengthening the Groupe's actions in favour of social justice, with several programmes for young people with little access to our professions. Faced with the critical urgency of the environmental crisis, it was essential to us to further accelerate our efforts. Not only has the Management Board chosen to massively raise awareness among employees, but it has also taken, with the full support of the Supervisory Board, very concrete measures which have earned the Groupe recognition as an industry leader on ESG criteria. In this regard, I am delighted with the creation of the ESG committee, which is actively working to respect and strengthen our commitments. Examples include the commitment to carbon neutrality before 2030, and the tools and training put in place to reduce the environmental impact of the production of the Groupe's campaigns all over the world.

“ I know I can count on the management team to continue to make Publicis an efficient, solid, agile group, mobilised around a vision shared by everyone; employees, clients, shareholders. ”

So at the start of 2022, I could have talked to you about restored serenity. But today, as you know, the brutal war in Ukraine raises many uncertainties, and forces us to be extremely cautious. Our priority here again was of course to respond to the human repercussions of this conflict: to protect, support and help Ukrainian employees to find safety and rebuild their lives. We also took a quick and unambiguous position on our presence in Russia. By ceding control of our operations on site, we immediately stopped our activities there while ensuring a future for our Russian employees. Serenity cannot be appropriate in the face of a conflict whose geopolitical, economic and human shockwaves will be felt for years. I know I can count on the management team to continue to make Publicis an efficient, solid, agile group, mobilised around a vision shared by everyone; employees, clients, shareholders.

I would not be complete if I did not say, on behalf of the Supervisory Board, our recognition and admiration for the extraordinary vitality and commitment of all our employees around the world under the leadership and impetus of Arthur Sadoun, Chairman of the Management Board, who has taken wonderful advantage of all of the Groupe's assets, operating them like the cylinders of a Formula 1 to the greatest benefit of all our clients. As a result, the model created is both unique and extraordinarily efficient. It carries within itself the seeds for growth in the next world.

So, yes, I have confidence - and I also count on your confidence - in our ability to always be ready for the next world.

MESSAGE FROM THE CHAIRMAN OF THE MANAGEMENT BOARD

Arthur Sadoun
Chairman of the Management Board

Before presenting the Groupe's 2021 activity and performance to you, I would like to express, on behalf of Publicis, our solidarity with the Ukrainian people and, in particular with our 350 employees in this country, whose safety remains our first priority.

While terrible images are reaching us from Ukraine, we continue to do everything we can to protect our teams and are in constant contact with them. Whether it's setting up security alert systems, psychological support, relocation assistance or even guaranteeing their salaries for the whole year, we are by their side to bring them every possible help every day.

I would like to thank our many employees who show tremendous generosity towards their Ukrainian colleagues by offering their continuous support: a job, a place to welcome families or through making donations on our Marcel platform, which are topped up by the Groupe.

We strongly condemned this aggression and worked on a solution to disengage from our operations in Russia. We have taken strong measures to respond to the seriousness of the situation by taking the time necessary to find a solution that respects and ensures a future for our 1,200 employees in this country, some of whom had been with the Groupe for a very long time. In this context, we finalised the transfer in control of our activities to the founding Chairman of Publicis in Russia on March 15, 2022.

We do not know today how long this conflict will last and we will continue, as we have always done, to take strong measures with the safety and well-being of our employees as a priority.

After 2020, throughout which the Groupe demonstrated its strong resilience in the face of the COVID-19 pandemic, 2021 was an exceptional year in many respects.

Firstly, on a financial level, Publicis reported record results. All of our indicators exceeded their 2019 levels, earlier and higher than expected.

“After 2020, throughout which the Groupe demonstrated its strong resilience in the face of the COVID-19 pandemic, 2021 was an exceptional year in many respects. Firstly, on a financial level, Publicis reported record results. All of our indicators exceeded their 2019 levels, earlier and higher than expected.”

Our organic growth for the year was +10%, above expectations, and all of our regions experienced growth.

Epsilon and Publicis Sapient contributed significantly to this performance with growth of +12.8% and +13.8% respectively. These figures reflect our ability to capture structural changes in our industry, whether it is first-party data management, new digital media, the evolution of commerce or business transformation.

Our financial ratios also remain among the highest in our industry, with an operating margin rate of 17.5% and free cash flow of 1.4 billion euros.

In view of these performances, we have decided to propose to our shareholders, during the General Meeting, a dividend of 2.40 euros fully paid in cash and corresponding to a distribution rate of 47.8%.

“Commercially, Publicis topped new business rankings for the third time in four years with iconic gains including Stellantis, Walmart, and Meta, to name a few. Beyond this economic and financial performance, in 2021 Publicis further strengthened its commitment to ESG.”

Commercially, Publicis topped new business rankings for the third time in four years with iconic gains including Stellantis, Walmart, and Meta, to name a few.

Beyond this economic and financial performance, in 2021 Publicis further strengthened its commitment to ESG.

Our policy is based on three pillars. Firstly, promote Diversity, Equality and Inclusion, in particular by setting up recruitment programs for more diverse profiles; then promote responsible, more inclusive and sustainable marketing, with high training standards for our employees; and finally fight against climate change. On the latter point, the Groupe is committed to achieving carbon neutrality before 2030 and our objectives were validated by Science Based Targets initiative (SBTi) in March 2021. We have also deployed a proprietary tool throughout the Groupe to measure and reduce the environmental impact of our clients' advertising campaigns. All of this progress has now enabled us to be ranked first in our sector by 8 of the 10 major ESG rating agencies.

Publicis was also named “Holding Company of the Year” by Ad Age, the point of reference within our industry. We owe this recognition to the daily commitment of our 88,500 employees around the world, to their talent, to their creativity, and I would like to thank them warmly for all the work accomplished.

Over the past two years, they have shown remarkable commitment even as they faced unprecedented professional challenges.

To reward their exceptional efforts, we have decided to pay a bonus to all our employees who have supported us over the last 24 months, including the 35,000 employees who do not have variable compensation and who will receive an additional weeks' salary this year.

We also want to provide our employees with even more opportunities to progress, to diversify and to enrich their professional careers. As such we have launched the Work Your World program on our Marcel platform, which gives our people the opportunity to work for 6 weeks each year in the country or city of their choice. Only three months after its launch, more than 10,000 employees have begun to prepare their trip and nearly 700 have already left.

At the start of 2022, marked by strong geopolitical, economic and health uncertainties, the strength of our model is further proven by our Q1 results, with organic growth for the Groupe at +10.5%, well above expectations.

“At the start of 2022, marked by strong geopolitical, economic and health uncertainties, the strength of our model is further proven by our Q1 results, with organic growth for the Groupe at +10.5%, well above expectations.”

Our continued dynamic in new business attests to the attractiveness of our offer. After topping all the rankings for 2021, the trend continues with significant gains this quarter including McDonald's, Singapore Tourism Board, Siemens, Etisalat, Pepsi and AB InBev, the biggest wins at the beginning of this year.

Our unique offer, combined with the solid fundamentals on which we have built our growth model, gives us confidence in our ability to adapt to an ever-changing environment and to progress profitably while respecting our societal and environmental commitments.

I would like to thank the Supervisory Board of Publicis Groupe, which accompanies and advises our Groupe with unfailing support, and especially Maurice Lévy, whose experience and knowledge of our industry and of our Groupe are essential assets as we must continue to demonstrate agility, adaptability and responsiveness in an increasingly troubled and uncertain environment.

Finally, I would like to thank our clients for their trust and our shareholders for their support.

“Our unique offer, combined with the solid fundamentals on which we have built our growth model, gives us confidence in our ability to adapt to an ever-changing environment and to progress profitably while respecting our societal and environmental commitments.”

HISTORY

1926
Publicis is created
by Marcel Bleustein-Blanchet

1970
Publicis is first listed on the Paris Stock Exchange

1987
Management Board and Supervisory Board
Maurice Lévy
Chairman & CEO

2000
Acquisition of Saatchi & Saatchi
(United Kingdom)

2001
Zenith Optimedia is formed

2002
Acquisition of Bcom3
(United States)

2006
Acquisition of *Digitas*
(United States)

2009
Acquisition of *Razorfish*
(United States)

2015
Acquisition of *Sapient*
(United States)

2016
The Power of One

2017
Maurice Lévy
Chairman of the Supervisory Board
Arthur Sadoun
Chairman of the Management Board

2019
Acquisition of Epsilon
(United States)

2020
Deployment of the Marcel platform
to 80,000 employees;
Entry into the hybrid work world

2021
Record Year in New Business

OUTLOOK

2021 is a year that will be remembered for the Covid-19 pandemic, with major health, economic and social consequences on a global scale. While all economic activities were impacted in one way or another, the economic rebound in some countries came as a pleasant surprise, revealing a certain solidity in economic models and the beneficial impact of public policies supporting the economy, businesses and people.

2021 was also an exceptional year with regards to the challenges posed by climate change, their aggravation and simultaneity in all regions of the world, and a deeper awareness of the urgency of the situation.

2021 was illustrated by the continuing acceleration of the digitalization of businesses and organizations; consumers have confirmed new behaviors as well as changes in their purchasing and consumption habits. Faced by an almost infinite range of possibilities in all areas, everyone's experience must be unique and requires that businesses, through their brands, products and services, personalize their responses. This customization, which is possible through an efficient and responsible use of data collected is the new standard in communication, marketing and commerce.

It's in this capacity to deliver large-scale precision that the competitive advantage of Publicis Groupe resides.

IN 2021

GLOBAL POPULATION (1)

7.91 billion people

of which **49.6%** are women

57% live in cities

GLOBAL GDP (2)

+4.4%

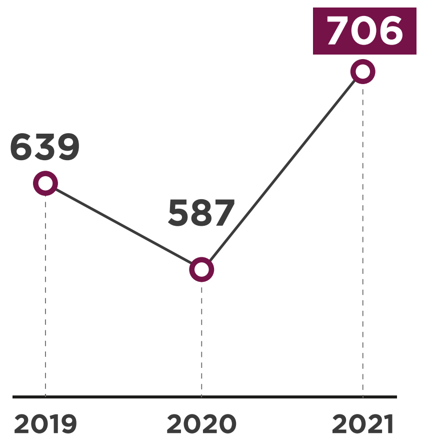
GLOBAL TRADE (3)

26 trillion USD

19% eCommerce

EVOLUTION OF ADVERTISING SPEND IN THE WORLD (4)

In Bn US$



59% on the internet

of which **71%** by mobile phone

The share of social networks increased by **+35.5%**

MOBILE PHONE OWNERS (5)

5.31 Billion

of which **4.89bn** mobile internet users

TIME SPENT ONLINE PER DAY

per internet user (6)

6 Hours 58mins

53.3% OF TIME SPENT ONLINE is on mobile devices

CLIMATE CHANGE (7)

2021 is one of the **7 hottest years of the decade** (record 50° in Canada)

ENDANGERED SPECIES (8)

142,577 species evaluated

+40,000 endangered species on the Red List

(1) UNO - United Nations Organization 2022
(2) IMF – International Monetary Fund, February 2022
(3) eMarketer, 2022
(4) Zenithmedia, February 2022
(5) GSMA - Global System for Mobile Association, 2022
(6) GlobalWebIndex, 2022
(7) WMO, World Meteorological Organization , February 2022
(8) IUCN – International Union for Conservation of Nature, February 2022

BUSINESS MODEL

CAPITAL & RESOURCES

Human

- **88,531** employees
- **51.5%** women

Intellectual

- Creativity
- Media
- Data
- Tech
- Digital transformation and business marketing solutions
- Business Excellence for clients
- Partnership with key providers

Balance sheet

- Total balance sheet Assets: **€32.8**Bn
- Family & Corporate Officers: **9.3%** of capital*

Society

- Ethics & compliance
- Local community engagement

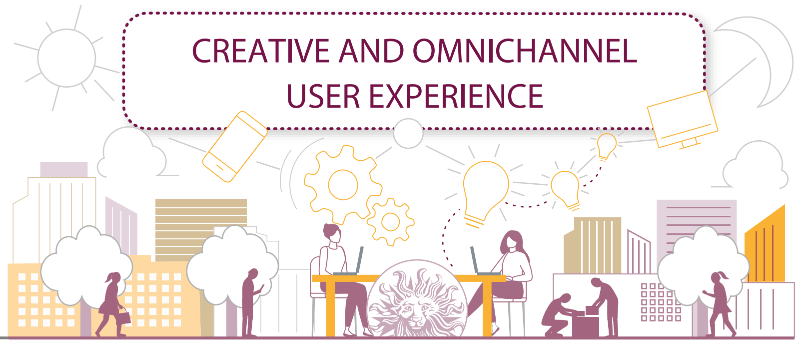
Environmental

- Limited Transport
- Improved Energy consumption
- Eco-design of campaigns and digital solutions

(*) See chapters 3.2.3, 8.2.1 and 8.3.6 of the present document

INTEGRATED COUNTRY MODELS AT THE SERVICE OF OUR CLIENTS

Creativity	Media	Digital experience
Publicis Worldwide	Zenith	Razorfish
Leo Burnett	Spark Foundry	Moxie
Saatchi & Saatchi	Starcom	Digitas



GLOBAL EXPERTISES

Personalization & first-party data management	Digital transformation
EPSILON	publicis sapient

As the world's third largest communications group, Publicis Groupe is present across the entire marketing and communications value chain, from strategy consulting to execution. The Group's strategy is to be the go-to partner of its clients thanks to an integrated approach enabling them to increase their market share in a world made of platforms.

Publicis Groupe's service offering is based on a detailed understanding of consumer expectations and a unique base of expertise, with dynamic, diverse and disruptive creativity, a high-performance, large-scale targeted media offering; unique data skills; and innovative technological solutions.

Publicis Groupe wants to help its clients keep control over their client data, and built their own digital channels by establishing a direct dialog with each of them.

VALUE CREATION

ACTIONS ENGAGED	2021 KEY INDICATORS	SDG[1]
Human • MARCEL, at the heart of employee training and career paths • Well-being at work, physical and mental health support • Launch of #WorkYourWorld	• 55% women on the Supervisory Board • 41.1% women in key leadership positions • 40.3% women in Senior roles • 82% of employees received training • €6,639M personnel costs • Women's Forum: 10,000 participants remotely, and 1,000 present WOMEN'S FORUM FOR THE ECONOMY & SOCIETY	3 Good health and well-being; 4 Quality education; 5 Gender equality; 8 Decent work and economic growth
Intellectual • Client satisfaction at the heart of the Power of One approach • Advanced expertise • Responsible Marketing • Investment in applicative R&D • Partnerships with start-ups • CSR Assessment of suppliers	• 19,000 talent in Data & Tech • A.L.I.C.E[2]: to measure carbon emissions of the campaigns and projects • Active member of several international coalitions Unstereotype Alliance (*UN Women*), GARM (*Global Alliance for Responsible Media*) launch of the Once & For All Coalition • 90% of global Groupe providers assessed in CSR by a third party; +180 local new suppliers self-evaluated on P.A.S.S[3] • Vivatech: 140,000 visitors present and 112 million people reached VIVA TECHNOLOGY	8 Decent work and economic growth; 12 Responsible consumption and production
Financial • Best operating margin in the industry • Activity in strong Growth	• €10.5bn net revenue • €1,840M operating margin • €1,264M headline net income[4] • Free Cash Flow: €1,4bn before change in WCR • €2.40 dividend per share[5]	16 Peace, justice and strong institutions
Society • Present in +100 countries • 440 *pro bono* campaigns and volunteering initiatives	• €362M income tax expense in 2021 • €41M equivalent value undertaken in community activities	8 Decent work and economic growth; 10 Reduced inequalities; 17 Partnerships for the goals
Environmental • SBTi Goals: scenario 1.5°C by 2030: 50% reduction for scopes 1, 2, and 3[7] • Carbon Neutral by 2030 • Reduction of impact from campaigns and digital solutions	• RE[6]: target 100% direct source in 2030, +15.8% increase in 2021 • Carbon intensity in 2021: 1.8 TeqCO_2 per capita (-67% since 2009) • Carbon neutrality for Scopes 1 & 2 in 2021 (after buying RECS and VCCs)[8]	13 Climate action

(1) SDG: United Nations Sustainable Development Goals. Publicis Groupe has identified 9 of the 17 goals whereby the Groupe and its subsidiaries can contribute to make a positive impact (see chapter 4.6).

(2) A.L.I.C.E Advertising Limiting Impacts & Carbon Emissions, proprietary platform

(3) P.A.S.S: Publicis Groupe Providers Platform for a self-Assessment for a Sustainable Supply-chain, internal platform

(4) Groupe share

(5) Submitted to Shareholders' vote during the General Shareholders' meeting of May 25, 2022.

(6) RE: Renewable Energy

(7) Targets approved by SBTi (Science Based Targets Initiative) in March 2021 with 2019 as reference year

(8) RECs: Renewable Energy Certificates; VCCs : Voluntary Carbon Credits

ORGANIZATION

Clients have always been at the heart of the Publicis Groupe model and benefit from a fluid and unified organization thanks to the country model. The largest clients are each followed by a Groupe Client Leader (GCL) with a single P&L to facilitate relations with all the Groupe's expertise and give them access to a fully integrated offer.

MANAGEMENT BOARD

ARTHUR SADOUN
Chairman of the Management Board

ANNE-GABRIELLE HEILBRONNER
Secretary General

STEVE KING
Chief Operating Officer

MICHEL-ALAIN PROCH
Chief Financial Officer

AN INTEGRATED OFFER IN 10 COUNTRIES OR REGIONS

Country Model – 1 single P&L – POWER OF ONE

10 key markets, countries or regions (United States, United Kingdom, France, DACH (Germany, Austria and Switzerland), Asia Pacific & Africa-Middle East, Canada, Eastern and Central Europe, Western Europe, Latin America excluding Brazil, and Brazil) are headed by a CEO and steered on a day-to-day basis by a unified Executive Committee overseeing a single P&L. Countries and regions have access to the teams of the Global Delivery Centers, as well as common support functions, thus providing clients with a cross-functional offer that meets all their needs.

The Groupe's offer is based on four main areas of expertise. Dynamic, diverse and disruptive creativity, to which are added strategic communication and influence as well as production; media activities with expertise in large-scale targeted media including performance, commerce, e-commerce, and digital marketing; unrivalled skills in data; and innovative technical solutions enabling the marketing and digital transformation of companies. Finally, Publicis Groupe also has a division entirely dedicated to the healthcare sector, Publicis Health.

CLIENTS

DATA
PERSONALISED PROFILES

- Data Analytics
- Audience development
- Individualised profiles
- Consumer Relations

CREATIVITY
DYNAMIC, DIVERSE, DISRUPTIVE

- Brand strategy and identity
- Dynamic content
- Strategic communications and influence
- Production

MEDIA
TARGETING AT SCALE

- Media consulting and buying
- Performance
- Commerce - eCommerce
- Shopper marketing

TECHNOLOGY
DIGITAL PROPRIETARY CHANNELS

- Digital Marketing
- Innovation Labs
- Digital Business Transformation (DBT)
- Product and service design

Countries and regions benefit from the teams of the Global Delivery centers, as well as common support functions, thus offering clients a transversal offer that meets all their needs.

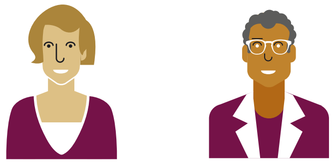
GLOBAL DELIVERY
20,000 experts
in media, production, data and DBT

MARCEL
Over 85,000
users

SHARED SERVICES CENTERS
Support functions

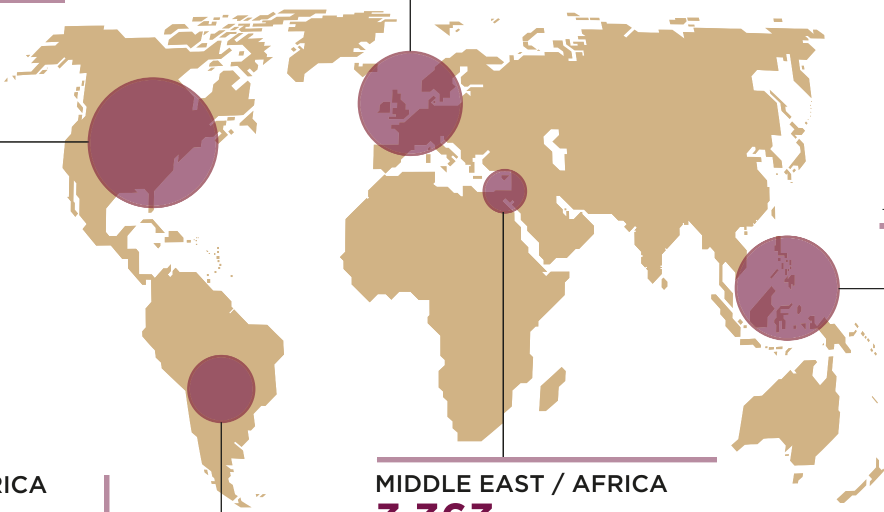
TALENT

88,531 EMPLOYEES
at December 31, 2021



Women	Men
51.5%	48.5%

BREAKDOWN BY GEOGRAPHIC ZONE



NORTH AMERICA	27,451	54.7%	45.3%
EUROPE	21,866	57.1%	42.9%
ASIA PACIFIC	28,561	43.5%	56.5%
LATIN AMERICA	7,290	53.7%	46.3%
MIDDLE EAST / AFRICA	3,363	43.3%	56.7%

MAIN JOB CATEGORY AND FUNCTIONS

Client Management	24.9%
Engineering	17.2%
Creative	12.3%
Support Functions	12.2%
Media	11.4%
Data & Tech	8.4%
Production	4.4%
Strategy	4.3%
Consulting	3.9%
General Management	0.8%
Healthcare	0.2%

TRAINING

82%
of employees received training in 2021

Average
23h
per capita

WOMEN

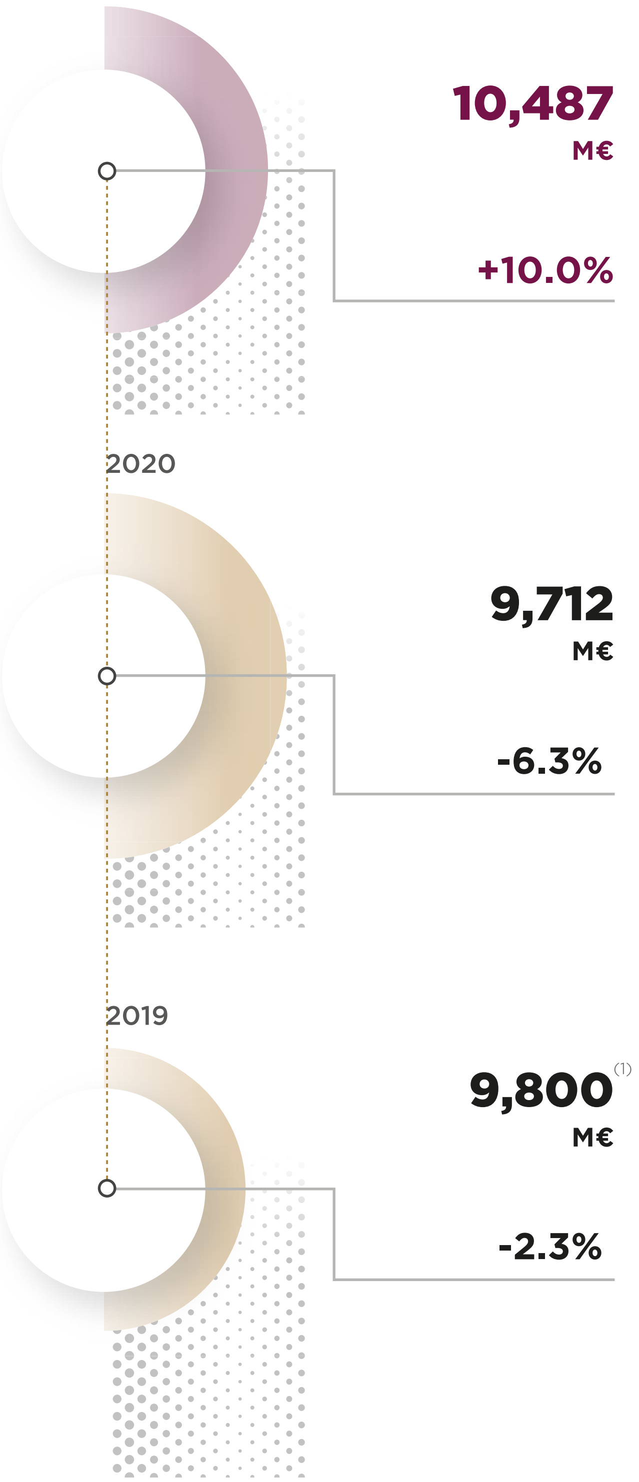
on the Supervisory Board
55%

In Key leadership positions
41.1%

In Senior positions
40.3%

KEY FIGURES

NET REVENUE AND ORGANIC GROWTH

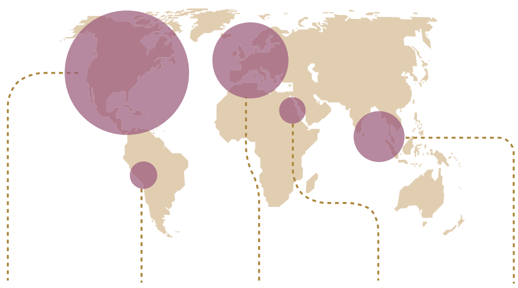


(1) Epsilon figures are consolidated as of July 1, 2019.

BREAKDOWN OF 2021 NET REVENUE

BY GEOGRAPHIC REGION

(M€)



NORTH AMERICA	LATIN AMERICA	EUROPE	MIDDLE EAST / AFRICA	ASIA PACIFIC
6,368	243	2,534	304	1,038

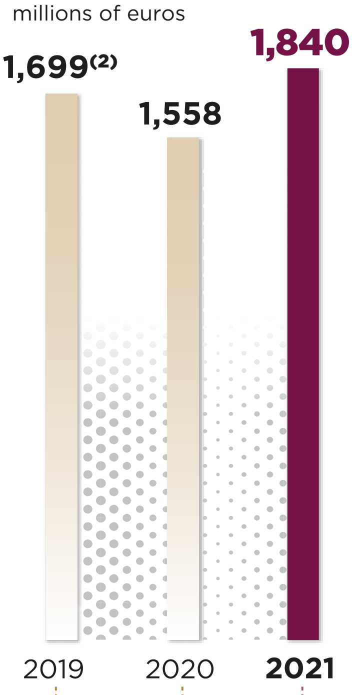
BREAKDOWN BY CLIENT BUSINESS SECTOR

ON THE BASIS OF **3,574** CLIENTS
i.e. 91% of the Groupe's total net revenue

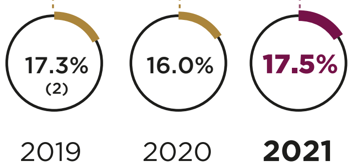
AUTOMOTIVE	16%
FINANCE	15%
TMT	14%
FOOD AND BEVERAGE	12%
HEALTHCARE	12%
NON-FOOD CONSUMER PRODUCTS	12%
RETAIL	9%
PUBLIC SECTOR AND OTHERS	4%
LEISURE & TRAVEL	3%
ENERGY & INDUSTRY	3%

KEY FIGURES

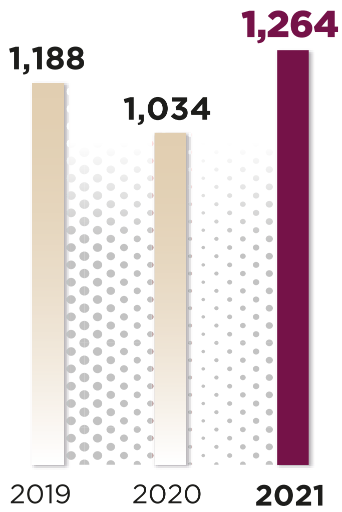
OPERATING MARGIN[1]
millions of euros



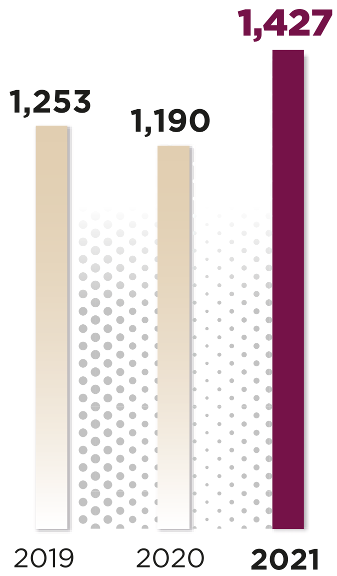
In % Net Revenue



NET INCOME
HEADLINE GROUPE[1]
millions of euros

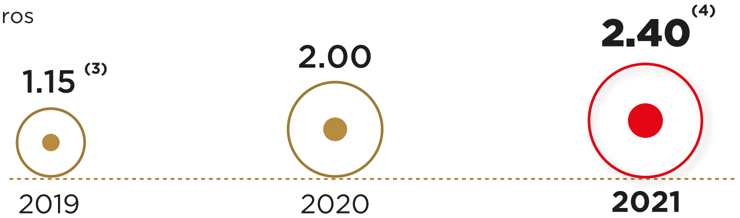


FREE CASH FLOW
BEFORE CHANGE IN WORKING CAPITAL REQUIREMENTS[1]
millions of euros

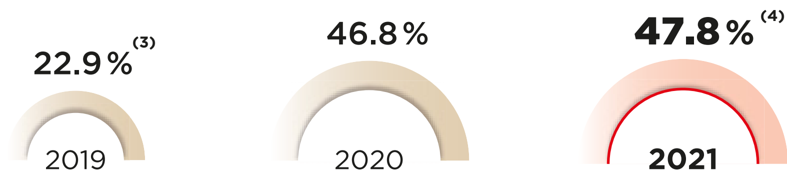


HEADLINE DILUTED EARNINGS PER SHARE[1]
In euros

DIVIDEND PER SHARE
In euros



PAYOUT RATIO
In %



Lorem ips

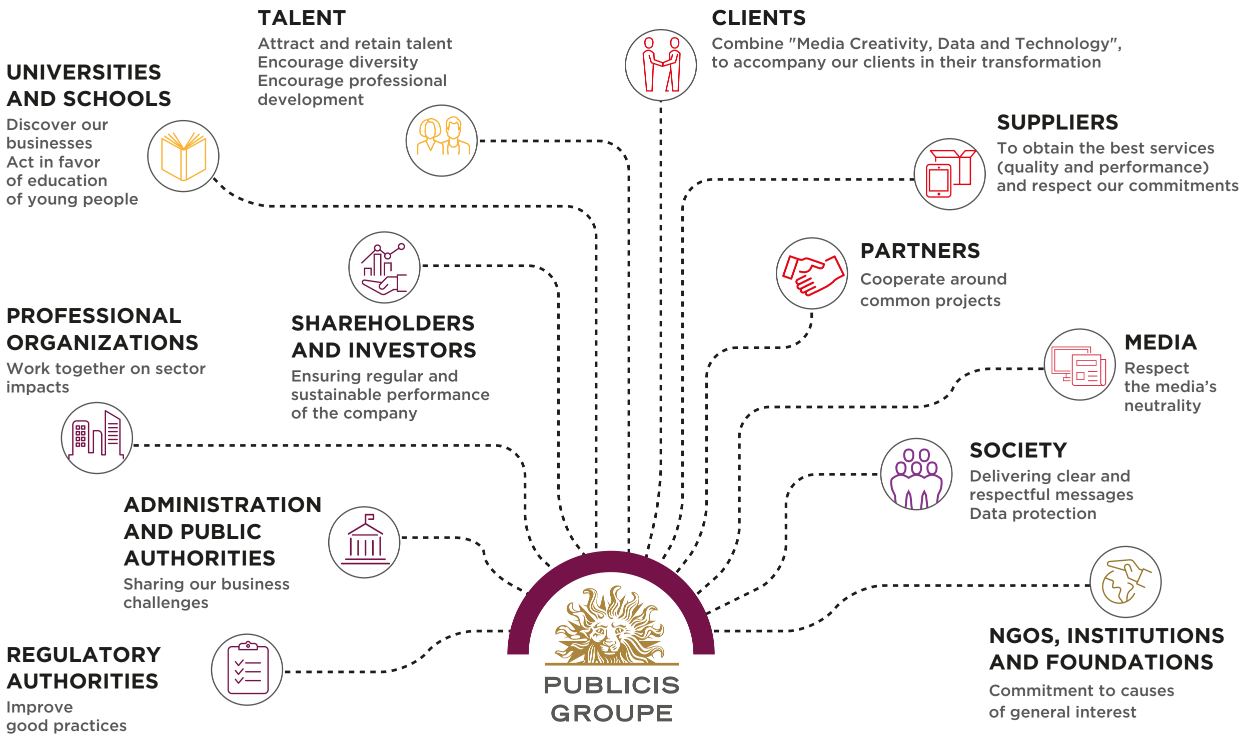
(1) See definitions in the Glossary at the end of the introduction section.

(2) Excluding transaction costs for the Epsilon acquisition.

(3) Following the recommendation of the Management Board, the Supervisory Board decided to reduce the dividend proposal to be paid in respect of financial year 2019 from €2.30 to €1.15 per share, as an exceptional measure in the context of the Covid-19 pandemic.

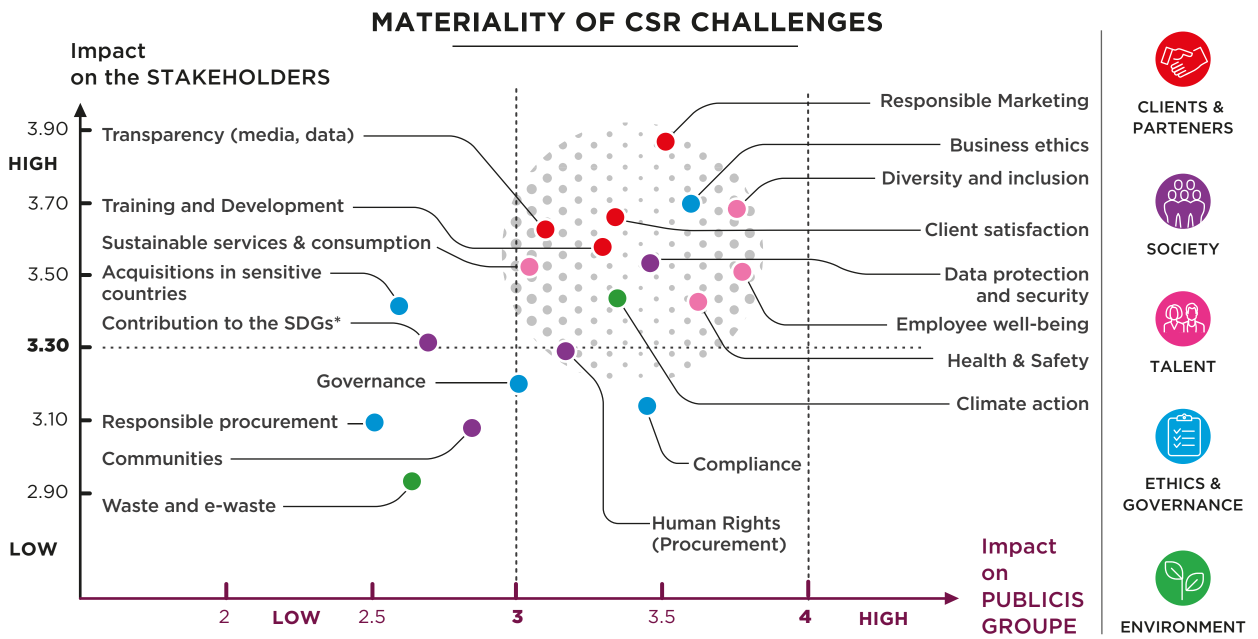
(4) Submitted to the shareholders' vote during the General Shareholders' Meeting of May 25, 2022.

STAKEHOLDERS



In the ongoing dialogue with our stakeholders, be that at Groupe level, Region or Country, Publicis Groupe has observed an alignment between the issues expressed and the ESG priorities of the Groupe around 1. Diversity Equity and Inclusion, and the fight for Social Justice 2. Responsible marketing and Business Ethics and 3. The fight against Climate Change (see details in Chapter 4 of this document, the Non-Financial Performance Declaration).

MATERIALITY OF CSR CHALLENGES

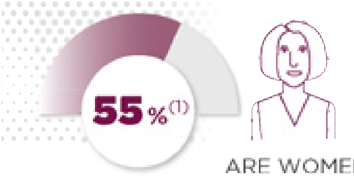


*SDG : United Nations Sustainable Development Goals.

GOVERNANCE

The governance of Publicis Groupe, its bodies, their role and their respective functions are presented in chapter 3.

SUPERVISORY BOARD



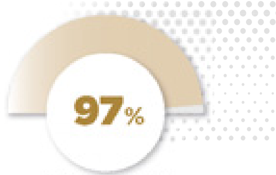
ARE WOMEN

64%(1)

INDEPENDENT MEMBERS

(1) Excluding members of the Supervisory Board representing employees in accordance with the law and the AFEP-MEDEF Code

Maurice Lévy
Chairman of the Supervisory Board
Member of the Nominating Committee, of the Strategy and Risk Committee and of the Compensation Committee



ATTENDANCE RATE

6 MEETINGS IN 2021

Élisabeth Badinter
Vice-Chair of the Supervisory Board
Chair of the Nominating Committee

Simon Badinter
Member of the Strategy and Risk Committee

Jean Charest
Independent Member
Chair of the Audit Committee
Member of the Nominating Committee

Sophie Dulac
Member of the ESG Committee

Thomas H.Glocer
Independent Member
Member of the Compensation Committee, of the Strategy and Risk Committee and Audit Committee

Marie-Josée Kravis
Independent Member
Chair of the Strategy and Risk Committee
Member of the Nominating Committee

André Kudelski
Independent Member
Chair of the Compensation Committee
Member of the Audit Committee and of the Nominating Committee

Suzan LeVine
Independent Member
Chair of the ESG Commitee
Member of the Audit Committee and of the Nominating Committee

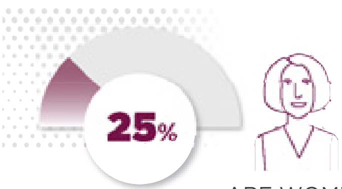
Dr Antonella Mei-Pochtler
Independent Member
Member of the Compensation Committee, the Strategy and Risk Commitee and the ESG Committee

Cherie Nursalim
Independent Member
Member of the ESG Committee

Pierre Pénicaud
Member representing employees
Member of the Strategy and Risk Committee

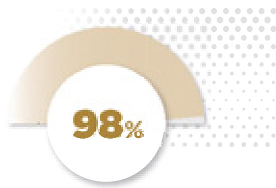
Patricia Velay-Borrini
Member representing employees
Member of the Compensation Committee

MANAGEMENT BOARD



ARE WOMEN

Arthur Sadoun
CEO
Chairman of the Management Board



ATTENDANCE RATE

15 MEETINGS IN 2021

Anne-Gabrielle Heilbronner
Secretary General Publicis Groupe

Steve King
Chief Operating Officer Publicis Groupe

Michel-Alain Proch
Chief Financial Officer Publicis Groupe

GLOSSARY AND DEFINITIONS

Glossary

Data: data used to assist clients with their marketing and commercial decisions.

Digital business transformation (DBT): business model transformation consulting services for our clients and their adaptation to the digital world.

Dynamic creativity: personalized creative content adapted to consumers based on their characteristics (location, interests, progress on their consumer path, etc.).

Epsilon PeopleCloud: a platform created by Publicis Groupe which combines data collected by clients with the individual identifiers created by the Groupe and by Epsilon since its acquisition in 2019, and data from third parties. This single platform makes it possible to optimize marketing and commercial decisions and to create large-scale customization for clients.

Groupe Client Leaders (GCL): Groupe Client Leaders are responsible for all the services and skills made available to the client, regardless of the discipline. GCLs have a geographical scope which can be global, regional or country-specific.

Industry verticals: organization of certain Groupe activities on the basis of the client's industry.

JANUS: JANUS is a set of rules governing behavior and ethics. It applies to all Groupe employees and sets out the rules of conduct to carry out operations: "The Publicis way to behave and to operate".

Direct-to-Consumer brands: brands selling to consumers directly over the Internet, without going through the intermediary of physical distributors.

Retail Media: purchase and sale of advertising on retailers' websites and apps, most commonly in a sponsored product ad format and based on retailer transactional data.

Advanced TV: advertising medium in which ads are shown in programs and films broadcast *via* over-the-top services (OTT) on connected TVs (with an integrated Internet connection) or streaming devices.

Platform: service acting as an intermediary for access to information, content, services or goods, most often published or provided by third parties. It organizes and prioritizes content and generally has its own ecosystem model.

Practices: communication and marketing activities that need to be centralized globally.

Publicis Communications: until the end of 2019, Publicis Communications combined the Groupe's global creative offering, including Publicis Worldwide, Leo Burnett, Saatchi & Saatchi, BBH, as well as Prodigious, the world leader in production, Marcel, Fallon and MSL, a specialist in strategic communications. This structure no longer exists on a global level since early 2020, when the Groupe moved to organization by country. It continues to exist in the United States, reflecting the way in which the organization is adapted to the size of the country. Since 2020, Publicis Communications US also includes Razorfish, a digital marketing business.

Publicis Health: Publicis Health is one of the world leaders in communication for the healthcare and pharmaceutical industries.

Publicis Media: until late 2019, Publicis Media brought together all of the Groupe's media expertise, more specifically with regard to investment, strategy, analysis, data, technology, performance marketing and content from Starcom, Zenith, Spark Foundry, Blue 449, Performics and Digitas. This structure no longer exists on a global level since early 2020, when the Groupe moved to organization by country. It continues to exist in the United States, reflecting the way in which the organization is adapted to the size of the country.

Publicis Sapient: Publicis Sapient partners with clients in the area of digital business transformation, based on technology, data, digital and consumer experience.

Global Delivery Centers: Hubs bringing together available Publicis Groupe employees to support the country model, particularly in media, production, data and digital transformation expertise.

Re:Sources: Re:Sources brings together the Shared Service Centers that cover most administrative functions necessary for the operation of all Groupe agencies.

Sprint to the Future: strategic plan implemented by the Groupe in 2018 for the 2018-2020 period[1].

The Power of One: unique offering under which all Publicis Groupe expertise is made available to clients (creative, media, digital, tech, data and healthcare) simply, efficiently and with flexibility.

Viva Technology: event co-organized by the Group Les Échos and Publicis Groupe. This was the first international event dedicated to innovation, start-up growth and the collaboration between major groups and start-ups in France.

Walled Garden: expression generally used to designate some digital giants' advertising ecosystems within which advertisers have only limited access to data and information.

(1) https://www.publicisgroupe.com/fr/news-fr/communiques-de-presse/publicis-2020-sprint-to-the-future-fr-1

Definitions

GSM (or GM), OGM, CGM: General Shareholders' Meeting, Ordinary General Shareholders' Meeting, Combined General Shareholders' Meeting.

WCR: working capital requirement.

EPS (earnings per share): net income attributable to the Groupe divided by the average number of shares on a non-diluted basis.

Headline diluted EPS (headline diluted earnings per share): headline net income attributable to the Groupe divided by the average number of shares on a diluted basis.

CCPA: the California Consumer Privacy Act (CCPA) is a State of California (USA) law on the protection and processing of California residents' personal data. The CCPA has been in force since January 1, 2020.

Organic growth: change in net revenue, excluding the impact of acquisitions, disposals and exchange rate fluctuations.

Organic growth *vs.* 2019: two-year growth calculated as follows: ([1 + organic growth (n-1)] * [1 + organic growth (n)]) -1

Net debt (or net financial liabilities): sum of long and short-term financial liabilities and associated hedging derivatives, after deduction of cash and cash equivalents.

Average net debt: average of end-of-month net debt.

DNFP: declaration of non-financial performance.

EBITDA: operating margin before depreciation and amortization.

EU: European Union.

Free cash flow before changes in working capital requirements: net cash flow from operating activities, after financial income received and interest paid out, repayment of lease liabilities and related interest, and changes in WCR linked to operating activities.

Free cash flow: net cash flow from operating activities, after financial income received and interest paid out, repayment of lease liabilities and related interest.

Capex: purchases of property, plant and equipment and intangible assets excluding equity investments and other financial assets.

Operating margin: revenue after deduction of personnel expenses, other operating expenses (excluding other non-current income and expenses) and depreciation and amortization expenses (excluding intangibles from acquisitions).

n/a: not available.

Headline Groupe net income: Groupe net income after elimination of impairment losses/real estate consolidation expenses, amortization of intangibles from acquisitions, main gains (losses) on disposal, changes in the fair value of financial assets, revaluation of earn-outs, impact of the US tax reform and Epsilon acquisition costs.

Net revenue: revenue less pass-through costs. Those costs are mainly production & media costs and out-of-pocket expenses. Since these items that can be re-billed to clients do not come within the scope of assessment of operations, net revenue is a more relevant indicator to measure the operational performance of the Groupe's activities.

GDPR: the General Data Protection Regulation (GDPR) refers to (EU) Regulation 2016/679 of the European Parliament and of the Council of April 27, 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data.

CSR: corporate social responsibility.

Operating margin rate: operating margin expressed as a percentage of net revenue.

Dividend pay-out ratio: dividend per share divided by headline diluted earnings per share.

CHAPTER

1 PRESENTATION OF THE GROUPE

1.1 GROUPE HISTORY

Founded in 1926 by Marcel Bleustein-Blanchet, the Company's name originates from the combination of "Publi", for "Publicité", which means advertising in French, and "six" for 1926. The founder's ambition was to transform advertising into a true profession with social value, applying rigorous methodology and ethics, and to make Publicis a "pioneer of modern advertising". The Company quickly won widespread recognition. In the early 1930s, Marcel Bleustein-Blanchet was the first to recognize the power of radio broadcasting, a new form of media at the time, to establish brands. Publicis became the exclusive representative for the sale of advertising time on the government-owned public broadcasting system in France. But in 1934, the French government removed advertising on state radio; Marcel Bleustein-Blanchet decided to launch his own station, "Radio Cité", the first private French radio station. In 1935, he joined forces with Havas to form a company named "Cinéma et Publicité", which was the first French company specialized in the sale of advertising time in movie theaters. Three years later he launched "Régie Presse", an independent subsidiary dedicated to the sale of advertising space in newspapers and magazines.

After suspending operations during the Second World War, Marcel Bleustein-Blanchet reopened Publicis in 1946, and not only renewed his relationships with pre-war clients but went on to win major new accounts: Colgate-Palmolive, Shell and Sopad-Nestlé. Recognizing the value of qualitative research, in 1948 he made Publicis the first French advertising agency to conclude an agreement with the survey specialist IFOP. Later, he created an in-house market research unit. At the end of 1957, Publicis relocated its offices to the former Hotel Astoria at the top of the Champs-Élysées. In 1958, it opened the Drugstore on the first floor, which has since become a Paris landmark. In 1959, Publicis set up its department of "Industrial Information", a forerunner of modern corporate communications.

From 1960 to 1975, Publicis grew rapidly, benefiting in particular from the beginnings of advertising on French television in 1968. The Boursin campaign inaugurated this new media: this was the first TV-based market launch in France, and the slogan soon became familiar to everyone in the country: "Du pain, du vin, du Boursin" ("Bread, wine and Boursin"). Several months later, Publicis innovated again by siding with one of its clients in a new kind of battle: the defense of Saint-Gobain for which BSN had launched the first-ever hostile takeover bid in France.

In June 1970, 44 years after its creation, Publicis became a listed company on the Paris Stock Exchange.

However, on September 27, 1972, Publicis' head offices were entirely destroyed by fire. A new building was built on the same site and the Company set about pursuing a strategy of expansion in Europe through acquisitions the same year, taking over the Intermarco network in the Netherlands (1972), followed by the Farner network in Switzerland in 1973; this resulted in the creation of the Intermarco-Farner network to support the expansion of major French advertisers in other parts of Europe. In 1977, Maurice Lévy was appointed Chief Executive Officer of Publicis Conseil, the Groupe's main French business, after joining Publicis in 1971.

In 1978, Publicis set up operations in the United Kingdom after acquiring the McCormick advertising agency. In 1984, Publicis had operations in 23 countries across Europe. In 1981, Publicis opened a small agency in New York, which would be called a start-up nowadays.

In 1987, Marcel Bleustein-Blanchet decided to reorganize Publicis as a company with Supervisory and Management Boards. He became Chairman of the Supervisory Board, and Maurice Lévy was appointed Chairman of the Management Board. Since then, the strategy for Publicis has been defined by the Management Board and submitted to the Supervisory Board for approval; all operational decisions are made at the Management Board level.

In 1988, Publicis concluded a global alliance with the American firm Foote, Cone & Belding Communications (FCB) and the two European networks of the two partners merged. Publicis thus expanded its global presence with the help of its ally's network.

Growth accelerated in the 1990s. France's number four communications network, FCA!, was acquired by Publicis in 1993, followed by the merger of FCA! with BMZ to form a second European network under the name FCA!/BMZ. In 1995, Publicis terminated its alliance with FCB.

On April 11, 1996, Publicis' founder died. His daughter, Élisabeth Badinter, replaced him as Chairman of the Supervisory Board. Maurice Lévy stepped up the Company's drive to build an international network and offer clients a presence in markets around the world. The drive to acquire intensified and became global: first Latin America and Canada, then Asia and the Pacific, India, the Middle East and Africa. The United States was the scene of large-scale projects from 1998 onwards: as Publicis looked to significantly expand its presence in the world's largest market. Acquisitions included Hal Riney, then Evans Group, Frankel & Co. (relationship marketing), Fallon McElligott (advertising and new media), and DeWitt Media (media buying).

In 2000, Publicis acquired Saatchi & Saatchi, a business with a global reputation for talent and creativity. This acquisition was a milestone in the development of the Groupe in Europe and the United States. In September, Publicis Groupe was listed on the New York Stock Exchange. This same year, Publicis acquired Winner & Associates (public relations) and Nelson Communications (healthcare communication).

In 2001, Publicis Groupe formed ZenithOptimedia, a major international player in media buying and planning, by merging its Optimedia subsidiary with Zenith Media, which had previously been owned 50/50 by Saatchi & Saatchi and the Cordiant Group.

In March 2002, Publicis Groupe announced its acquisition of the US group Bcom3, which controlled Leo Burnett, D'Arcy Masius Benton & Bowles, Manning Selvage & Lee, Starcom MediaVest Group and Medicus, and held a 49% interest in Bartle Bogle Hegarty. At the same time, Publicis Groupe established a strategic partnership with Dentsu, the leading communications group in the Japanese market and a founding shareholder of Bcom3. The acquisition established Publicis Groupe in the top tier of the advertising and communications industry, making it the fourth largest advertising group worldwide, with operations in more than 100 countries and five continents.

From 2002 to 2006, Publicis Groupe successfully integrated Bcom3, following Saatchi & Saatchi, and brought together a large number of entities. At the same time, it made a number of acquisitions to create a coherent range of services that would address clients' needs and expectations, particularly offering different types of marketing services and access to the principal emerging markets. In late 2005, Publicis Groupe obtained its first official rating ("investment grade") from the two leading international rating agencies, Standard & Poor's and Moody's. In late December 2006, Publicis Groupe launched a friendly tender offer for Digitas Inc., a leader in the digital and interactive communications sector in the United States and worldwide. This operation, which was completed in January 2007, was the first step in the Groupe's remarkable advance into digital technology. At the time, the Groupe correctly foresaw the profound changes that the arrival of digital communications would have on the media world and, with the acquisition of Digitas, it immediately positioned itself as a market leader in that space. With the launch of "The Human Digital Agency" project, the Groupe clearly indicated its intention to integrate digital technology into the heart of its business, thereby reaffirming the desire and vision of its founder to make the Groupe a "pioneer of new technologies".

During 2007 and 2008, Publicis Groupe undertook a profound reorganization of its structures and operational methods in order to adapt to the requirements of the digital era. It has thus added digital services to its well-known holistic service offer, while simultaneously pursuing the consolidation of its positions in fast-growing economies, both of which will be major challenges in the years to come.

2007 was the year of Publicis' integration of Digitas Inc. This rapid and successful integration triggered a series of acquisitions in the digital domain in order to complete the Groupe's global offer in the fields of interactive and Mobile Communication.

In 2007, the Groupe chose to end its listing on the New York Stock Exchange.

2008 and 2009 saw Publicis Groupe pursue the drive to develop in the fast-growing area of interactive communications and expansion into emerging markets.

In January 2008, Publicis Groupe and Google publicly announced a collaborative project. This collaboration, which began in 2007, is founded on a shared vision of using new technologies to develop the advertising business. The arrangement is not exclusive and is expected to complement other established partnerships with leaders in interactive media.

Amid brisk growth in the digital arena, the most visible sign of the Groupe's transformation was undoubtedly the launch of VivaKi, a new initiative aimed at optimizing the performance of advertiser investments and maximizing Publicis Groupe's market share growth. This initiative allows clients to reach precisely defined audiences in a single campaign and across multiple networks.

The global economic crisis in 2009, which saw numerous economies enter into recession and global trade shrink by 12%, did not hinder the development of Publicis Groupe's strategy.

The acquisition of Razorfish – the number two interactive agency in the world after Digitas – from Microsoft in October 2009, brought new strengths to the Groupe's digital activities, notably in e-commerce, interactive marketing, search engines, strategy and planning, social network marketing and the resolution of technological architecture and integration issues.

During 2009, Publicis Groupe and Microsoft entered into a global collaboration agreement defining three core objectives for the development of digital media. Microsoft's and VivaKi's respective teams will be able to provide clients with greater added value and effectiveness in all the domains of the digital sphere: content, performance, definition, targeting, and audience ratings.

These developments prove Publicis Groupe's capacity to constantly anticipate changes in the market, to meet new client needs and provide solutions in line with consumer expectations, ensuring the Groupe's continued growth.

In 2009, Publicis Groupe became the world's third-largest communications firm, overtaking its competitor IPG. This position as number three has been considerably strengthened since then.

Thus, having confirmed the success of its strategy, in 2010 the Groupe continued its investments in digital activities and in developing areas of the world such as China, Brazil and India.

Despite the economic disruption in 2011, which was primarily due to sovereign debt in the eurozone and another financial crisis in August, followed by the United States' debt rating downgrade, Publicis accelerated the development and implementation of its strategy, prioritizing digital businesses and developing countries. Accordingly, the Groupe purchased Rosetta, one of the largest digital agencies in North America, Big Fuel, based in New York and the only agency specializing in social networks, thus significantly strengthening the Groupe's position in digital media, before also acquiring Talent and DPZ in Brazil and Genedigi in China.

During 2012, a difficult and uncertain year for growth, especially in Europe, Publicis Groupe continued to pursue an action plan that involved acquisitions and agreements designed to intensify the implementation of its strategic choices. The Groupe thus made a number of targeted acquisitions, particularly in the digital sector, in France, Germany, the United Kingdom, Sweden, the United States, Russia, Brazil, China, Singapore, India, Israel and, for the first time, in Palestine. Additionally, still in the digital arena, Publicis Groupe and IBM formed a global partnership based on their unparalleled influence on the future of e-commerce.

During 2013, Publicis Groupe actively pursued acquisitions, particularly in the digital sphere and across the globe, in order to achieve critical mass in the various businesses, especially digital, and in the countries in which it already had a footprint, thereby leveraging scale. The market changes seen over the past number of years, with a genuine explosion in the Internet and the increasingly marked slowdown in the analog business, reaffirmed the Groupe's strategic decisions and have spurred on the rapid development of digital operations. Having acquired LBi, the largest European independent marketing and technology agency, combining strategic, creative, media and technical expertise, the Groupe proceeded to combine it with the Digitas integrated global network, creating DigitasLBi, the world's most complete digital network. It capitalizes on the seamless geographical integration of both entities: Digitas' sound position in the United States (the largest digital network), LBi's strong presence in Europe and the strong position of both entities in the Asia-Pacific region.

On July 27, 2013, Publicis Groupe and Omnicom Group Inc. signed an agreement for a merger of equals. In May 2014, Publicis Groupe chose not to pursue the merger with Omnicom Group. With its unique position in the digital business, which offers growth prospects in a communications landscape upset by the rapid emergence of new technologies, the Groupe accelerated its development in innovative disciplines *via* the acquisition of several digital agencies and strategic partnerships.

In September, Publicis Groupe and Adobe formed a strategic partnership to offer the Publicis Groupe Always-On Plaftorm™, the Groupe's first comprehensive marketing management platform, which automates and centralizes all components of client marketing. This unique platform, anchored within VivaKi, available to all Publicis Groupe's agencies and networks and standardized on Adobe Marketing Cloud, will enable, for the first time, all Publicis Groupe's agencies to create attractive content, analyze their marketing, identify and create audience segments, deploy campaigns, as well as monitor and measure marketing performance using a common technology and data structure.

Virtually all of the acquisitions involved digital businesses: agencies specializing in social media, online content, real-time data analysis, e-commerce, digital solutions applied to marketing or multi-channel programs.

The most notable transaction of 2014 was the acquisition of Sapient, announced on November 3, 2014. In an increasingly converged world, clients need a partner offering digital solutions to help them keep up with a connected, empowered consumer whose behavior has completely changed. The contribution of Sapient combined with Publicis Groupe's know-how in the digital area, creativity, media and brand communication created unparalleled expertise in marketing and sales across all distribution channels and consulting services based on outstanding technological prowess. The latent needs of clients as they address the many developments in the economy, consumers and technology, require an overhaul of marketing and communication models, and sometimes of the companies themselves. Thanks to Sapient, Publicis is in a position to meet all the transformation needs of its clients.

2015 was particularly active on the operational side. The start of the year saw the completion of the Sapient acquisition and the launch of the Publicis Sapient platform. This platform offers clients all of the functionality of the digital communications value chain, from consulting to sales, *via* creation, data and platforms. It is backed up by a team of over 8,000 people based in India.

Publicis Sapient is part of the new organization announced at the end of the year, aimed at structuring the Groupe in such a way that its clients are at the very heart of its organization. In the Groupe's top 20 markets, major clients will each be assigned a Global Client Leader or a Country Client Leader, depending on the geographical scope of the support they require. In this way, the Groupe can offer the entire array of solutions to its clients: creative solutions through "Publicis Communications", media solutions through "Publicis Media", digital solutions through "Publicis Sapient", and healthcare solutions provided by "Publicis Health". For all other countries, a single structure called "Publicis One" combines all these solutions (creative, media, digital, healthcare) in each country.

Publicis Groupe is thus implementing the most integrated organization in the sector, for the benefit of its clients and employees alike. This structure should foster growth for the Groupe by harnessing the opportunities offered by the integration and the new possibilities in consulting and technology, as well as enhance the operating margin rate by simplifying the organization. The new structure was rolled out over the first few months of 2016.

A very large number of media accounts were up for tender. According to RECMA, there have been tenders for over USD 20 billion worth of billings this year. Publicis Groupe was one of the most exposed of the major communication groups. However, the Groupe consolidated its position with its clients (Coty, Citi) and gained prestigious accounts such as Taco Bell, VF, Visa and Etihad. There were some losses, including the "US Media" accounts for Procter & Gamble and Coca-Cola.

Publicis Groupe continued its tactical acquisitions strategy, with a view to completing its operational networks, both in expertise (content, commerce, behavioral analysis) and geographical scope (South Africa, Israel).

As announced at the end of 2015, the work to implement the new structure was completed by mid-2016. This structure abandons the holding company model, in order to develop a company operational architecture based on the Connecting Company concept. Highly modular in structure, the Connecting Company model of Publicis Groupe is unlike any other platform in its genre, and offers clients plug & play access to state-of-the-art services. It means a complete rethinking of our approach:

- make clients the priority – the entire transformation of Publicis Groupe was designed and carried out in order to place our clients at the heart of our operations. Their requirements and objectives help us determine which solutions should be offered to them, to ensure their success and growth;
- a fluid model – just one person – the Global Client Leader or Country Client Leader – to be the sole point of contact and account manager who can draw on our pool of almost 84,000 talented employees and break down silos, the legacies of the past and longstanding habits;
- working in harmony – we have consolidated our income statements and removed all operational hurdles;
- modular organization – the main advantage of our new structure is not just the depth and breadth of our capabilities, but above all our ability to adapt to any situation and to individual client requirements, with an open architecture that offers our global partners plug & play access where required. This modularity is fundamental; it opens up new opportunities for innovation and helps us keep pace with the rhythm of change that currently shows no signs of slowing down;
- comprehensive offering – by bringing together our creativity, our intelligence and our technological expertise, we are able to present ideas to our clients on how to carry out their own transformations and ensure a consumer experience unlike that offered by any other agency or holding company on the market.

Prestigious clients including USAA, Hewlett Packard Enterprise, Walmart Stores and ASDA all recognize the strength of The Power of One solution. Reinvigorated by this initial success, work is underway to get all our employees to buy into this new approach and promote The Power of One solution to all existing clients.

Two events that took place in 2016 have made Publicis' history. The goal of the first, Viva Technology Paris, run in association with the Les Échos group was to stage a global event in Paris that would bring together start-ups and major stakeholders in the digital industry. This event, held on June 30, July 1 and 2, 2016, attracted 5,000 start-ups, dozens of large industrial groups and investors, and included over 300 conferences with the biggest names in the global high-tech sector. With over 45,000 visitors in three days, Viva Technology proved a great success and underscored the pre-eminent place of Publicis Groupe in the global digital economy. This annual event returned for its second edition on June 15, 2017, just before the Cannes Lions Festival. On the occasion of its 90th anniversary, Publicis Groupe launched a project named Publicis90. This idea was to provide 90 projects or start-ups with financial aid and the support of the Groupe's digital experts. After an initial phase of stringent selection over a period of several months, the winners were selected from among the 3,500 contestants from 130 countries and received their awards at a ceremony held during Viva Technology.

At the beginning of 2017, the Publicis Groupe Supervisory Board appointed Arthur Sadoun as Maurice Lévy's successor as Chairman of the Management Board. Since June 1, 2017, Maurice Lévy has been a member of the Supervisory Board, which he now chairs. Arthur Sadoun chairs a Management Board strengthened by the addition of Steve King, CEO of Publicis Media, who joined forces with Jean-Michel Etienne, Executive Vice-President – Groupe Finance and Anne-Gabrielle Heilbronner, Secretary General.

2017 was marked by two themes: going further with integration and faster in the execution of the strategy prepared by Maurice Lévy. Our ambition is to become the leader in the convergence of marketing and operational transformations, through the alchemy of creativity and technology. For this, the Groupe has created two new decision-making entities, the Executive Committee and the Management Committee. Several talented people joined the Groupe during the second half of 2017: Véronique Weill, as General Manager, with responsibility for Re:Sources, IT, real estate, insurance and mergers and acquisitions, Agathe Bousquet, as Chairwoman of Publicis Groupe in France, Emmanuel André in the newly created position of Chief Talent Officer (CTO). Annette King has been appointed during the second quarter of 2018 as CEO of Publicis Groupe in the United Kingdom, where she will supervise the Groupe's activities in this market.

After breaking the silos and organizing itself into Solutions, the Groupe has gone a step further by implementing an organizational structure by country, with the aim of providing clients with a fully integrated offer, from advertising to marketing, consulting, and media, with data at its core. The deployment of this organization has begun in France, the United Kingdom, China and Italy.

Sprint to the Future, the plan for 2018-2020 was unveiled in March 2018. Built around its strategic game changers, namely data, dynamic creativity and digital business transformation, as well as its country organization, Publicis Groupe aims to become an indispensable partner in business transformation. These ambitions are matched by a sizeable investment plan, financed by a raft of cost-savings measures. In a market environment that saw a further wave of repitching of media accounts in 2018, Publicis had significant new account wins, including Daimler, Marriott, Campbell's, Carrefour, Smucker's, GSK and Fiat-Chrysler.

At the same time, Publicis Groupe looked to equip itself with a system that would serve its talent. The Marcel artificial intelligence platform, developed in partnership with Microsoft, and named in honor of the Groupe's founder, Marcel Bleustein-Blanchet, was launched in May 2018 at the third Viva Technology event. The aim is to facilitate our transformation from a holding company to a platform so that all Groupe employees worldwide can discuss and collaborate without barriers or borders.

2019 was a pivotal year for the Groupe with the acquisition of Epsilon, the marketing Big Data specialist. Epsilon has the technology and platforms to structure client first-party data, round it out with an incomparably diverse range of data sources and put together personalized campaigns at scale.

By positioning Epsilon as the data expert of the Groupe, Publicis draws on this wealth of resources for all its business activities turning it into a key, differentiating advantage. Now more than ever, our activities are resolutely positioned to the future with more than 30% of our net revenue generated by data and digital business transformation.

But that's not all: Publicis is also reshaping its organization over time to meet the needs of clients for streamlined and efficient access to the range of expertise in the Groupe. Publicis Groupe has also realigned its operations, organizing them by country, to leverage synergies between areas of expertise and to discover novel solutions. The Power of One strategy, initiated in 2016 as an integrated working model providing even more benefits to clients, is now fully up and running. Through the Groupe Client Leader, clients are offered a tailored service and direct access to the Groupe's entire range of expertise. The Groupe helps its clients to constantly innovate and grow their sales, while controlling costs.

In 2019, the Groupe completed its transformation in terms of assets and structure. The Groupe is now in a unique position to serve clients across the entire value chain. The only group to have large-scale creative, media, data and technology assets, Publicis has a clear competitive edge – demonstrated by the new account wins in 2018 and 2019. For the second year in a row, the Groupe topped the league tables for winning new accounts and secured contracts in the biggest global tenders for existing or new clients (Disney, Beiersdorf, Axa and Novartis).

2020 was marked by the global Covid-19 pandemic, which affected all countries and sectors of activity for most of the year. This major health crisis resulted in one of the biggest economic crises in recent history. The measures taken by various governments to contain this pandemic, such as lockdowns, have had a sudden and unprecedented impact on consumption and production.

Certain trends, already visible in the communications and media industry, have thus been greatly accelerated. This is notably the case for the growth of digital, with a significant development in e-commerce and direct-to-consumer. The transformation that Publicis Groupe had initiated several years earlier enabled it to best meet the needs of its clients to navigate alongside them in the crisis, define strategies to overcome it, accelerate their digital transformation, and build direct links with their consumers.

At the same time, the Groupe has taken important operational decisions to preserve its talent. The rollout of Marcel, the Groupe's artificial intelligence platform, has thus been accelerated to meet the requirements of new working methods and enable better sharing, even remotely. Marcel has acted as a way of bringing teams together and proved to be a valuable tool during such a period.

In order to contain the financial impacts of this pandemic, the Groupe quickly faced up to the situation and put a number of strong measures in place, such as the implementation of a cost savings plan of euro 500 million and a reduction of 50% in the dividend initially proposed.

In this context, the Groupe managed to deliver solid results thanks to the transformation undertaken several years ago, posting organic growth of -6.3%, an operating margin rate of 16.0%, and free cash flow before change in working capital of nearly euro 1.2 billion. Several factors were decisive in the Groupe's performance: the Groupe's investment in data and technology, with the acquisitions of Sapient and then Epsilon; its country organization, which enabled it to support its clients as closely as possible at each stage of the crisis and to provide a complete offer combining data, technology, media and creativity in an integrated manner; and its Marcel platform, which enabled the Groupe to adapt and act quickly by allocating resources efficiently. In 2020, the Groupe continued to win new business and strengthen its partnerships with many clients, including Bank of America, GSK, Heineken, Kraft Heinz, Mondelez, Reckitt Benckiser and Visa.

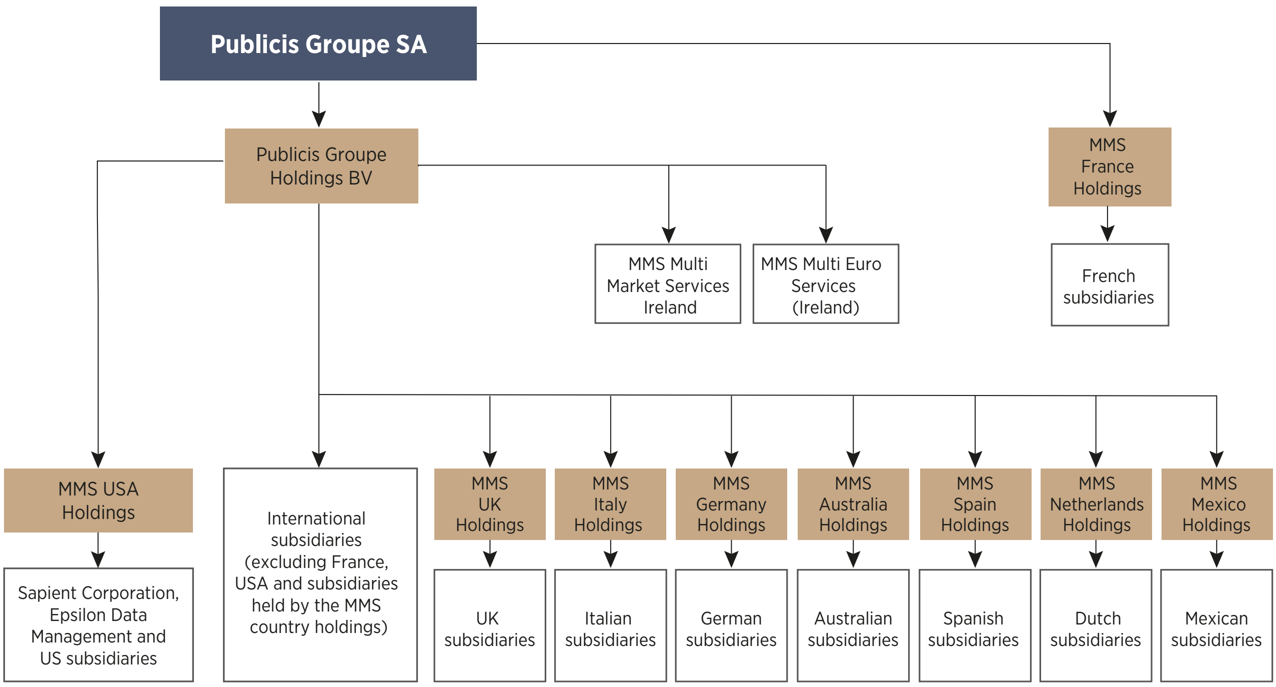
2021 was exceptional in more than one aspect. Firstly, it saw a strong rebound in advertising spend globally, growing 15.6% according to Zenith estimates, boosted by general economic growth and multiple stimuli from central banks and governments. It was also marked by the continuation of structural changes in the industry, in first-party data management, new digital media, the evolution of commerce and the digital business transformation. In this context, the Groupe achieved record results, with all metrics exceeding their 2019 levels. Organic growth reached +10.0%, with a significant contribution from Epsilon and Publicis Sapient, particularly in the United States where the Groupe's model is the most advanced. With an operating margin of 17.5% and a free cash flow at euro 1.4 billion, our financial ratios remain the highest in the industry.

2021 was a record year for the Groupe not only financially, but also commercially, thanks to iconic gains such as Stellantis, Walmart, and Meta, to name but a few. The Groupe also recruited more than 9,000 net new talent, while investing in training and personal development through its Marcel platform. Lastly, the Groupe is emerging from this pandemic both strengthened and ever more committed, as evidenced by the progress recorded this year in terms of ESG, which is reflected by obtaining the first place, in our sector, in the rankings of 8 of the top 10 rating agencies.

1.2 ORGANIZATION CHART

1.2.1 Brief description of the Groupe

/ Simplified organization chart at December 31, 2021[1]



(1) All companies mentioned by name are over 99% owned by the Groupe.

1.2.2 Main subsidiaries

Information concerning Publicis' principal consolidated subsidiaries at December 31, 2021 is provided in Note 36 to its consolidated financial statements in Chapter 6 of this Registration Document.

None of the subsidiaries controlled by the Groupe account for more than 10% of the Groupe's revenue.

None of the companies included in the list of the main consolidated companies as of December 31, 2021 have been sold as of the date of this document, with the exception of companies in Russia, which have been sold to local management, as announced by the Groupe on March 15, 2022.

The majority of the Groupe's subsidiaries are at least 90% held by Publicis Groupe.

In addition, the Groupe holds interests in certain entities in which the percentage of interest may be significant, but which are not controlled by the Groupe. Information concerning the main entities as well as the percentages held by the Groupe is provided in Note 36 to its consolidated financial statements in Chapter 6 of this document. However, these entities do not hold important assets and are not intended to hold any significant borrowing or financing. The borrowing and financing of the Groupe are 100% held and controlled by Publicis Groupe.

During 2021, Publicis Groupe SA did not take any significant stakes in any companies headquartered in France.

1.3 ACTIVITIES AND STRATEGY

1.3.1 Introduction

Publicis is a world leader in marketing, communications and digital business transformation. It was established in 1926 when Marcel Bleustein-Blanchet created what was essentially a start-up. Publicis now has offices in more than 100 countries and approximately 88,500 employees.

The passion that Marcel felt for communications and the creation of strong relations between brand names and consumers transformed this new business into a prosperous and respected profession. The Groupe has never stood still, continuing to grow, innovate and transform for more than 90 years. The core values dear to its founder's heart have continued to define everything we do: respect, honest products, client satisfaction, quality and creativity, together with a pioneering spirit, unwavering conviction and the ethical values inherited from his legendary fighting spirit.

1.3.2 Strategy

Today, Publicis Groupe is the third largest communications group[(1)] in the world, positioned at every step of the value chain, from consulting to execution, combining marketing transformation and digital business transformation. Publicis Groupe is positioned as the go-to partner for our clients' transformation as they seek to create personalization at scale, in a world increasingly dominated by platforms.

The Groupe offers a range of expertise around four main activities: Communication, Media, Data and Technology. Publicis Groupe serves its clients through a unified and fluid organization that facilitates access to all its expertise in all its markets.

Our model has always been client-focused. The last few years have seen a number of structural changes taking place, making the media and marketing environment of our clients increasingly complex. These structural changes have been accelerated by the Covid-19 pandemic, thus creating immense challenges but also many opportunities for our clients.

First, mobile and digital technologies have transferred power to consumers, disrupting the entire landscape and facilitating the emergence of new competitors. The relationship of our clients with their own consumers, current or potential, has been transformed by the media revolution, which is reflected in the importance of platforms and social networks: Google, Facebook, Youtube, Instagram, Twitter, TikTok, to name but a few. How we consume has shifted drastically as one-click access to products has become the norm, which favors the emergence of e-commerce platforms. Direct-to-consumer brands are the newest arrivals, born on the web and creating a need for established brands to build direct relationships with their consumers. The development of Walled Gardens creates new advertising ecosystems in which clients have only very limited access to data. Lastly, the use of increasingly diverse data sources, collected from the Internet as well as the physical world, also raises a raft of new questions for companies, chief among them being peoples' right to privacy. Clients are currently facing three major structural marketing revolutions: the management and use of data in compliance with confidentiality rules, the development of new digital channels, and the expansion of Direct-to-Consumer.

(1) Source = Competition – Section 1.3.7.

Very early on, Publicis embarked on a major transformation to offer its clients ever more adapted, innovative and effective solutions and whose relevance is now enhanced. Since 2006, the Groupe has focused on developing its digital business, notably with the Digitas, Razorfish, Rosetta and LBi acquisitions.

In 2014, the acquisition of Sapient positions the Groupe as the ideal partner for companies in their digital transformation, placing consumer needs and the client experience front and center.

Then in 2019, the acquisition of Epsilon, a technology company specializing in data in marketing activities, was a pivotal point for the Groupe. By making Epsilon the data experts of the Groupe, Publicis draws on this wealth of resources for all its business activities, turning it into a key, differentiating advantage. This is the case for its iconic creative brands, which can create even more relevant campaigns for clients. But also for the Groupe's Media offering, which has seen its leadership position strengthened thanks to Epsilon's data to improve the creation of individualized profiles and campaign performance. The same goes for Publicis Sapient, for which Epsilon optimizes consumer knowledge to offer customers relevant solutions to develop their business model, particularly in terms of Direct-to-Consumer.

In 2021, the Groupe continued to strengthen its differentiation through partnerships, acquisitions or the launch of new products, building on this solid base of data and technology assets. A first concrete example is the launch of PMX Lift in the United States. This solution addressing exponential demand in the connected television segment is the result of the collaboration between Publicis Media and Epsilon. Another concrete example is the acquisition of CitrusAd, a leader in retail media. The combination of CitrusAd and Epsilon will enable the Groupe to become the leader in retail media solutions based on individual profiles. Ultimately, the Groupe has signed strategic partnerships with The Trade Desk, Adobe and Salesforce to strengthen the scale and interoperability of its data and identity expertise in the digital ecosystem.

But that's not all: Publicis is reshaping its organization over time to meet the needs of clients for streamlined and efficient access to the range of expertise in the Groupe. Over the years, the Groupe has thus moved from being a holding company to that of a real platform.

The Power of One strategy, initiated in 2016 as an integrated working model providing even more benefits to clients, has been fully up and running since early 2020. Through the Groupe Client Leader (account manager dedicated to a specific client), clients are offered a tailored service and direct access to the Groupe's entire range of expertise to help them to constantly innovate and grow their sales, while controlling costs.

Publicis Groupe has realigned its operations, organizing them by country to leverage synergies between areas of expertise and to discover novel solutions at local level. This country-based organization is based on global services, which bring greater efficiency and innovation to our customers and are unique in the industry. This is notably the case for the Groupe's support functions, notably with the Global Delivery Centers, but also shared services such as Re:Sources and Marcel. These resources secure our efficiency, as evidenced by our financial ratios, which are the highest in the sector, while allowing us to continue to invest in the talent and expertise of tomorrow.

1.3.3 Main activities and Groupe organization

Publicis Groupe supports its clients across the entire marketing value chain to help them win in a world of platforms and create a personalized experience at scale. The Groupe thus offers to meet four of its clients' requirements thanks to its diverse expertise: dynamic and disruptive creativity, targeted and high-performance media on a large scale, data and technology skills enabling clients to build in-depth consumer knowledge and to create their own digital ecosystems. The Groupe also has expertise in Healthcare, its specialized practice being one of the largest in the world.

Dynamic and disruptive creativity

Creative

The primary mission of advertising agencies and networks is to find ideas that are both universal enough to cross borders, while resonating with each consumer, who must be able to easily and effectively identify with the message and recognize themselves personally.

While our clients' brands are becoming more and more global, the personalization of content, adapted to each consumer, is becoming necessary in an increasingly digital world.

Creativity must both establish the reputation of the brand, but also be dynamic. The Groupe advises its clients on their brand strategy, their repositioning and their identity, while creating dynamic content and activating it digitally.

The Groupe's creative businesses are structured around big iconic brands, like Publicis Worldwide, Saatchi & Saatchi, and Leo Burnett, as well as Marcel, Fallon and BBH.

Production

Publicis Groupe proposes global expertise, applied locally, in the design and delivery of brand content for all channels (television, print, radio, cinema, billboards (Out-of-Home) and digital: display, social networks, Internet video, etc.).

Through its Prodigious, Harbor and The Pub brands, Publicis Groupe provides its agencies and clients with the most efficient campaign management tools and archival libraries.

Digital marketing

In 2021, online advertising represented more than 50% of global advertising spend. While the various lockdown measures in many countries to combat the pandemic have accelerated digital penetration, they have only accelerated a fundamental shift in consumer habits.

Publicis has developed a 100% digital offering, through its Razorfish and Moxie brands, among others, to support customers wishing to strengthen their digital presence and thus reinvent their relationship with consumers.

Strategic communications and influence

To support its advice to clients on all strategic aspects, Publicis Groupe has specialized networks in strategic communications and influence, the most notable of which are MSL, Kekst CNC, Salter Baxter, Publicis Consultants and Publicis Live.

These networks of experts are on hand to meet a range of client needs: crisis communications, media relations, public affairs, institutional relations, financial communications, strategy and event management, to raise their profile, boost the effectiveness of their communications and engage in dialog with stakeholders.

Targeted and efficient media on a large scale

Media consulting and buying

Publicis' media services include helping clients ensure the most effective media are used for their communications campaigns and buying the most suitable advertising space (conventional or digital media) on their behalf. These integrated networks of strategy experts, investment experts, creatives and digital technology specialists are critical to the task of helping clients to position and optimize brand names and navigate an increasingly complex media environment.

The media business is organized around global brands, such as Starcom, Zenith and Spark Foundry. Blue 449 merged with Spark Foundry in March 2019 (except in France, the United Kingdom and the United States).

The two main service ranges are:

- media consulting/media planning: using computer software and data analysis of consumer behavior, together with analysis of different media audiences, in order to build the optimum media selection and detailed media plan, tailored to the client's advertising and communications strategy, marketing objectives, target audience and budget;
- media buying: purchase of all advertising space (radio, television, billboards, press, Internet and cell phones) or search engine optimization on behalf of a client as part of an agreed media plan, using the Groupe's experience and buying power to obtain the most favorable rates and terms and conditions for our clients.

Performance

To optimize their digital presence, some brands are keen to increase the traffic generated by their online presence. This is where Performics, Publicis Groupe's performance marketing network, comes in. It helps clients to restructure their digital assets and leverage the right channels (design, content, recommendation, search, affiliation, key words, target audience, etc.) to drive performance.

Commerce

In a world dominated by platforms, particularly e-commerce, a large number of brands are seeking to reinvent their relationship with retailers and more directly with their consumers. Publicis' commerce expertise helps them to define a new strategy to optimize their distribution channels: in-store presence, proprietary shops, visibility on e-commerce sites, better delivery conditions, and proprietary platforms for direct-to-consumer sales.

Our Commerce practice leverages the Groupe's full range of expertise: creativity (for content), consumer experience (in-store and online), performance (online presence and promotions), data (to continuously tailor the message to the audience), and technology (to build proprietary brand platforms and collect consumer data).

In-depth knowledge of consumers driven by data expertise

With the Epsilon acquisition in 2019, Publicis Groupe was able to take a lead in using data and technology to help drive businesses' digital and marketing transformation.

As an American technology company, Epsilon has considerable expertise and a wealth of data thanks to its 9,000 talent, including 3,700 data scientists and 2,000 engineers based in Bangalore.

Epsilon's expertise ranges across the entire consumer data lifecycle. It firstly allows client raw data to be structured and enhanced, and then large-scale, personalized, multi-channel campaigns to be activated. The new Epsilon PeopleCloud product suite quickly became Publicis Groupe's unified data and technology platform to better optimize its clients' media spend.

The announced disappearance of third-party cookies (postponed to end-2023) and the changes related to IDFA are profoundly altering the way in which advertisers can identify their consumers and personalize their messages at scale. Since 2012, Epsilon has built an immunity with the development of CORE ID, which is the most stable and accurate identification offer in the industry, making it one of the ideal partners for our clients to help them in their consumer knowledge.

In 2021, Epsilon continued to strengthen its lead in this area. Epsilon signed a technological and commercial partnership with The Trade Desk to build a new generation, personalized activation platform, powered by real individualized profiles. Epsilon was also appointed a "Leader" by Forrester in the ranking of Loyalty Solutions. In addition, the Media Rating Council, an audience quality rating organization in the United States, has given Epsilon the first industry accreditation in terms of outcome-based delivery, thus recognizing its ability to use data to link digital media to consumer purchasing behavior, both online and in person. Lastly, the acquisition of CitrusAd during the year will enable the Groupe to become one of the leaders in the market for identity-based retail media, combining its online expertise to Epsilon's offline expertise.

A technological offer to support the digital transformation of companies

Publicis Sapient is Publicis Groupe's technological, digital and consulting platform, enabling our clients to accelerate their digital transformation by drawing on the expertise of a team of nearly 17,000 talent.

Since 2018, Publicis Sapient has been organized on the basis of Industry Verticals to bring together sector expertise and provide insight into the challenges and opportunities to grow and transform, and offer our clients the know-how that will ensure their success. The eight Industry Verticals are automotive, consumer products, energy and raw materials, retail, financial services, healthcare, media-telecoms, and travel & hospitality.

In the second half of 2019, Publicis Groupe reorganized Publicis Sapient's North American activity to refocus it on the digital transformation of companies, an expertise whose growth was strengthened by the Covid-19 pandemic. These solid foundations enabled Publicis Sapient to record an organic increase in its total net revenue of 13.8% in 2021.

Dedicated expertise in healthcare

Very early on, Publicis Groupe set up a specialized activity in the health sector. It brings together several flagship brands such as Digitas Health (DH), Publicis Health Media (PHM) and Saatchi & Saatchi Wellness. These brands, specializing in media for the healthcare and wellness sector, created a holistic model by combining their expertise with the Groupe's media networks, and In-sync Consumer Insight, which brings in-depth knowledge of patients, healthcare professionals and payer organizations, providing strong differentiation.

Thanks to a unified and fluid organization, Publicis Health covers all of its clients' needs, from product launch to its change to a generic product, by offering digital and marketing solutions. More specifically, Healthcare communications encompass a whole series of actions from design to product maturity: advice prior to launching a product on the market, communication tools (publicity, direct marketing, digital, prospection calling, etc.), medical training, scientific communications, public relations and events.

Healthcare communications concerns the pharmaceutical industry, institutes, hospitals and insurance companies, as well as companies producing consumer goods aimed at health and wellness. It impacts healthcare professionals and public authorities as much as the general public.

Today, Publicis Health is one of the leaders in its sector, a position that was particularly strengthened in 2020 and 2021.

Groupe organization

Groupe country organization

To provide a single offering in each country combining all the Groupe's areas of expertise, Publicis has defined 10 core markets: the United States, Canada, the United Kingdom, France, DACH (Germany, Austria and Switzerland), Asia-Pacific & Africa-Middle East, Central and Eastern Europe, Western Europe, Latin America (excl. Brazil) and Brazil.

This country-based organizational structure breaks down silos so we can provide our clients with an integrated solution that is seamless and innovative, born out of the alchemy between creativity, media, data and technology. These 10 countries or regions are each run and supervised by a single person and overseen day-to-day by a single Executive Committee, bringing together members with different expertise, and have shared support functions. They are thus structured to offer our clients a broad-based solution that meets their needs.

Given the size of the Groupe's operations in the United States, which represent nearly 60% of the Groupe's net revenue, a special organization was defined in 2019, with the establishment of an Executive Committee chaired by Arthur Sadoun. The purpose of this committee is to accelerate the implementation of Groupe strategy through the power of all our expertise combined into a single offering, and ramping up revenue synergies through cross-fertilization.

Groupe Client Leaders

Clients have always been central to the Publicis Groupe strategy. To make sure they get the very best we have to offer, in 2016 the Groupe reshaped its organization around Client Leaders, account managers dedicated to clients. Major clients that use Publicis Groupe services in more than one market or across a range of expert areas are each assigned a Groupe Client Leader (GCL). Major clients that use Publicis Groupe services in only one country or region are assigned a Country Leader.

This structure translates into an uncomplicated client relationship, managed by a single point of contact. But it is also the ideal organization to increase cross-fertilization and offer the entire array of solutions to its clients horizontally: Creative, Strategic communications and influence, Production, Media buying and strategy, Data, Commerce, Performance, Digital marketing, Digital business transformation, and Healthcare. All the services offered to a client are consolidated in a single income statement, managed by the GCL.

The GCL's role is a key one: establish closer, lasting relations between the Groupe and its clients, across all our services and wherever they are in the world. They also orchestrate access to the diverse range of talent and expertise on offer in Publicis to simplify how client relations are organized.

Global Services

Global Services designs and deploys the global tools critical to ensuring the Groupe offers a consistent range of services in its 10 key markets, to improving our performance and generating economies of scale. Established in early 2020, Global Services has four departments: Media, Commerce, Production and Content, and is headed up by Steve King, Publicis Groupe COO.

Global Delivery Centers

Located mainly in India, Mauritius, Costa Rica and Colombia, these centers serve the Groupe's other entities, in particular Publicis Sapient, Epsilon, Média and production. The 650 talent of Tremend, a company based in Romania whose acquisition by the Groupe was announced in January 2022, will thus complement the capabilities of Publicis Sapient in Europe.

Re:Sources

Re:Sources is the backbone of our collaborative model and provides digital, administrative and logistics support in the Groupe's main markets. To help Publicis Groupe's agencies transform, innovate and increase productivity, Re:Sources provides cutting-edge solutions, streamlined technological platforms and efficient "processing plants". Publicis Groupe's shared services (digital: infrastructure, process systems and business systems, the Marcel collaboration and artificial intelligence platform, purchasing, real estate, media invoicing and payment, accounting, treasury, legal, human resources, purchasing, real estate, etc.) collaborate with agencies to serve clients. During the Covid-19 pandemic, the strength of Re:Sources enabled almost all employees in all Groupe countries to work immediately from home, demonstrating the resilience of the model.

Headquarters

Publicis Groupe SA is the Groupe's holding company, whose main activity is, together with dedicated subsidiaries, to provide consulting services to the various Groupe companies. The central consulting costs are spread out over all of the Groupe's operational companies according to the cost of services rendered.

In addition, the parent company and the dedicated holding companies receive dividends from their subsidiaries. The parent company also carries most of the Groupe's medium-and long-term financial debt. Lastly, financial companies within the Groupe also manage the financing operations and liquidity investment transactions of the subsidiaries.

Marcel

Marcel is the Groupe's collaborative artificial intelligence platform. In the context of the health crisis in 2020, the platform quickly proved to be an essential link. Today, it connects all of Publicis' talent to bring the best of the Groupe to clients while providing employees with solutions and opportunities to develop in a hybrid world. In just a few hours, Marcel can build teams of multidisciplinary and multicultural experts to meet a specific need, conduct a survey or "crowd source" ideas for a customer review or campaign. Marcel also makes it possible, in just a few clicks, to organize a work experience abroad (*via* the program Work Your World), apply for an assignment on a mission for another agency (gig), take an online development course (choosing from more than 30,000 available training courses) or take action to improve your well-being at work (through the collaboration with Thrive and its micro steps concept). Marcel is structured as a Platform As a Service, offering more applications each year to serve our customers and our talent, capitalizing on the dynamic database accumulating intelligence on the Groupe's employees and using modular common services.

1.3.4 Main clients

Publicis Groupe provides advertising and communications services to a diversified client portfolio that is representative of the global economy. It has a significant number of clients that are either national or global industry leaders, with more than half of its revenue generated by international clients, *i.e.* clients with operations in more than five countries. The top 30 clients represent 37% of the Groupe's consolidated net revenue (see Section 6.6 "Notes to the consolidated financial statements" – Note 29). Payment terms are consistent with general market practices and the regulations in force in each of the countries in which the Groupe operates. Revenue from, and contracts with, different clients vary from year to year. Nonetheless, a significant share of Publicis Groupe's revenue comes from loyal clients that have been with the Company for years.

The Groupe's main clients by region in 2021 are listed below:

Europe

Lloyds Banking Group; Procter & Gamble; Samsung; Stellantis; GSK; Walt Disney; Renault; McDonald's; British Telecom; Heineken

North America

Toyota; Verizon; Bank of America; AbbVie; Stellantis; Samsung; Citigroup; Procter & Gamble; General Motors; Inspire Brands; Walt Disney

Asia Pacific

Procter & Gamble; McDonald's; Nestlé; Siam Commercial Bank; GSK; Samsung; L'Oréal; Queensland Government; Suncorp Metway; Westpac

Latin America

Bradesco; Procter & Gamble; Nestlé; AB InBev; Claro; Renault; GSK; Citigroup; Bimbo; Davivienda

Middle East/Africa

Neom; Nestlé; Procter & Gamble; Abu Dhabi National Oil Company; McDonald's; Samsung; Abu Dhabi Culture; Vodafone; Stellantis; Majid Al Futtaim Group.

In 2021, the breakdown of the business sectors of the Groupe's clients as a percentage of total net revenue was as follows:

- Automotive: 16%;
- Financial: 15%;
- TMT: 14%;
- Healthcare: 12%;
- Food and beverage: 12%;
- Non-food consumer products: 12%;
- Retail: 9%;
- Public sector & other: 4%;
- Energy & Industry: 3%
- Leisure and travel: 3%.

On the basis of 3,574 clients representing 91% of the Groupe's total net revenue.

The breakdown of net revenue by principal client sector is representative of the major economic players and the structure of the portfolio remains stable.

1.3.5 Main markets

Global advertising spending is regularly published by various forecasting organizations such as Zenith (Publicis Groupe), GroupM (WPP), Magna (Interpublic), Nielsen, etc. The forecast data published by these organizations are media expenditure intention (purchase of space) by advertisers. These estimates are expressed in billings and do not as such represent advertising agencies' potential revenue. A quarterly review of these reports offers insight on trends in the advertising market, even though the figures do not factor in a whole facet of advertising agencies' business activities (public relations, direct marketing, CRM, e-commerce and e-mobile, etc.), of Publicis Sapient (digital business transformation, consumer experience, *etc.*) and of Epsilon (data and technology).

/ The global advertising market by geographic region

Global advertising market (2021)	Advertising spend in 2021 (in millions of US dollars)[(1)(2)]	% of global advertising spend in 2021[(1)(2)]	% of Publicis Groupe's net revenue in 2021
North America	296,375	43%	61%
Europe	144,272	21%	24%
Asia Pacific	209,020	30%	10%
Middle East & Africa	16,417	2%	3%
Latin America	28,262	4%	2%
Total	**694,346**	**100%**	**100%**

(1) In current prices and in 2021 average exchange rates.
(2) Zenith forecasts for Publicis Groupe markets.

/ Geographical breakdown of Publicis Groupe's net revenue

(in millions of euros)	2020	In %	2021	In %
North America	5,997	62%	6,368	61%
Europe	2,278	23%	2,534	24%
Asia Pacific	932	10%	1,038	10%
Middle East & Africa	275	3%	304	3%
Latin America	230	2%	243	2%
Total	**9,712**	**100%**	**10,487**	**100%**

1.3.6 Business seasonality

Clients' advertising and communications expenditure fluctuates, often in response to actual or expected changes in consumer spending. Because consumer spending in many of the Groupe's markets is typically lower at the beginning of the year, following the holidays, and in July and August, the most popular vacation months in Europe and North America, advertising and communications expenditure is lower during these periods as well. As a result, advertising and communications expenditure is not as high during these periods. Historically, the Groupe's revenue is often higher in the second and fourth quarters of the year than in the first and third quarters.

Following the Covid-19 pandemic, but also the rebound in activity that followed in 2021, the traditional seasonality of the activity was affected. As a result, the Groupe recorded a sequential increase in net revenue each quarter in 2021.

1.3.7 Competition

Since 2009, the Groupe has been ranked in third place in the global ranking of communications groups (by revenue, source: companies' annual reports).

See the table below for the published net revenue and revenue of the top four groups in 2021:

(in millions)[1]	WPP	Omnicom	Publicis	Interpublic
Net revenue in local currency	GBP 10,397	n/d	EUR 10,487	USD 9,108
Net revenue in dollars	USD 14,295	n/d	USD 12,385	USD 9,108
Revenue in local currency	GBP 12,801	USD 14,289	EUR 11,738	USD 10,241
Revenue in dollars	USD 17,600	USD 14,289	USD 13,862	USD 10,241

(1) Exchange rate: EUR 1 = USD 1.181; EUR 1 = GBP 0.859.

The reader should note that the figures above are those published by the groups concerned, in the currency and according to the accounting standards used by each of them.

Publicis Groupe also competes with a large number of local, independent advertising agencies in markets around the world, *via* its Specialized Agencies and Marketing Services. New competitors have emerged in the IT/consulting sectors, such as Accenture, Deloitte and Capgemini, primarily through advertising acquisitions, such as Accenture's 2019 purchase of Droga5.

Generally speaking, the advertising and communications markets are highly competitive and the Groupe is in constant competition with national and international agencies. The Groupe expects that competition will continue to stiffen as multinational clients increasingly consolidate their budgets among a restricted number of agencies, and the communications sector sees significant changes, reflected in the appearance of new competitors from the consulting or high-tech industries.

1.3.8 Regulatory environment

Some of the Groupe's businesses are governed by regulations that may vary from country to country or region to region.

In France, media buying activities are subject to the Sapin Law, a law requiring transparency in media buying transactions. Pursuant to the Sapin Law, an advertising agency may not purchase advertising space from media companies and then resell the space to clients on different terms. Instead, the agency must act exclusively as the agent of its clients when purchasing advertising space. The Sapin Law applies to advertising activities in France when the media company and the client or the advertising agency are French or located in France.

Many countries have strict laws governing the advertising and marketing of certain products, in particular tobacco, alcohol, pharmaceuticals and foodstuffs. New regulations or standards imposed on the advertising or marketing of such products could have an adverse impact on the Groupe's operations.

These regulations can change frequently: their scope can be amended at any time; new regulations can be introduced – including without prior notice; and as the Groupe develops, it may expand into areas covered by regulations that did not previously apply to it. Any new regulations or amendments to how existing laws or regulations are implemented or applied, or if the Groupe becomes subject to new regulations could have a material impact on the Groupe.

Even though the nature and scope of regulations vary between countries, Publicis Groupe is governed by the data protection laws and regulations in the majority of countries it is active in.

The Groupe updated its data privacy policy in line with current regulations and, in particular, the EU General Data Protection Regulation (Regulation [EU] 2016/679 of April 27, 2016, GDPR), which came into force in May 2018.

The GDPR applies to all organizations (i) that process personal data related to the activities of an establishment in the territory of the European Union (EU) or (ii) that process data related to the offering of goods or services to persons located in the territory of the EU or to the monitoring of their behavior. The GDPR is based on a set of principles applicable to the processing of personal data, including the principle of data minimization, which consists in limiting the processing of personal data to that which is necessary for the purposes for which they are processed. Moreover, the "privacy by design" and "privacy by default" principles require companies to implement appropriate technical and organizational measures to protect personal data when new products and services are designed. The GDPR also creates obligations for data controllers and their sub-contractors to make businesses more accountable. These include notifying to the supervisory authorities, and in some cases, to the individuals concerned, personal data breaches that are likely to engender a risk to the rights of those concerned. Companies that process a large amount of personal data, like Publicis, are also required to maintain records of their processing activities and to appoint a data protection officer. Just as it tightened obligations incumbent on companies, the GDPR also created and reinforced the rights of individuals, in particular with regard to their right to information on how their data is processed. The regulation also lays down the framework for transfers of personal data outside the EU to ensure that individuals enjoy a sufficient and appropriate level of protection. The GDPR provides for administrative penalties including fines of up to euro 20 million or 4% of global annual revenue for the most serious breaches. European supervisory authorities are evidencing increased vigilance by using these sanctions more and more often and by imposing fines that are increasingly significant. In addition to the regulations, the recommendations of the national organizations responsible for monitoring compliance with these rules as well as case law can have a significant influence on the level of protection required and the organization to be put in place. For example, guidelines no. 2020-91 and recommendation no. 2020-92 of September 17, 2020 of the CNIL in France on the installation of cookies and the Schrems II C-3111/18 ruling of July 16, 2020 of the Court of Justice of the European Union on the transfer of data outside the European Union. In parallel, Directive 2002/58/EC, dubbed the "ePrivacy" Directive, as amended, lays down rules to guarantee protection of privacy in the electronic communications sector. Transposed into French law by Law no. 2004-575 on confidence in the digital economy, this directive imposes obligations with respect to marketing and introduces rules on how cookies are used. The e-Privacy Directive is still undergoing revision and is expected to be replaced by an e-Privacy regulation that will be directly applicable in the EU.

Since the implementation of the GDPR, an increased number of countries across the globe are adopting personal data protection regulations. In the US, as there is no federal regulation, California was the first state to adopt a regulation known as the California Consumer Privacy Act (CCPA), which came into force on January 1, 2020. In October 2020, it was supplemented by the California Privacy Rights Act (CPRA), which will come into force on January 1, 2023 and have effect from July 1, 2023. The CCPA provides for a right to opt-out, allowing users to suspend the sale of their personal data. The CPRA is an extension to the current protection scheme in place for personal data protection, which steps up the requirements in connection with how companies are authorized to use the personal data of consumers in California and with the creation of a new governmental agency in charge of ensuring CCPA compliance. In March 2021, the State of Virginia adopted the Consumer Data Protection Act, and in September 2021, Colorado also took the important step by adopting the Colorado Privacy Act. A dozen other states in the US are in the process of adopting their own personal data protection laws.

In 2021, other countries introduced new acts relating to personal data protection. In August 2021, Brazil adopted the *Lei Geral de Proteção de Dados Pessoais* (LGPD) and in November 2021, the People's Republic of China adopted its own personal data protection act.

Due to Brexit and decisions by European Union regulators, additional obligations related to international data transfers have been put in place. The European Union also introduced new regulations which affect the advertising and marketing industry with the aim of turning the European Union into a single digital market and "creating a safer digital environment which protects consumers' fundamental rights and establishes fair competition conditions for companies". These are based on two regulations, which will be immediately applicable in the Member States of the European Union: the Digital Market Act (DMA) and the Digital Services Act (DSA). The DMA aims to regulate the behavior of platforms that have a significant impact on the European market, particularly with regard to competition law. It aims to ensure sound and fair competition between operators and thus promote innovation and the arrival of new players offering a wider choice for consumers. This text contemplates obligations relating to the use of personal data for advertising targeting. The DSA aims to regulate the operation of platforms, regardless of their size, and in particular the content published on the Internet. It aims to better protect consumers and their fundamental online rights. On March 24, 2022, the European Parliament and the Council of the European Union agreed on a final version of the DMA, the implementation of which is estimated for the end of 2022. The DSA is still under discussion, although an agreement on a final text could be reached before the end of June with an implementation estimated for the first half of 2023.

1.4 INVESTMENTS

Our investments focus on digital expertise, data and technology to strengthen our teams and promote innovation and the offer of new services. The strengthening of our agencies and the development of strategic partnerships and initiatives with major Internet players enables Publicis Groupe to anticipate the changes and evolution of communication industries towards digital technologies. The aim is to offer the most innovative solutions to our clients, in phase with the rapid changes in consumer behavior and technologies.

1.4.1 Main investments and divestments during the past three years

One of the key events in 2019 was the Epsilon acquisition, the biggest deal (in terms of size), in the Groupe's history. There were also a number of other small-scale acquisitions and disposals during the year, helping to accelerate the Groupe's tilt towards strategic core assets.

On February 14, 2019 Publicis Groupe announced that, following a sale process in 2018, the Groupe entities that own Proximedia had entered into exclusive negotiations with Ycor for the sale of all of Proximedia. With operations in France, Belgium, the Netherlands and Spain, Proximedia provides digital services to SMEs, small enterprises, small shops and craftsmen for their online presence and promotion. As at December 31, 2018, Proximedia had 575 employees, including 231 in France, 311 in the Benelux and 33 in Spain. Publicis Groupe completed the disposal in the first half of 2019.

On April 14, 2019, Publicis Groupe announced that it had entered into an agreement with Alliance Data Systems Corporation to acquire Epsilon. Epsilon is a technology and platform company focusing on maximizing the value of its clients' data. In 2018, Epsilon generated net revenue of USD 1.9 billion[(1)] of which 97% from the United States; the Company employed approximately 9,000 people, including 3,700 data scientists and 2,000 engineers based in Bangalore.

Epsilon's expertise ranges across the entire consumer data lifecycle. It allows client raw data to be structured and enhanced, and activate large-scale, personalized, multi-channel campaigns.

Epsilon's success is evidenced by the endorsement of its blue-chip clients: Epsilon has gained the trust of at least seven out of the ten largest US companies across various sectors including Auto, Retail, Financial Services, CPG and Media. In addition, its top 50 clients have an average tenure of 14 years and have generated an 8% yearly growth on average over the last two years.

This acquisition accelerated the implementation of Publicis' strategy to become the preferred transformation partner for its clients.

Under the terms of the agreement, Publicis Groupe acquired Epsilon in a USD 4.4 billion deal, representing a net purchase price of USD 3.95 billion, after deducting the benefit of acquisition-related tax impacts. This gives an 8.2x multiple, based on a 2018 adjusted EBITDA of USD 485 million.[(2)]

The deal was funded through Publicis Groupe's successful euro 2.25 billion bond issued on June 5, 2019 in three tranches, a medium-term loan and USD 650 million in available cash.

The transaction was finalized on July 1, 2019, the date of the first consolidation of Epsilon's results. Consolidation was largely completed by end-December 2019. Epsilon is positioned at the core of the Groupe providing the expertise in gathering, enriching and leveraging first-party data to permeate all Groupe businesses. Epsilon's advertising activities were merged into Leo Burnett, and the Groupe opted to conduct a strategic review of CJ Affiliate to explore various possibilities for generating value.

On August 19, 2019, Publicis Groupe announced its acquisition of Rauxa, an independent, full-service marketing agency. Rauxa has become part of Publicis Media, the Publicis Groupe media Solution Hub. Since its inception in 1999, Rauxa has recorded average double-digit annual growth with net revenue of around USD 70 million in 2018. It employs more than 300 people in New York, Los Angeles, San Francisco, Seattle, Orange County and Dallas. Rauxa's clients include Verizon, Samsung, Alaska Airlines, Vans, Celgene and 20 other leading client brands. Rauxa operates as a Publicis Media agency in the United States and is managed by its founder Jill Gwaltney and its Chairwoman and Chief Executive Officer Gina Smith. Both report to David Penski, COO of Publicis Media US and Chairman of Publicis Media Exchange (PMX), and Tim Jones, Regional CEO Americas of Publicis Media. Rauxa will work closely alongside Publicis Media's digital agencies (Moxie, MRY and Digitas), driving deeper communications touchpoints across strategy, CRM and personalized creative.

(1) As per Publicis Groupe accounting principles.
(2) 2018 reported Epsilon EBITDA (operating margin before depreciation and amortization) adjusted for standalone carve-out costs of euro 21 million, share-based compensation charge of euro 30 million to align with Publicis' accounting policy, euro 60 million of run-rate cost reductions being implemented at Epsilon and before any potential cost synergies derived from this transaction. €/$ conversion at the 2018 average exchange rate of 1.18.

Total acquisition costs for entities integrated during 2019 (gross payments, before excluding cash and cash equivalents acquired) were euro 4,076 million. In addition, euro 123 million was paid out in earn-outs and euro 40 million to buy-out non-controlling interests.

The Epsilon acquisition led to suspending the share buyback program announced in early 2019, as the Groupe's priority shifted to deleveraging. The Groupe did not buyback any of its own shares in 2019, except for those shares bought under the liquidity contract.

During 2020, marked by Covid-19, the number of acquisitions was limited. The Groupe completed the disposal of Matomy Media Group (a company consolidated under the equity method), in which it held 24.9%.

Total acquisition costs for entities integrated during 2020 (gross payments, after excluding cash and cash equivalents acquired) came to euro 146 million, including euro 134 million in earn-out payments. In addition, euro 10 million were disbursed for the payment of non-controlling interests.

In 2021, Publicis announced the acquisition of CitrusAd, a software as a service (SaaS) platform optimizing brands marketing performances directly within retailer websites, with headquarters based in Australia. CitrusAd's onsite expertise complemented with Epsilon's offsite retail media offering, both powered by the CORE ID, uniquely positions Publicis Groupe to lead the new generation of identity-led retail media, with transparent measurement validated by transactions. This acquisition was completed on September 1. In a fast-growing retail media channel set to double in the next five years from c. USD 30 billion annually already, this will enable Publicis Groupe clients to accelerate their growth in this dynamic channel, give them full visibility on the consolidated performance of their media investments and an unparalleled access to highly-qualified first-party data from retailers, equipping them for a cookieless world.

Publicis also completed the acquisition of Boomerang in Benelux, strengthening its dynamic creativity and content offering for both local and global clients. Boomerang's skills will contribute to strengthening the Groupe's global Production capabilities, in particular Le Pub, and to the creation of a global center of excellence for Dynamic Creativity, based in the Netherlands.

In December, Publicis announced the launch of SCB Tech X, a joint-venture between Publicis Sapient and Siam Commercial Bank (SCB), creating one of the largest fintech operators in South-East Asia. The joint-venture started-up with 1,200 employees and is 60% owned by SCB and 40% by Publicis Sapient. SCB Tech X is a cloud native platform-as-a-service leader, which serves clients in Southeast Asia, at a time when the total value of transactions in the digital payments market is expected to reach more than USD 1 trillion by 2025 in the region. SCB Tech X caters to retailers and consumers across the region and provides both innovative banking services, such as credit, current and savings, and non-financial services, ranging from meal delivery to health and well-being content, to online travel reservations.

Lastly, in December, the Groupe also completed the acquisition of 100% of BBK Worldwide (United States), a full-service R&D marketing company and leader in clinical trials (CTE). BBK enables customers in the biotechnology and pharmaceutical industries to accelerate their R&D programs, advancing research through the unique integration of patient-centric services and proprietary technologies, thus complementing Publicis Health's existing capabilities in CTE.

Total acquisition costs for entities integrated during 2021 (gross payments, after excluding cash and cash equivalents acquired) came to euro 276 million, including euro 103 million in earn-out payments. In addition, euro 14 million were disbursed for the payment of non-controlling interests.

1.4.2 Main ongoing investments and divestments

On March 8, 2022, Publicis completed the acquisition of Tremend in Romania, a technology company specializing in software development. Tremend is a major player in this sector in Central and Eastern Europe and has experienced rapid growth since its creation in 2005, with more than 60 million end users of its software developed for its clients. Publicis Sapient will leverage Tremend's technological expertise to develop its new global distribution center in Europe.

Based in Bucharest, Romania, Tremend was founded by Ioan Cocan and Marius Hanganu. Its client portfolio covers a large number of sectors with companies such as Carrefour, ING and Orange. Tremend draws on a strong expertise developed over the last 16 years and now has more than 650 engineers and software developers with highly sought-after skills.

On March 15, 2022, Publicis announced its exit from Russia, by ceding the ownership of its agencies to local management. The Groupe transferred control of its operations to Sergey Koptev, founding Chairman of Publicis in Russia, with a contractual commitment to ensure a future for its 1,200 employees in the country. Publicis thus discontinued its activities and investments in Russia. This sale, effective immediately, led to an exceptional loss of euro 87 million in the first quarter financial statements. Russia has been deconsolidated since April 1, 2022.

There are no significant investments or divestments underway.

1.4.3 Main future investments

Publicis Groupe will continue its investments to provide proposals and solutions to its clients faced with numerous challenges (consumer behavior, multiplication of communication channels, increasing weight of omni-channel commerce, emergence of new players from digital technologies). Thus, all future investments will aim to improve our offering, combining our creative, media, data and technological expertise.

Moreover, as at December 31, 2021 the Groupe also had commitments of euro 206 million under earn-out clauses and euro 16 million for non-controlling interest buyouts, a total of euro 222 million, of which euro 116 million is due in less than one year.

1.5 MAJOR CONTRACTS

Publicis Groupe did not conclude any significant agreements or any agreements conferring a significant obligation or commitment on the Groupe, with the exception of those concluded in the normal course of affairs, during the two years preceding the date of this Universal Registration Document.

1.6 RESEARCH AND DEVELOPMENT

The Groupe does not believe that it is dependent on any specific patent or license to operate its businesses.

R&D within Publicis Groupe has always taken an applied form, as it is directly linked to the search for concrete technological solutions designed to help our clients, to developing and improving the performance of our products, technological platforms or internal tools, to taking advantage of the latest technological advances to offer new options to our clients. Several hundred PhD students work within the Groupe, most of them at Sapient and Epsilon.

In particular, at Epsilon, more than 50 PhD students in Decision Science are continuously optimizing the algorithms of our platforms to make them more precise, more powerful, and ultimately, more effective. Sapient has developed seven Labs in several countries, which are centers of technical expertise to respond in real time to clients' technological issues. Our experts are available to answer client questions regarding the implementation of different platforms, the search for optimal solutions and these teams can conduct Research & Development projects on behalf of clients to improve the performance of their tools or develop a new application environment (website, app, internal network).

Lastly, the Groupe's Media activities invest significant resources in mathematical and statistical processing in order to best advise their clients in their media choices (particularly in terms of modeling the marketing mix or calculating the effectiveness of media actions), and many doctoral students are also part of these teams.

CHAPTER

2 RISKS AND RISK MANAGEMENT

2.1 MAIN RISK FACTORS

The risk factors described below, together with the other information concerning Publicis Groupe and its consolidated financial statements included in this Registration Document, should be carefully considered before making an investment in the shares or other securities of Publicis Groupe. This section covers the main risks to which Publicis Groupe feels it is exposed, as of the date of this Universal Registration Document. Each one of the risk factors may have a negative impact on the Groupe's earnings and financial position as well as on its share price or financial instruments. Other risks and uncertainties of which Publicis is unaware or which are not currently considered to be significant could also have a negative impact on the Groupe.

Description of the main risk factors

In accordance with the provisions of article 16 of Regulation (EU) 2017/1129, the risk factors are presented for each of the risk categories mentioned below in what the Groupe deems from its assessment is the descending order of significance as of the date of this document. The risk factors considered the most significant are presented first, following an assessment of the level of their potential impact and likelihood of occurrence. The assessment by Publicis Groupe of the significance of risks may be amended at any time in light of changing circumstances.

Attack by Russia on Ukraine

At the date of filing of this Universal Registration Document, it is too early to assess the impact on the economy, on our clients and on the 2022 results of the war waged by Russia against Ukraine beyond Ukraine and Russia as the situation is evolving from day to day. The Groupe's exposure in Ukraine and Russia is very limited in terms of business. Together, the two countries account for 0.5% of 2021 net revenue, of which 0.4% for Russia. The Groupe announced its exit from Russia on March 15, 2022 by transferring control of its agencies to local management.

Covid-19

The Groupe is entering 2022 in a context that is improving, but that continues to be characterized by economic and social uncertainty related to the Covid-19 epidemic, the evolution of which could have an impact on economic activity in markets where Publicis operates.

In general, all of the risks identified below should be considered in the light of the consequences of the coronavirus epidemic.

Risk factors

Categories	Risk factors
Industry-related risks	• Risks associated with the economic condition • Risks associated with a highly competitive industry • Risks related to disruptions in the advertising and communication sector
Operational risks	• Risks related to employees • Risks associated with client portfolios • Risks of IT system failures and cybercrime • Risks associated with mergers and acquisitions
Regulatory and legal risks	• Personal data confidentiality risks • Risks of litigation, governmental, legal and arbitration proceedings
Financial risks	• Liquidity risks and risks associated with the Groupe's financial rating

1. Particular sensitivity to the economic climate

High ✔	Medium	Low

The advertising and communication sectors are particularly sensitive to changes in the activity of advertisers. Economic downturns can have a more severe impact on the advertising, communications and consulting industries than on other sectors, in particular because many companies respond to a slowdown in economic activity by reducing their communication and consulting budgets, which could have an adverse effect on the Groupe.

2. Highly competitive industry

High ✔	Medium	Low

The advertising, communication and consulting industries are highly competitive and are expected to remain so. The Groupe's competitors are of all sizes and types, and range from large multinational companies, including Internet giants capturing an ever-increasing share of the advertising market, to smaller agencies that operate in local or regional markets. Many players including systems integrators, database design and management specialists, telemarketing and web-based companies now have access to technical solutions that respond to clients' specific marketing and communication needs. Such players, with more significant financial means and resources, have the potential to disrupt the competitive landscape in the advertising and communications industry more brutally and quickly than in many other industries. The Groupe must compete with these companies and agencies in order to maintain existing client relationships and to win new clients and accounts. Increased competition could have a negative impact on the Groupe's revenue and earnings.

3. Disruption of the advertising and communications industry

High ✔	Medium	Low

Changes to regulations and market practices on the management of personal data may disrupt the advertising industry, in particular with the end of third-party cookies. The expansion of programmatic buying, digital media and Internet giants could lead to the disintermediation of part of the Groupe's activities. Finally, the disruption of some of the Groupe's major clients impacts their needs and therefore the services that the Groupe provides to them. If the Groupe is unable to provide its clients with the best possible service in a timely and scaleable manner, its financial position and results could be affected.

4. Risks related to employees

High ✔	Medium	Low

The health and well-being of employees are at the heart of the Groupe's concerns. The Groupe's talent face health and psychosocial risks related to the Covid-19 epidemic. They may also be exposed to other risks that may affect them physically or morally.

The advertising and communications industry is known for high mobility among its management and talent. This was amplified by the "Great Resignation" phenomenon, which has spread to all sectors including advertising and communication. Technology companies and the Internet sector continue to attract profiles that the Groupe would like to hire or retain.This led to an increase in the talent attrition rate in 2021, for which the Human Resources and Talent teams are mobilized. A significant volume of recruitment was carried out. The loss of some of them could hurt the Groupe. The Groupe's success very largely depends on the talent and expertise of its teams as well as on the strength of its relationships with clients.

In an environment in which digital expertise is central to the transformation of organizations, the Groupe's businesses are seeing significant staff turnover, something that may represent a risk if not sufficiently anticipated.

The Groupe has drawn up ambitious action plans around diversity, equality and inclusion both at Groupe level and locally. The risk of non-execution of these plans within the allotted time could lead to the departure of certain talent and harm the Groupe's image as an employer.

If the Groupe were no longer able to actively attract, retain and motivate valuable managers or employees, its prospects, business, financial position and results could be very adversely affected.

5. Risks associated with client portfolios

High ✔	Medium	Low

Contracts may be terminated on short notice. Clients are free to terminate their contracts with their communications agencies, after a relatively short notice period. Moreover, the Groupe's contracts with its clients are under constant threat from rival competitive bids. In addition, there is a trend towards operating on a project-by-project basis, a gradual reduction in the number of agencies working with an advertiser and the concentration of advertising budgets among a few leading agencies. Finally, with the intensification of corporate consolidation processes globally, the risk of losing a client following a merger and/or acquisition has become quite common. All of these factors contribute to the increased risk of a single event having significant consequences.

A significant percentage of the Groupe's revenue is derived from its major clients. In 2021, the Groupe's top 5, 10, 30 and 100 clients accounted for 12%, 20%, 37% and 56% of the Groupe's consolidated revenue, respectively (see also Section 6.6 "Notes to the consolidated financial statements", Note 29 "Risk management").

One or several large clients may decide either to switch advertising and communications agencies or to curtail its spending on advertising or even suspend it, at any time and without having to justify it. A substantial decline in the advertising and communications spending of the largest clients, or the loss of any of these accounts, could have a negative impact on the Groupe.

6. Risks of IT system failures and cybercrime

High ✔	Medium	Low

The digital marketplace is expanding at an unprecedented pace, and the reliance on information technology has never been greater. This dependence entails risks for the Groupe, such as technical failure, a malicious attack, as well as possible internal threats that could lead to an interruption of services, the loss of personal data, or the manipulation or disclosure of confidential information.

System failures can be the result of both natural and malicious activities or a simple technical failure. These failures may impact the Groupe directly or impact one of its partners or suppliers. This can potentially lead to long periods of malfunction and hamper the Groupe's ability to serve its clients.

Malicious attacks may take the form of denial-of-service attacks, or as generic or targeted ransomware-type attacks that directly impact the Groupe's infrastructures or the systems of its suppliers or partners. The number of cyberattacks has been rising sharply since the mid-2010s, and 2020 marks an acceleration and an even more significant professionalization in the context of a pandemic and significant changes in working methods. Each of these has the ability to inhibit normal business operations and even suspend them for periods of time, as well as potentially infecting client deliverables and even their own network environments, thereby causing significant damage.

Finally, insider threats, although normally not malicious, can also be seriously detrimental to normal business operations. Untrained or ignorant staff can unwittingly share sensitive or personal information, or innocently fall prey to a variety of cyberattacks (phishing, spear phishing, CEO fraud, etc.). The malicious or disgruntled insider, while rare, can also inflict serious reputational or financial damage by purposefully releasing confidential and sensitive information or by committing acts of sabotage resulting in technical failure.

These risks of failure of information systems and cybercrime can have adverse consequences, including in terms of additional costs (remediation costs, contractual penalties owed to clients, regulatory fines) and potential loss of revenue and damage to the reputation of the Groupe, as well as leading to situations in which its legal liability is engaged.

7. Personal data confidentiality risks

High ✔	Medium	Low

Advertising and communication activities involve the processing of a significant volume of personal data. Regulations governing personal data protection are complex and evolving, differ from country to country and generate important and increasing compliance costs. Some of these regulations applicable to the Groupe are well established, while others, more recently introduced, are still under development. As an example of regulation established, the General Data Protection Regulation (EU) 2016/679 of April 27, 2016 of the European Union (GDPR) entered into force on May 25, 2018 has strengthened obligations and responsibility of companies processing personal data. The GDPR has strengthened the rights of individuals by giving them increased control over their personal data and provided for administrative sanctions of up to euro 20 million or 4% of global annual revenue for the most serious breaches. European supervisory authorities are evidencing increased vigilance by using these sanctions more and more often and by imposing fines that are increasingly significant. More recently, due to decisions by European Union regulators and following Brexit, additional obligations related to international data transfers have been put in place. The European Union also introduced new regulations which affect the advertising and marketing industry with the ambition of turning the European Union into a single digital market and "creating a safer digital environment which protects consumers' fundamental rights and establishes fair competition conditions for companies". This is the Digital Services Act, the Digital Markets Act and ePrivacy regulation.

Since the implementation of the GDPR, an increased number of countries across the globe are adopting personal data protection regulations. In the United States, as there is no federal regulation, California was the first state to adopt a regulation known as the California Consumer Privacy Act (CCPA), which came into force on January 1, 2020. In October 2020, it was supplemented by the California Privacy Rights Act (CPRA), which will enter into force on January 1, 2023 and apply to personal data collected from July 1, 2023. The CCPA provides for a right to opt-out, allowing users to suspend the sale of their personal data. The CPRA expands the current protection scheme in place for personal data protection by increasing the requirements in connection with how companies are authorized to use the personal data of consumers in California and with the creation of a new governmental agency in charge of ensuring CCPA compliance. In March 2021, the State of Virginia adopted the Consumer Data Protection Act, and in September 2021, Colorado also took that important step by adopting the Colorado Privacy Act. A dozen other states in the United States are in the process of adopting their own personal data protection laws, confusing the situation with a fragmentation of the legislative landscape.

In 2021, other countries introduced new laws relating to personal data protection. In August 2021, Brazil adopted the *Lei Geral de Proteção de Dados Pessoais* (LGPD) and in November 2021, the People's Republic of China adopted its own personal data protection act.

Any unauthorized loss or disclosure of personal data may give rise to substantial damages for the persons concerned, who may sue the Groupe. The Groupe, which deals with an increasing number of personal data, could be subject to increased scrutiny by supervisory authorities. Any breach of applicable regulations may, on top of any liability suits and sanctions handed down against the Groupe, create a loss of client trust and have an adverse impact on the Groupe's reputation and activities.

8. Risks associated with mergers and acquisitions

High	Medium ✔	Low

The Groupe's strategy of development through acquisitions and minority investments may create risks.

Part of the Groupe's strategy hinges on enriching its range of advertising, communication and consulting services and increasing its operations in high-growth markets. In this context, the identification of acquisition targets may prove tricky and the assessment of the risks associated with an acquisition or equity investment may be incorrect. Sellers may also at times fail to divulge certain risks. The changing and unpredictable regulatory frameworks of certain emerging markets (see Section 2.2.4) and certain local practices in these regions are another source of acquisition-related risks. In addition, acquisitions may be concluded on terms that are less favorable than anticipated, and/or the newly acquired companies may either fail to be successfully integrated into Publicis' existing operations or fail to generate the synergies or other benefits that were expected. Such events could have adverse effects on the Groupe.

A description of the Groupe's main acquisitions during 2021 appears in Section 1.4.1. See also Note 3 (Section 6.6) to the consolidated financial statements "Changes to consolidation scope".

Goodwill from acquisitions and intangible assets (trademarks, client relationships), recorded on the Groupe's Statement of Financial Position for acquired companies may be subject to impairment.

Large sums have been recognized on the Groupe's balance sheet with euro 11,760 million in goodwill and euro 1,379 million in intangible assets at December 31, 2021. Given the nature of its business, the Groupe's most important assets are, generally, intangible, and are accounted for as such. Each year, the Groupe carries out an evaluation of goodwill and intangible assets so as to determine whether these need to be impaired. The hypotheses made in order to estimate the earnings and the forecasted cash flow in the course of these reevaluations may not be confirmed by subsequent real earnings. If the Groupe were to carry out any such impairment, the loss could have an adverse effect on the Groupe's earnings and financial position. Analysis of goodwill and intangible assets carried on the Groupe's Statement of Financial Position is detailed in Notes 11 and 12 to the consolidated financial statements (Section 6.6).

9. Risks of litigation, governmental, legal and arbitration proceedings

High	Medium ✔	Low

The Groupe may be named as defendant or co-defendant in litigation brought against its clients by third parties, its clients' competitors, governmental or regulatory authorities, or a consumer association. These actions could, in particular, relate to the following complaints:

- the advertising claims used to promote the products or services of these clients are false, deceptive or misleading;
- the products of these clients are defective or could cause harm to others;
- marketing, communications, or advertising materials created for its clients infringe the intellectual property rights of third parties, client-agency contracts generally require the agency to indemnify the client against claims for infringement of intellectual or industrial property rights.

Any damages and legal fees arising from such actions may negatively impact the Groupe. Moreover, Publicis' reputation could be negatively affected by such allegations.

During the normal course of its business, the Groupe may also receive requests for information from the justice or administrative authorities as part of inquiries into business practices in its industry.

The Company has no knowledge of any governmental, legal or arbitration proceedings, whether pending or threatened, liable to have or having had in the last 12 months, a significant effect on the financial position or profitability of the Company and/or the Groupe, other than those mentioned in Note 21 to the consolidated financial statements (Section 6.6).

10. Liquidity risks and risks associated with the Groupe's financial rating

High	Medium	Low ✔

Since 2005, Publicis Groupe SA has been publicly rated. Its rating is BBB, with a stable outlook, for Standard & Poor's, and Baa2, with a negative outlook, for Moody's Investors Service. A financial rating downgrade could adversely affect the Groupe's ability to raise funds and result in higher interest rates for future borrowings.

The Groupe is exposed to a liquidity risk when its incoming payments, which represent a multiple of revenue, no longer cover its outgoing payments, and at the same time its ability to raise new financial resources has been exhausted or is insufficient.

2.2 INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES

2.2.1 Objectives and organization

The internal control and risk management framework is fully integrated into the operational and financial management of the Groupe. Its remit extends across all the Groupe's activities and structures. The Groupe internal control and risk management policy, which is regularly monitored by the Audit Committee and the Strategy and Risk Committee, approved by the Management Board and applied at all levels of the Groupe, is designed to provide reasonable assurance on the realization of the Groupe's objectives in relation to:

- the reliability of financial information;
- compliance with laws and regulations in effect;
- the management and control of strategic, operational and financial risks;
- the achievement and optimization of operations, in line with the direction set by the Management Board.

The objectives of this framework, as approved by the Management Board and presented to the Audit Committee and Strategy and Risk Committee are to enable:

- continuing oversight aimed at identifying risks and opportunities having a potential impact on the achievement of the Groupe's strategic objectives;
- appropriate communication about risks enabling contribution to the decision-making process;
- regular monitoring of the effectiveness of the Groupe's internal control and risk management framework.

The Groupe has a Secretary General office, enabling it to monitor internal control in a formal and centralized manner: this function includes the Legal Department (managed by the General Counsel), the Internal Audit, Internal Control and Risk Management Department (managed by the Internal Audit & Risk Management VP), the Procurement Department, the Human Resources Department (compensation and employee benefits, human resources management IT system, employee-related matters and mobility) and CSR. The Secretary General is a member of the Groupe's Management Board. The Internal Audit & Risk Management VP and the Secretary General attend all Audit Committee meetings and have easy access to its Chairman and each of its members. The Audit Committee also has direct access to the Internal Control Department. The tools needed to gain a broader view of potential risks are thus in place, which supports the effort to improve risk management throughout the entire organization. The Secretary General takes part in all meetings of the Strategy and Risk Committee.

The Groupe's internal control and risk management system is based on the 2013 COSO (Committee of Sponsoring Organizations of the Treadway Commission) guidelines as well as the reference framework defined by the AMF.

2.2.2 Internal control framework

Publicis Groupe has defined guidelines based on the Groupe's values stated therein, including practical principles and rules on conduct, ethics and social responsibility, as well as any other practices to ensure that the operations of the Groupe's entities comply with standards, laws and regulations. These guidelines, applicable to all of the Groupe's hierarchical levels, set out the rules of conduct for this purpose: "The Publicis way to behave and the way to operate." These guidelines are known as "Janus" and are distributed in all networks. They are also accessible online to all Groupe employees.

The procedures relating to the preparation of accounting and financial information, to the continued security of IT systems and to the introduction of significant operational procedures are mentioned there in a detailed manner, promoting consistency of treatment at all levels of the Groupe and networks.

These guidelines serve as the foundation of the Groupe's internal control system.

This system is also strengthened through a network of shared service centers (Re:Sources) systematically implemented by the Groupe since 1996 in order to overcome the challenges faced by a business that relies on a large number of agencies. This network is managed by the Shared Platforms CEO, reporting to the Chairman of the Management Board, with the legal and financial functions of the shared service centers under the functional responsibility of the Groupe's Legal Department and Finance Department, and Employment Matters and Benefits under the responsibility of the Groupe's Human Resources Department. The network of shared service centers now covers nearly 99% of Groupe revenue as of December 31, 2021.

The Management Board, the Finance Department, shared service centers, as well as the teams dedicated to IT, real estate, insurance and mergers and acquisitions, the Internal Audit, Internal Control and Risk Management Departments and the operational managers of the networks are all involved in deploying the internal control system. For acquisitions, the internal control system is generally applied within 12 months following the acquisition date. Acquisitions also receive special attention when the annual audit plan is being drawn up.

2.2.3 Monitoring the effectiveness of the internal control framework

The Groupe's senior management is responsible for the Groupe's internal control framework. The Secretary General and the Internal Audit & Risk Management VP regularly report to the Audit Committee and to the Management Board on the quality of the Groupe's internal control framework. To guarantee his independence, the VP Internal Audit & Risk Management meets with the Chairman of the Audit Committee bilaterally once a year.

2.2.3.1 Internal audit assignments

The Internal Audit Department helps the Groupe achieve its objectives by assessing, with a methodical and systematic approach, the correct implementation and effectiveness of all internal control, risk management and corporate governance procedures and processes.

The auditors' missions, powers and responsibilities as well as the rights and duties of the audited entity are described in the "Internal Audit Charter" which is included in Janus. They recall the independence of the internal audit function and stipulate the missions and commitments of internal audit, and the duties and prerogatives of the auditors and audited entities.

The audit teams are comprised of approximately fifteen qualified auditors, including, since 2021, a team of auditors devoted to IT audit, and carry out internal control assessments that encompass the various financial and operational processes within the Groupe's entities, based on an annual audit plan. This audit plan is developed based on risk analysis (including corruption risk), past events and specific requests from senior management. Once agreement has been reached with country/regional management, it is approved each year by the Management Board and validated by the Audit Committee.

The Internal Audit Department conducted approximately 70 assignments in 2021, mainly audits on the entities, but also special assignments focusing on specific, Groupe-wide issues at various levels within the Groupe, as well as investigations of cases of suspected fraud or alerts reported through the Groupe's internal whistleblowing system. It should be noted that, as in 2020, given the health situation (Covid-19), the internal audit missions were carried out almost exclusively remotely. Some on-site trips were nevertheless possible in the last quarter of 2021. This system functions well, even though on-site checks cannot be carried out and the practical difficulties are greater.

To carry out their assignments, the internal audit teams use a dedicated IT tool (TeamMate). The work programs used are, of course, based on the ERP systems used by the Groupe, with the use of extracts and dedicated exception reports.

Internal audit findings are systematically communicated in a report from the Internal Audit & Risk Management VP communicated to the Chairman of the Groupe's Management Board. A summary of all audit assignments completed, including special assignments, is presented during each Audit Committee meeting.

The action plans stemming from the audit recommendations are monitored centrally with the help of a dedicated computer application (TeamCentral). Additionally, specific "in-the-field" follow-up assignments are launched for the most critical reports or when action plan indicators are not in line with the commitments made by the audited entities. A report on the status of the implementation of audit recommendations is regularly presented to country/regional management as well as to the Audit Committee.

Internal (particularly in terms of HR investigations) or external assistance is called in when needed to support the Internal Audit Department, where special skills or techniques are necessary to conduct investigations.

The Internal Audit Department of Publicis Groupe works in accordance with the international professional standards issued by the IIA (The Institute of Internal Auditors) and, in March 2017, obtained the certification of its quality assurance and certification process by the IFACI ("Institut français de l'audit et du contrôle interne"). This certification confirms the ability of the Publicis Groupe Internal Audit Department to carry out its duties. It was renewed in March 2020 and confirmed in March 2021 and March 2022 after an annual follow-up audit.

2.2.3.2 Financial monitoring controls program

Publicis Groupe also established a program entitled Financial Monitoring Controls (FMC) consisting of a series of key controls set out by process (including in relation to CSR) and implemented across all Groupe entities.

Follow-up of the roll-out and implementation of key controls is performed at two levels using a specific IT tool (PICT/RVR):

- a monthly self-assessment submitted by all Groupe entities helps to make them accountable for the effectiveness of their controls;
- special teams, called FMC teams, are deployed across the various countries/regions to evaluate the effectiveness of the controls within the entities. These teams are linked to the Finance Department of each country/region as well as the Groupe's Internal Control and Risk Management Department, which oversees them, coordinates their work, and compiles the results. These teams follow a control plan covering over 70% of the Groupe's consolidated revenue each year.

Furthermore, a review of the key checks and controls of the corporate processes relating to financial reporting (Consolidation, Tax, M&A, etc.) is conducted on an annual basis by the Internal Audit Department.

2.2.3.3 Monitoring by the Legal Department

The Groupe's Legal Department regularly monitors litigation-related risks within the Groupe. A summary of any significant legal disputes, as well as an estimate of their potential impacts, are presented to the Groupe's senior management every quarter. The main legal disputes and current investigations, where relevant, are also discussed in each Audit Committee meeting.

2.2.4 Risk management framework

In conjunction with senior management, the operating management teams of the countries/regions/Solutions as well as shared service centers are heavily involved in monitoring risks associated with major contracts or business activities in emerging countries. They continually analyze the Groupe's exposure to the loss of significant contracts, to risks of conflicts of interest and to changes in contractual clauses.

The risks relating to accounting information, the external growth policy, management of the liquidity position, exchange rates, changes in the Groupe's debt or tax position are monitored by the Finance Department, in conjunction with senior management.

The risks associated with accounting and financial information are also subject to a detailed control, overseen by the Internal Control and Risk Management Department, on the basis of which the FMC (Financial Monitoring Controls) are defined.

The procedure for monitoring the Groupe's risk management system was formalized beginning in 2008 with risk mapping. All of the risks that may have an impact on the Groupe's finances, operations or image are listed. These impacts are the subject of an evaluation and a probability of occurrence is estimated for each risk identified; a level of intrinsic risk is therefore determined as well as a level of residual risk after taking into account the control system.

Thus, pursuant to article L. 225-37 of the French Commercial Code, it is stated that with regard to the Groupe's activities, the financial risks associated with the impact of climate change have a negligible impact. However, the Groupe is mindful of measuring its environmental risks and finding solutions to reduce them (Section 4 "CSR" of the Universal Registration Document).

The risk mapping is updated on a regular basis to allow a dynamic strengthening of the risk management framework.

In 2021, the Groupe risk mapping was updated, and was presented to the Strategy and Risk Committee meetings of March 2021. The "Risk" department also carried out a risk analysis on cyber risk, studies on lessons to be learned regarding impacts of the Covid-19 crisis on our talent, the geographic distribution of our business and an update of the risk mapping related to the Duty of care, and made a significant contribution to the work carried out within the Groupe on compliance with the Sapin 2 Law.

These mappings also served as a basis, along with other items, for preparing the 2022 audit plan.

2.3 INSURANCE AND COVERAGE OF RISKS

The insurance policy's purpose, centrally managed within the Insurance Department, is to provide the best cover for our employees and assets, by achieving a right balance between local and corporate insurance cover.

By implementing a two-level insurance cover (local and centralized), the Groupe strives to ensure comprehensive cover and risk management in all the countries in which Publicis is present.

On a local level, mainly through the Re:Sources shared service centers, entities must take out general liability, property damage and business interruption, automobile and employer's liability insurance policies, as well as health and life insurance cover for local employees. These insurances are taken out in compliance with the local regulations.

The only exception is the European zone: using the freedom of services framework in Europe, the Groupe has taken out a Property damage and Business interruption insurance policy and a General liability insurance policy, which could apply to all European subsidiaries.

At Groupe level, insurance programs have been implemented with leading insurance companies with the aim of automatically covering all subsidiaries against the financial consequences of risks such as, but not limited to:

- professional liability and cyber risks;
- directors and officers liability;
- liability related to employment practices;
- general liability when terms and conditions or limits differ from the local insurance policies;
- property damage and business interruption when terms and conditions or limits differ from the local insurance policies;
- assistance and repatriation of employees during business travel.

In addition, the Groupe negotiates and sets up specific covers that subsidiaries may subscribe depending on their business needs, such as credit insurance, health and life insurance for expatriates and specific insurances for film and TV shoots.

The insurance policies are regularly reviewed to customize the cover to any changes in our activity and in particular new digital services: the Groupe focuses particularly on this risk and its cyber-risk insurance cover.

The amount of cover is considered to be consistent with the risk assessment and with the market practices.

In light of the Groupe's significant Mergers and Acquisitions activity, the Insurance Department also oversees the integration of acquired entities within the Groupe's schemes.

CHAPTER

3 GOVERNANCE AND COMPENSATION

The report on corporate governance, within the competence of the Supervisory Board, groups information on the composition and functioning of management bodies, on compensation of corporate officers and on matters likely to be significant in the event of a public offer.

The information contained in the following discussion is that mentioned in articles L. 225-37-4 and L. 22-10-10 of the French Commercial Code. Other information in the report, notably that mentioned in article L. 22-10-11 of the French Commercial Code, is listed in Section 10.7 of the Universal Registration Document "Cross-reference table for the corporate governance report".

Publicis Groupe SA refers to the Afep-Medef Code as updated in January 2020. This Corporate Governance Code is available for consultation on the Afep website at www.afep.com.

3.1 GOVERNANCE OF PUBLICIS GROUPE

The Company is a French joint-stock limited liability company (*société anonyme*) with a Management Board (*Directoire*) and a Supervisory Board (*Conseil de surveillance*).

Publicis Groupe and its Supervisory Board have always placed great importance on the quality of the Groupe's governance and on compliance with the rules and principles governing its business activities.

Publicis has always taken an innovative approach to its governance: since 1987, the Groupe has had a dual governance system with both Management and Supervisory Boards, in the belief that this would ensure a better balance of powers for the benefit of all stakeholders. The quality of the Board's work is ensured by the strong involvement of its members and facilitated by the role of five committees: a Compensation Committee, a Nominating Committee, a Strategy and Risk Committee, an Audit Committee and the ESG Committee (environmental, social and governance issues), a new Committee created in 2021.

The members of the Management Board and Supervisory Board are collectively referred to as "corporate officers" in this document.

On June 1, 2017, Arthur Sadoun succeeded Maurice Lévy as Chairman of the Management Board of Publicis Groupe SA and on the same date Maurice Lévy succeeded Élisabeth Badinter as Chairman of the Supervisory Board. Élisabeth Badinter was appointed Vice-Chair of the Supervisory Board on June 1, 2017.

In the interest of the Company and to ensure its sustainability, the Supervisory Board examines and decides on the major strategic guidelines and authorizes all transactions that have an impact on the Company's share capital and financial structure. The Supervisory Board has the power to appoint and dismiss the members of the Management Board and to exercise permanent control over the management of the latter.

The Management Board is the Company's decision-making body and is vested with the broadest powers to act in all circumstances on behalf of the Company and to represent it *vis-à-vis* third parties. In accordance with the law, the Management Board is required to prepare a quarterly report on the Company's business and submit it to the Supervisory Board for review. This report sets out the Groupe's results, financial position, cash flow and HR policy.

In the exercise of its powers, the Management Board submits to the Supervisory Board for the prior approval of the decisions that have a strategic impact on the Groupe, and in particular all decisions relating to significant transactions outside the strategy announced by the Company.

Arthur Sadoun, Chairman of the Management Board and Maurice Lévy, Chairman of the Supervisory Board, consult eachother on the definition of the major strategic orientations and all significant events of the Company, benefiting from their respective knowledge of Publicis Groupe and its business sectors. Arthur Sadoun regularly informs Maurice Lévy of the Company's operations.

3.1.1 Supervisory Board

3.1.1.1 Composition of the Supervisory Board at December 31, 2021

The bylaws of Publicis Groupe SA provide for a Supervisory Board with between three and eighteen members. Supervisory Board members are appointed by the General Shareholders' Meeting. They serve four-year terms of office. The General Shareholders' Meeting may nevertheless appoint or reappoint one or more Supervisory Board members for one, two or three year terms with the sole aim of staggering their terms of office.

At December 31, 2021, the Supervisory Board had 13 members, including two members representing employees appointed by the Groupe Works Council pursuant to article L. 225-79-2 of the French Commercial Code. Seven members are foreign nationals. It has 55% women and 45% men and 64% of independent members, with the Board members representing employees not included in the calculation of these percentages, in accordance with the law and the Afep-Medef Code.

Gender parity on the Board(1)	Average age	Diversity(2)	Independent members(1)(3)	Average length of term of office	Employee representation
55% Women/45% Men	62 years	64%	64%	9 years	2 members

(1) In accordance with the law and the Afep-Medef Code, Board members representing employees are not included in the calculation of the minimum/maximum number of Board members, nor in gender quotas, nor for the number of independent members.
(2) Board members who are foreign nationals (excluding members representing employees).
(3) Members of the Supervisory Board qualifying as independent according to the Afep-Medef Code independence criteria.

The table below provides a summary of the Supervisory Board's composition as at December 31, 2021:

	Personal information				Experience	Position on the Supervisory Board				Membership to Committees				
	Age(1)	Gender	Nationality	Number of Publicis Groupe SA shares held(1)	Total number of offices held in listed companies	Indepen-dent member(2)	First appoint-ment	Year(s) on the Board	End of term of office	Member of the Audit Committee	Member of the Nomi-nating Committee	Member of Compen-sation Committee	Member of the Strategy and Risk Committee	Member of the ESG Committee
Maurice Lévy *Chairman of the Board*	79	M	French	4,848,159	1	No	06/01/2017	4	2025 GSM		•	•	•	
Élisabeth Badinter *Vice-Chair of the Board*	77	F	French	16,700,967	1	No	11/27/1987	34	2022 GSM		✔			
Simon Badinter	53	M	French	1,279	1	No	06/17/1999	22	2025 GSM				•	
Jean Charest	63	M	Canadian	1,400	4	Yes	05/29/2013	8	2025 GSM	✔	•			
Sophie Dulac	64	F	French	1,749,460	1	No	06/25/1998	23	2024 GSM					•
Thomas H. Glocer	62	M	American	500	3	Yes	05/25/2016	5	2024 GSM	•		•	•	
Marie-Josée Kravis	72	F	American	2,914	2	Yes	06/01/2010	11	2024 GSM		•		✔	
André Kudelski	61	M	Swiss	500	2	Yes	05/25/2016	5	2024 GSM	•	•	✔		
Suzan LeVine	52	F	American	537	1	Yes	05/29/2019	2	2023 GSM	•	•			✔
Antonella Mei-Pochtler	63	F	Italian	500	4	Yes	05/29/2019	2	2023 GSM			•	•	
Cherie Nursalim	54	F	Indonesian	538	1	Yes	05/30/2018	3	2022 GSM					•
Pierre Pénicaud *Member representing employees*	58	M	French	-	1	n/a	06/20/2017	4	06/14/2025				•	
Patricia Velay-Borrini *Member representing employees*	53	F	French	50	1	n/a	10/16/2020	1	10/15/2024					•

M: male F: female n/a: not applicable. ✔: Committee Chair

(1) At December 31, 2021.
(2) Members of the Supervisory Board qualifying as independent according to the Afep-Medef Code independence criteria.

Changes to the composition of the Supervisory Board in 2021

Enrico Letta, member of the Supervisory Board, resigned on March 28, 2021, following his election as Secretary of the Italian Democratic Party.

The terms of office as members of the Supervisory Board of Maurice Lévy, Chairman of the Board, Simon Badinter and Jean Charest were reappointed for a period of four years by the General Shareholders' Meeting of May 26, 2021.

On June 15, 2021, the Groupe Works Council renewed the term of office of Pierre Pénicaud as member of the Supervisory Board representing employees for a period of four years. This decision was duly noted by the Supervisory Board at its meeting of July 21, 2021.

Member of the Board	Departure	Renewal
Enrico Letta	March 28, 2021	
Maurice Lévy		May 26, 2021
Simon Badinter		May 26, 2021
Jean Charest		May 26, 2021
Pierre Pénicaud		June 15, 2021

Presentation of the members of the Supervisory Board

The profiles below present members of the Supervisory Board, their respective experience and skills, and the main offices and positions they hold or have held over the last five years, to the Company's knowledge.

Maurice Lévy

- Chairman of the Supervisory Board
- Member of the Compensation Committee
- Member of the Strategy and Risk Committee
- Member of the Nominating Committee

Born on February 18, 1942, of French nationality
First appointment: June 1, 2017
Expiry of term of office: 2025 Annual Ordinary General Shareholders' Meeting
Number of shares held: 4,848,159
Publicis Groupe SA
133, avenue des Champs-Élysées
75008 Paris
France

Biography

Maurice Lévy joined Publicis Groupe in 1971 as IT Director. In 1975, he was appointed Executive Vice-President Chairman of Publicis Conseil, the Groupe's flagship, passing through all the stages until his appointment as Chairman of the Management Board in 1987: a role held for 30 years until the General Shareholders' Meeting of May 2017, after which he assumed the functions of Chairman of the Supervisory Board of Publicis Groupe SA. He steered the accelerated globalization of the Groupe starting in 1996. In 2001, Publicis Groupe's globalization picked up more steam with the acquisition of Saatchi & Saatchi, then Bcom3 (Leo Burnett, Starcom, MediaVest) in 2002. The forceful passage into the digital world began with the acquisition of Digitas (2006), followed by Razorfish (2009), and Rosetta (2011). The acquisition of Sapient at the beginning of 2015 opened up Publicis, beyond its core business, to new possibilities in marketing, omni-channel commerce and consulting.

Maurice Lévy co-founded the Institut français du Cerveau et de la Mœlle épinière (ICM) in 2005 and today chairs the Board of Directors of numerous organizations, including the Peres Center for Peace and Innovation, and, since October 2015, the Institut Pasteur-Weizmann. He has also received numerous distinctions for his work and his fight for tolerance. He is Commandeur de la Légion d'Honneur and Grand Officier de l'Ordre National du Mérite.

Other offices and positions held within the Groupe

- None

Offices held outside the Groupe

- Chairman: L'Escalator SAS (France), Regicom Webformance SAS (France)
- Chairman of the Supervisory Board: Iris Capital Management SAS (France)
- Class A Director: Mora & F SA (Luxembourg)
- Founder and class A manager: Ycor Management SARL (Luxembourg)

Volunteer positions held outside the Groupe

- Member of the Global Advisory Board: Amundi SA, listed company (France)*
- Founding member and Director: Institut du Cerveau et de la Mœlle épinière, ICM (Brain and Spine Institute) (France)
- Co-Chairman: Friends of the ICM Committee (France)
- Chairman of the French Committee of the Weizmann Science Institute (France)
- Chairman of the Board of Directors: Board of Pasteur-Weizmann (association) (France)
- Board member: The Weizmann Institute (Israel)
- Chairman: Les Amis Français du Peres Center for Peace and Innovation (endowment fund) (France)
- Chairman of the International Board of Governors: The Peres Center for Peace and Innovation (Israel)
- Trustee of the Appeal of Conscience Foundation (United States)

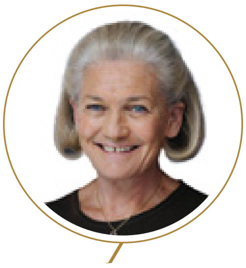
Offices held outside the Groupe in the last five years

Offices listed above

Positions held outside the Groupe in the last five years

Positions listed above

** These positions are not included in the calculation of the number of offices held in listed companies (see table p.51 of the URD).*



Élisabeth Badinter

- Vice-Chair of the Supervisory Board
- Chair of the Nominating Committee

Born on March 5, 1944, of French nationality
First appointment: November 27, 1987
Expiry of term of office: 2022 Annual Ordinary General Shareholders' Meeting
Number of shares held: 16,700,967
Publicis Groupe SA
133, avenue des Champs-Élysées
75008 Paris
France

Biography

Élisabeth Badinter is the daughter of Marcel Bleustein-Blanchet, Publicis Groupe's founder. She is a qualified philosophy teacher, specializing in the 18th century, and has also lectured at the École Polytechnique. Observer of changing mentalities and mores, she has authored numerous essays. Élisabeth Badinter joined the Supervisory Board in 1987 and chaired it from 1996 to 2017.

Other offices and positions held within the Groupe

None

Main offices and positions held outside the Groupe

- Writer
- Chair: Eljud SAS (France), Judest SAS (France), Juzach SAS (France), Eliben SAS (France), Alba SAS (France), Vaba SAS (France), Elsi SAS (France)
- Chair of the Fondation Marcel Bleustein-Blanchet pour la Vocation (France)

Offices held outside the Groupe in the last five years

Offices listed above

Simon Badinter

- Member of the Supervisory Board
- Member of the Strategy and Risk Committee

Born on June 23, 1968, of French nationality
First appointment: June 17, 1999
Expiry of term of office: 2025 Annual Ordinary General Shareholders' Meeting
Number of shares held: 1,279
Publicis Groupe SA
133, avenue des Champs-Élysées
75008 Paris
France

Biography

Son of Élisabeth Badinter, Simon Badinter has successively served as Director of International Development (1996), member of the Management Board (1999-2013) and Chair (2003-2011) of Médias et Régies Europe, as well as Chair of Médias Regies America until 2013. Simon Badinter was in turn radio host of his show "The Rendez-Vous", broadcast in 50 cities in the United States by Iheartradio and then, from November 2021, counselor and coach for young people in difficulty in the United States. He is also a member of the Board of Directors of Médiavision et Jean Mineur.

Other offices and positions held within the Groupe

- Director: Médiavision et Jean Mineur SA (France)

Main offices and positions held outside the Goupe

- Director: BDC SAS (France)
- Host of the "The Rendez-Vous" radio show (United States)
- Counselor and coach (United States)
- Chair and Chief Executive Officer: Simbad Productions LLC (United States)
- Chief Executive Officer: Elsi SAS (France)

Offices held outside the Groupe in the last five years

Offices listed above

Jean Charest

- Independent member of the Supervisory Board
- Chair of the Audit Committee
- Member of the Nominating Committee

Born on June 24, 1958, of Canadian nationality
First appointment: May 29, 2013
Expiry of term of office: 2025 Annual Ordinary General Shareholders' Meeting
Number of shares held: 1,400

McCarthy Tétrault
Bureau 2500
1000, rue de la Gauchetière-Ouest
Montreal Quebec
H3B 0A2
Canada

Biography

A trained lawyer, Jean Charest was elected to Canada's House of Commons in 1984. At age 28, he was appointed Minister of State for Young People. He was also Minister for the Environment (leading the Canadian delegation at the Rio Earth Summit in 1992), Minister for Industry, Deputy Prime Minister of Canada then Prime Minister of Quebec from 2003 to 2012. He is currently a partner in McCarthy Tétrault SENCRL s.r.l and a member of the Queen's Privy Council for Canada.

Other offices and positions held within the Groupe

None

Main offices and positions held outside the Groupe

- Partner, Senior Lawyer and Strategic Advisor: McCarthy Tétrault Law Firm (Canada)
- Chair of the Board of Directors: Windiga Énergie (Canada), Ondine Biomedical, listed company (Canada)
- Member of the Advisory Board and member of the Canada US Borders Taskforce: Woodrow Wilson Center – Canada Institute (Canada)
- Member of the Advisory Board: Canadian Global Affairs Institute (Canada)
- Member of the Canadian group of the Trilateral Commission (Canada)
- Director: Canada Jetlines Operations Ltd, listed company (Canada), Compagnie des Chemins de Fer Nationaux du Canada, listed company (Canada)*
- Honorary Chair of the Board of Directors: Canada ASEAN Business Council (Singapore)
- Member of the Supervisory Board, member of the Compensation and Appointments Committee and member of the International Advisory Board: Tikehau Capital SCA, listed company (France)
- Member: Canadian Council of the North American Forum (Canada), Leaders pour la Paix (Leaders for Peace) (France)
- Permanent representative member: Chardi, Inc. (Canada)
- Joint-Chair of the Board of Directors: Canada UAE Business Council (Canada)
- Member of the Advisory Committee: CelerateX (Hong Kong)

Offices held outside the Groupe in the last five years

Offices listed above as well as the following offices:

- Director: HNT Electronics Co Ltd (South Korea) (term ended in 2020), Asia Pacific Foundation (Canada) (term ended in 2021)
- Member of the panel of experts: Public Policy Forum (Canada) (term ended in 2018)

** This term of office is effective from 2022 and is not included in the number of offices held in listed companies (see table on page 51 of the URD).*

Sophie Dulac

- Member of the Supervisory Board
- Member of the ESG Committee

Born on December 26, 1957, of French nationality
First appointment: June 25, 1998
Expiry of term of office: 2024 Annual Ordinary General Shareholders' Meeting
Number of shares held: 1,749,460

Dulac Cinémas
60, rue Pierre-Charron
75008 Paris
France

Biography

Granddaughter of Marcel Bleustein-Blanchet and niece of Élisabeth Badinter. After several years in the public relations sector, Sophie Dulac, a graduate in psychographology, continued her career by founding and managing a recruitment consultancy firm. Since 2001, she has chaired the movie theater company, Les Écrans de Paris, now called Dulac Cinémas. She also manages the film production and distribution companies, Dulac Productions and Dulac Distribution. Since 2012, Sophie Dulac is the founder and Chair of the Champs-Élysées Film Festival. Sophie Dulac was Vice-Chair of the Supervisory Board from 1999 to 2017.

Other offices and positions held within the Groupe

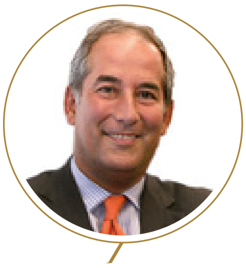
None

Main offices and positions held outside the Groupe

- Chair: Dulac Cinémas SAS (France), Maison Dulac Cinéma SAS (France)
- Manager: Dulac Productions SARL (France), Dulac Distribution SARL (France), Marceau Media SARL (France)
- Vice-Chair of the Board of Directors: CIM de Montmartre (Association) (France)
- Chair: Association Champs-Élysées Film Festival (France)

Offices held outside the Groupe in the last five years

Offices listed above



Thomas H. Glocer

- Independent member of the Supervisory Board
- Member of the Audit Committee
- Member of the Compensation Committee
- Member of the Strategy and Risk Committee

Born on October 8, 1959,
of American nationality
First appointment: May 25, 2016
Expiry of term of office: 2024 Annual Ordinary General Shareholders' Meeting
Number of shares held: 500

Angelic Ventures LP
335 Madison Avenue
New York, NY 10017
United States

Biography

Thomas H. Glocer was a corporate lawyer at the Davis Polk & Wardwell law firm before joining Reuters in 1993. He was appointed CEO of Reuters Groupe in 2001 and then from April 2008 to December 2011, CEO of Thomson Reuters Corp.

He is currently Executive Chair of the Board of BlueVoyant LLC and Chair of the Board of Istari Global Ltd, companies specialized in cyber defense, and Executive Chair of the Board of Capitolis Inc., specialized in financial technology. He was also General Partner at Communitas Capital LLC, a venture capital company and member of the Boards of Directors of Morgan Stanley, Merck & Co and Reynen Court.

Other offices and positions held within the Groupe

None

Main offices and positions held outside the Groupe

- Founder and Managing Partner: Angelic Ventures LP (United States)
- Executive Chair of the Board: Capitolis, Inc. (United States), BlueVoyant LLC (United States)
- Chair of the Board: Istari Global Ltd (United Kingdom)
- Director: Merck & Co., Inc., listed company (United States), Morgan Stanley, listed company (United States), K2 Intelligence, Inc. (United States), Reynen Court LLC (United States), Atlantic Council (United States)
- General Partner: Communitas Capital LLC (United States)
- Member of the Board of Trustees: Cleveland Clinic (United States)
- Member: President's Council on International Activities at Yale University (United States), European Business Leaders Council – EBLC – (Finland)
- Member of the Advisory Committee: Columbia Global Center, Paris (United States)
- Member of the International Advisory Group: Linklaters LLP (United Kingdom)

Offices held outside the Groupe in the last five years

Offices listed above

Marie-Josée Kravis

- Independent member of the Supervisory Board
- Chair of the Strategy and Risk Committee
- Member of the Nominating Committee

Born on September 11, 1949, of American nationality
First appointment: June 1, 2010
Expiry of term of office: 2024 Annual Ordinary General Shareholders' Meeting
Number of shares held: 2,914
625 Park Avenue
New York, NY 10065
United States

Biography

Marie-Josée Kravis is an economist specializing in the analysis of public policy and strategic planning. She began her career as a financial analyst at Power Corporation of Canada and then worked with the Solicitor General of Canada and the Canadian Ministry of Public Services and Procurement.

Other offices and positions held within the Groupe

None

Main offices and positions held outside the Groupe

- Chair Emeritus and Chair of the Board of Directors: Museum of Modern Art of New York – MoMA (United States)
- Director: LVMH Moët Hennessy-Louis Vuitton SA, listed company (France), The Bretton Woods Committee (United States)
- Vice-Chair of the Board and member of the Executive Committee: Memorial Sloan Kettering Cancer Center (United States)
- Chair of the Board of Directors: Sloan Kettering Institute (United States)
- Member of the International Advisory Committee: The Federal Reserve Bank of New York (United States)
- Journalist
- Chair Emeritus: The Economic Club of New York (United States)

Offices held outside the Groupe in the last five years

Offices listed above as well as the following office:

- Vice-Chair of the Board of Directors and Senior Researcher: Hudson Institute (United States) (term ended in 2021)

André Kudelski

- **Independent member of the Supervisory Board**
- **Chair of the Compensation Committee**
- **Member of the Audit Committee**
- **Member of the Nominating Committee**

Born on May 26, 1960, of Swiss nationality
First appointment: May 25, 2016
Expiry of term of office: 2024 Annual Ordinary General Shareholders' Meeting
Number of shares held: 500

Kudelski SA
22-24, Route de Genève
PO Box 134
1033 Cheseaux-sur-Lausanne
Switzerland

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Biography

André Kudelski is the Chair of the Board and CEO of the Kudelski Group, a world leader in digital security, listed on the Swiss Stock Exchange (SIX: KUD.S). Holding a master's in applied physics from the École Polytechnique Fédérale de Lausanne (EPFL), he began his career with the Kudelski Group in 1984 as an R&D engineer, before becoming a Director of Nagravision, the digital TV arm, in 1989. In 1991, he succeeded his father, Stefan Kudelski, the company's founder, as Chair and Deputy Director. André Kudelski is also Chair of the Board of Directors of Innosuisse, the Swiss Innovation Agency, as well as Vice-Chair of the Board of Directors of the Swiss-American Chamber of Commerce. He sits on the Strategic Advisory Board of the EPFL and has previously served as Vice-Chair of the Board of Directors of Geneva International Airport. He also was Director of Nestlé, HSBC Private Banking Holdings (Switzerland), Edipresse and Dassault Systèmes. André Kudelski has received numerous distinctions, including the title of Global Leader for Tomorrow from the World Economic Forum in 1995 and an Emmy® Award in 1996 from the National Academy of Arts and Sciences, recognizing his work in controlling access to television.

Other offices and positions held within the Groupe

None

Main offices and positions held outside the Groupe

- Chair and Deputy Director: Kudelski SA, listed company (Switzerland), Nagra Plus SA (Switzerland)
- Deputy Manager: Nagravision Sàrl (Switzerland)
- Chair of the Board of Directors: Innosuisse (public law) (Switzerland), Restaurant de l'Hôtel de Ville de Crissier SA (Switzerland), Montreux Media Venture (Switzerland)
- Co-Chair: NagraStar LLC (United States)
- Chair and Chief Executive Officer: Nagra USA, LLC. (United States), Kudelski Corporate, Inc. (United States), Kudelski Security Holdings, Inc. (United States), Open TV, Inc. (United States)
- Executive Chair: Kudelski Security, Inc. (United States)
- Vice-President: Swiss-American Chamber of Commerce (association) (Switzerland), Fondation du Festival de Jazz de Montreux (Switzerland)
- Member of the Supervisory Board: Skidata GmbH (Austria)
- Director: RSH Quality Food Concept SA (Switzerland), Automotive Trade Finance SA (Switzerland), Sunset Music SA (Switzerland), Greater Phoenix Economic Council (GPEC) (not-for-profit company) (United States)
- Member of Committee: Économiesuisse (association) (Switzerland)
- Member of the Strategy Advisory Board: Foundation of the École Polytechnique Fédérale de Lausanne (Switzerland)
- Member of the Foundation Board: Fondation Cinémathèque Suisse (Switzerland), Venture Foundation (Switzerland)
- Member of the Steering Committee: Foundation Bilderberg Meetings (Netherlands)
- Member of the Swiss Higher Education Council (public law) (Switzerland)

Offices held outside the Groupe in the last five years

Offices listed above as well as the following offices:

- Director: HSBC Private Banking Holdings SA (Switzerland) (term ended in 2017)
- Chair of the Board of Directors: Conax AS (now Nagravision AS) (Norway) (term ended in 2018), SmarDTV SA (Switzerland) (term ended in 2019)
- Vice-Chair: Geneva International Airport (public law) (Switzerland) (term ended in 2018)
- Chair and Deputy Director: Nagra Plus SA (Switzerland) (term ended in 2021)

Suzan LeVine

- **Independent member of the Supervisory Board**
- **Chair of the ESG Committee**
- **Member of the Audit Committee**
- **Member of the Nominating Committee**

Born on November 17, 1969,
of American nationality
First appointment: May 29, 2019
Expiry of term of office: 2023 Annual Ordinary General Shareholders' Meeting
Number of shares held: 537
1535 9th Avenue West
WA 98119 Seattle
United States

Biography

Suzan LeVine served as Acting Assistant Secretary in the US Department of Labor's Employment and Training Administration in 2021. She previously served as Commissioner for the Employment Security Department from 2018 to 2021. She was US ambassador to the Swiss Confederation and the Principality of Liechtenstein from 2014 to 2017. Her experience in the public sector has enabled her to leverage her technological expertise and executive experiences at Microsoft where she was Director of Communications and Student Partnerships, and at Expedia where she was Vice President of Sales and Marketing for luxury travel.

In addition to her duties on the Supervisory Board of Publicis Groupe SA, Suzan LeVine sits on the US Advisory Board of OpenClassrooms and on non-profit Boards of Directors of CareerWise USA, Research Improving People's Lives (RIPL) and Thomas Jefferson foundation – organizations with impact on workforce development, civic engagement, equity, diversity, accessibility and inclusion. She also co-founded two non-profits: the Kavana Cooperative and an Advisory Board for ILABS (Institute for Learning and Brain Sciences) at Washington University.

She graduated from Brown University with a Bachelor of Arts in English and a Bachelor of Science in mechanical engineering specialized in aerospace applications and holds an honorary doctorate from the École polytechnique Fédérale de Lausanne (EPFL).

Other offices and positions held within the Groupe

None

Main offices and positions held outside the Groupe

- Director: CareerWise USA (United States); Research Improving People's Lives (RIPL) (United States)
- Member of the Advisory Committee: OpenClassrooms (France)
- Trustee of the Thomas Jefferson foundation (United States)

Offices held outside the Groupe in the last five years

Offices listed above as well as the following offices:

- Deputy Secretary: Employment and Training Administration of the United States Department of Labor (term ended in 2021)
- Commissioner at the Department of Employment Security for the State of Washington (United States) (term ended in 2021)
- Chair-Elect: The National Association of State Workforce Agencies (NASWA) (United States) (term ended in 2021)
- Director: CareerWise Colorado (United States) (term ended in 2021), The American-Swiss Foundation (United States) (term ended in 2021)
- Member of The Career Connect Task Force (United States) (term ended in 2021), Markle Foundation's Rework America Task Force (United States) (term ended in 2021)
- Member of the Advisory Committee of the CEMETS (Center on the Economics and Management of Education and Training) of the ETH University of Zurich (Switzerland) (term ended in 2021)
- Ambassador of the United States to the Swiss Confederation and to the Principality of Liechtenstein (United States) (term ended in 2017)

Antonella Mei-Pochtler

- Independent member of the Supervisory Board
- Member of the Compensation Committee
- Member of the Strategy and Risk Committee
- Member of the ESG Committee

Born on May 17, 1958,
of Italian nationality
First appointment: May 29, 2019
Expiry of term of office:
2023 Annual Ordinary General
Shareholders' Meeting
Number of shares held: 500
Reithlegasse 6
1190 Vienna
Austria

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Biography

Antonella Mei-Pochtler is a seasoned executive with many years of experience in the mass market consumer goods, media and technology sectors. She held a number of management positions at Boston Consulting Group (BCG) in Europe and worldwide with a focus on digital transformation, strategy and organizations. Named amongst the top 25 consultants worldwide by Consulting magazine, she won the Women Leaders in Consulting Lifetime Achievement award in 2013. She is involved in a range of social causes and activities, particularly regarding equity in education. She sits on various international Boards, as Vice-Chair of the Board of Westwing AG, member of the Boards of Generali Group, ProSieben Group and SIPRA SA. She is involved in the global education network Teach for All and is a co-founder of the BCG education project, Business@School, which won her the German President's Freedom and Responsibility Award in 2002. She created the Brand Club, a platform for CEOs of international brands and media companies in Germany. She is currently the head of ThinkAustria, the Austrian government's think tank and strategic planning unit, and is a special advisor to the Austrian Federal Chancellor.

Other offices and positions held within the Groupe

None

Main offices and positions held outside the Groupe

- Vice-Chair of the Supervisory Board: Westwing Group AG, listed company (Germany)
- Independent director, member of the Corporate Governance and Social and Environmental Sustainability Committee and member of the Related-party Transactions Committee: Generali, listed company (Italy)
- Director: SIPRA (Ivory Coast)
- Member of the Supervisory Board: ProSiebenSat.1 Media SE, listed company (Germany)

Offices held outside the Groupe in the last five years

Offices listed above as well as the following office:

- Director: DKMS – German Bone Marrow Donor Center (Germany) (term ended in 2019)

Cherie Nursalim

- **Independent member of the Supervisory Board**
- **Member of the ESG Committee**

Born on August 1, 1967,
of Indonesian nationality
First appointment: May 30, 2018
Expiry of term of office: 2022 Annual Ordinary General Shareholders'
Number of shares held: 538

GITI Group
9 Oxley Rise
#02-01 The Oxley
Singapore 238697

Biography

Cherie Nursalim is Vice-Chair of the GITI Groupe and Chair of Three on the Bund. She previously worked as a researcher at the Harvard Business School. She is Vice-Chair of the International Chamber of Commerce, member of the Board of IMAGINE, the Business and Sustainable Development Commission Global Blended Finance Taskforce, Partnering for Green Growth (P4G) and the Steering Committee of G7 Impact Taskforce. She sits on the Asia and International Advisory Committees at Columbia University and at the MIT Sloan School of Management. She co-chairs the United Nations Global Initiative Sustainable Development Solutions Network for South-East Asia. She is a member of the Boards of Directors of the Climate Change Center at the University of Indonesia, as well as the Singapore Science Center. She is one of the founding members of the Global Philanthropic Circle at the New York Synergos Institute and of the United in Diversity Foundation.

Other offices and positions held within the Groupe

None

Main offices and positions held outside the Groupe

- Vice-Chair: GITI Group (Singapore), International Chamber of Commerce (France)
- Chair: Three on the Bund (China), United Nations Global Initiative SDSN SEA, Tsinghua University Southeast Asia Center (Indonesia)
- Co-Chair: Tri Hita Karana for Sustainable Development Forum
- Director: ICC Academy Private Ltd (Singapore), Nuri Management Pte Ltd (Singapore), Viva China Children's Cancer Foundation Limited (Hong Kong)
- Member of the International and Asia Advisory Committee: Columbia University (United States), MIT Sloan School of Management (United States)
- Member of the South-East Asia Advisory Board: Women's World Banking (United States)
- Member of the Advisory Board: MIT Sloan Sustainability Initiative (United States)
- Member of the Advisory Board: Nanyang Business School (NBS) at Nanyang Technological University (Singapore), Harvard Planetary Health Alliance (United States)
- Board Member: University of Indonesia Climate Change Center (Indonesia), Singapore Science Center (Singapore), IMAGINE (United Kingdom), P4G – Partnering for Green Growth (United States)
- Founding member: Global Philanthropic Circle with Synergos Institute in New-York (United States), United in Diversity Forum (Indonesia), Kura Kura Bali (Indonesia)
- Member of the Executive Committee: ICC Research Foundation
- Member of the Management Board: Sustainable Development Solutions Network (Hong Kong)
- Council member: Asia Society Policy Institute (United States), World Future Council (Germany)
- Trustee: China Foundation for Disabled Persons (China), Institute for Philanthropy Tsinghua University (China)
- Member: Business & Sustainable Development Commission Blended Finance Taskforce, Friends of Oceans Global Initiative
- Member of the Steering Committee: G7 Impact Taskforce (United Kingdom)
- Member of the Global Advisory Committee: Beyond the Billion (United States)

Offices held outside the Groupe in the last five years

Offices listed above as well as the following office:

- Director: Asia Philanthropy Circle Ltd (Singapore) (term ended in 2019)
- Member of the Advisory Board: Teach for All (United States) (term ended in 2020)

Pierre Pénicaud

- Member of the Supervisory Board representing employees
- Member of the Strategy and Risk Committee

Born on December 28, 1963,
of French nationality
First appointment: June 20, 2017
Expiry of term of office: June 14, 2025
Number of shares held: -
Publicis Conseil
133, avenue des Champs-Élysées
75008 Paris
France

Biography

Pierre Pénicaud obtained a diploma in Applied Arts from École Estienne and joined Publicis Conseil in 1989 as an assistant in the Artistic Department. He became Artistic Director in 1994 and started the L'Esprit Bière saga for Heineken, which he would go on to develop over 13 years. He worked on campaigns for Perrier, for Renault with "Cliotherapy" then for Nescafé and more recently for Orange. In 2011, he was appointed member and Secretary of the Health, Safety and Working Conditions Committee (CHSCT) and after having been a full member of the Works Council in 2011 and then an alternate member in 2017, he is currently Deputy Secretary and Harassment Officer of the Social and Economic Committee (CSE) of Publicis Conseil.

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Other offices and positions held within the Groupe

- Senior Artistic Director: Publicis Conseil SA (France)

Main offices and positions held outside the Groupe

None

Offices held outside the Groupe in the last five years

None

Patricia Velay-Borrini

- Member of the Supervisory Board representing employees
- Member of the Compensation Committee

Born on November 16, 1968,
of French nationality
First appointment: October 16, 2020
Expiry of term of office: October 15, 2024
Number of shares held: 50
Publicis Media France
17/19 rue Bréguet and 30/34 rue du Chemin Vert
75011 Paris
France

Biography

Patricia Velay-Borrini joined the Saatchi & Saatchi agency in 1988, as assistant to the Director of Development and then to the Chair of the agency. In 1993, she became assistant to the Chair at Zenith Media, a Saatchi & Saatchi media agency. In 2002, following the merger of Zenith Media and Optimedia, Publicis' media agency, to create ZenithOptimedia, she became assistant to the Chair and obtained her first term on the Works Council. She is currently assistant to Gautier Picquet, Chair of Publicis Media France and COO of Publicis Groupe France. She is also a member of the Social and Economic Committee and of the Health, Safety and Working Conditions Committee, and harassment officer for Publicis Media France.

Other offices and positions held within the Groupe

- Executive Assistant to the Chair of Publicis Media France and COO of Publicis Groupe France

Main offices and positions held outside the Groupe

None

Offices held outside the Groupe in the last five years

None

Employee representation on the Board

Patricia Velay-Borrini and Pierre Pénicaud, appointed Board members representing employees by the Groupe Works Council in accordance with the law and bylaws of the Company, have a seat on the Supervisory Board under the same conditions (and with voting rights) as other members. Subject to the applicable legislation, the Board members representing employees are subject to all legal and statutory provisions, have the same rights and are subject to the same obligations, particularly those set by the Board's internal regulations, as those applicable to other Board members.

The Company's bylaws and the Board's internal regulations state that each member of the Board must hold, in their own name and for the duration of their term of office, a minimum of five hundred shares, with the exception of the Supervisory Board members representing employees.

Balanced gender representation on the Board

At December 31, 2021, the Board had 55% of women and 45% of men. In accordance with article L. 225-79-2, II of the French Commercial Code, the Board members representing employees are not included in the calculation of the percentage.

There has been balanced gender representation on the Supervisory Board since 2012, making Publicis Groupe SA one of the first groups to apply gender parity to its Board.

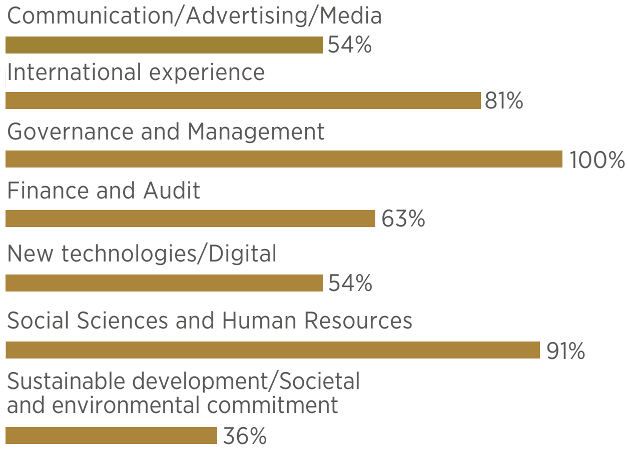
The Publicis Groupe Supervisory Board was chaired by Élisabeth Badinter for over 21 years, from April 19, 1996 to May 31, 2017. Three Board Committees are chaired by women: Élisabeth Badinter chairs the Nominating Committee, Marie-Josée Kravis chairs the Strategy and Risk Committee and Suzan LeVine chairs the ESG Committee, created in 2021.

Diversity and complementary nature of members' skills

The Supervisory Board oversees the diversity and complementary nature of members' skills.

For several years now, the Board has sought out more international profiles. Accordingly, at December 31, 2021, seven out of 11 members of the Supervisory Board (*i.e.* 64%) were foreign nationals (excluding the members representing employees). In addition, several other Board members have international exposure due to their activity in groups with a strong presence abroad or because they carry out a professional activity abroad (see presentation of Board members above).

Its members also have a range of varied expertise in key areas for Publicis Groupe. Given the experience and personal commitment of all Board members (excluding the members representing employees), their expertise covers the following areas:



It is also important for the Supervisory Board to have a balance between members who have been on the Board for a number of years and others who have been appointed more recently, so as to benefit from both an in-depth knowledge of the Groupe's history and from a new perspective.

The quality of the Supervisory Board's composition contributes to the good governance of Publicis Groupe.

Independence of members of the Supervisory Board

The Supervisory Board uses all the criteria proposed by the Afep-Medef Code to assess the independence of its members.

<u>Criterion 1:</u> Employee corporate officer over the previous five years

Not to be or not to have been during the last five years:

- an employee or an executive corporate officer of the company;
- an employee, executive corporate officer or director of a consolidated company of the company;
- employee, executive corporate officer or director of the company's parent company or a company consolidated by said parent company.

Criterion 2: Cross-directorships

Not be an executive corporate officer of a company in which the group holds, directly or indirectly, a management position, or in which an employee designated as such or an executive corporate officer of the company (currently or in the past five years) holds a management position;

Criterion 3: Significant business relationship

Not be a client, supplier, business banker, investment banker or senior banker (or be directly or indirectly linked to such persons):

- that is significant for the company or the group; or
- for which the company or group represents a significant part of its business.

Criterion 4: Family ties

Not have a close relative who is a corporate officer.

Criterion 5: Statutory auditors

Not have been a statutory auditor of the company during the previous five years.

Criterion 6: Over 12 years on the Board

Not have been a Supervisory Board member for more than 12 years. The status of independent member is lost after 12 years.

Criterion 7: Non-executive member of the Supervisory Board status

A non-executive member of the Supervisory Board cannot be considered independent if they receive variable compensation in cash or in securities or any compensation linked to the performance of the company or the group.

Criterion 8: Major shareholder status

Directors representing major shareholders in the company or in its parent company can be considered independent when those shareholders play no part in controlling the company. However, above 10% of the share capital or voting rights, the Board, based on a report from the nominating committee, systematically considers the independence in light of the composition of the company's share capital and the existence of potential conflicts of interest.

Situation of the members of the Supervisory Board, as of December 31, 2021, with regard to the independence criteria of the Afep-Medef Code

(the criterion is considered to be met when it is identified by ✔)

	Criterion 1	Criterion 2	Criterion 3	Criterion 4	Criterion 5	Criterion 6	Criterion 7	Criterion 8	Qualification applied by the Board
Maurice Lévy *Chairman*		✔	✔	✔	✔	✔	✔	✔	Not independent
Élisabeth Badinter *Vice-Chair*	✔	✔	✔		✔		✔		Not independent
Sophie Dulac	✔	✔	✔		✔		n/a	✔	Not independent
Simon Badinter	✔	✔	✔		✔		n/a	✔	Not independent
Jean Charest	✔	✔	✔	✔	✔	✔	n/a	✔	Independent
Thomas H. Glocer	✔	✔	✔	✔	✔	✔	n/a	✔	Independent
Marie-Josée Kravis	✔	✔	✔	✔	✔	✔	n/a	✔	Independent
André Kudelski	✔	✔	✔	✔	✔	✔	n/a	✔	Independent
Suzan LeVine	✔	✔	✔	✔	✔	✔	n/a	✔	Independent
Antonella Mei-Pochtler	✔	✔	✔	✔	✔	✔	n/a	✔	Independent
Cherie Nursalim	✔	✔	°✔	✔	✔	✔	n/a	✔	Independent

n/a: not applicable.

The classification as an independent member of the Supervisory Board is reviewed annually by the Nominating Committee, which draws up a report. This report is then passed on to the Supervisory Board, which reviews the position of each member of the Supervisory Board. The Supervisory Board specifically verifies that its members have no significant business relationship either from a qualitative or quantitative perspective with Publicis Groupe.

At its meeting of March 17, 2022, the Supervisory Board, based on the work carried out by the Nominating Committee, analyzed the independence of its members for the 2021 financial year.

Pursuant to these criteria, seven of the 11 members of the Supervisory Board (excluding the Board members representing employees in accordance with paragraph 9.3 of the Afep-Medef Code) were independent, *i.e.,* 64%.

The Board analyzed in detail compliance with the third criterion recommended by the Afep-Medef Code, relating to the absence of significant business relationships. On the basis of the information resulting from this analysis, the Supervisory Board concluded that there were no significant business relationships between Publicis and each of the members qualified as independent and the companies in which these members hold other offices or functions.

3.1.1.2 Conflicts of interest, family ties and service contracts

The Supervisory Board has strict internal rules in the area of conflicts of interest: the principle is that members of the Supervisory Board must be able to exercise their role in a completely independent manner, *vis-à-vis* eachother and *vis-à-vis* the Management Board, and that each member undertakes, as soon as he or she learns of it, to inform the Supervisory Board of any conflict of interest, whether actual or potential. In the event of any such conflict of interest, the interested member refrains from discussing, or voting on, the decision on the subject in question.

As far as the Company is aware, the only family ties between the Company's corporate officers are those between Élisabeth Badinter – daughter of Marcel Bleustein-Blanchet, Publicis Groupe founder – her son Simon Badinter and her niece, Sophie Dulac.

To the Company's knowledge, there are no potential conflicts between the interests of the members of the Supervisory Board of the Company and their duties towards the Company.

Moreover, there is no undertaking or agreement by the Company or its subsidiaries with members of the Company's Supervisory Board providing for benefits to be paid upon termination of their roles, nor any other agreement between the Company, its subsidiaries and these persons, other than those described in Sections 3.2 and 3.3.

Except as may be described otherwise in Section 3.3, no appointment as member of the Supervisory Board has been made pursuant to an undertaking made to a major shareholder, client or a supplier of the Company.

3.1.1.3 No conviction for fraud

To the best of the Company's knowledge, over the past five years:

- no member of the Company's Supervisory Board has been convicted of fraud;
- no member of the Supervisory Board has been involved in a bankruptcy or been subject to receivership or liquidation;
- no indictment and/or official public sanction has been pronounced against these people by statutory or regulatory authorities or professional organizations;
- no member of the Supervisory Board of Publicis Groupe SA has been banned by a court of law from being a member of a corporate body, Management or Supervisory Board of an issuer, nor from taking part in the management or business operations of an issuer.

3.1.1.4 Upcoming changes in the composition of the Supervisory Board

The terms of office of Élisabeth Badinter and Cherie Nursalim as members of the Supervisory Board will expire at the end of the next General Shareholders' Meeting on May 25, 2022.

On the recommendation of the Nominating Committee, the Supervisory Board decided to submit to the vote of the shareholders, at the next General Shareholders' Meeting, the renewal of the term of office of Élisabeth Badinter as a member of the Supervisory Board. For information, Élisabeth Badinter did not take part in the discussions or the vote on the proposal for the renewal of her own term of office, conducted by the Nominating Committee and the Supervisory Board. Simon Badinter and Sophie Dulac abstained from participating in the discussions and voting on the proposal to renew Élisabeth Badinter's term of office, given their family ties with her, but, after the vote, were keen to show their support for the resolution.

On the recommendation of the Nominating Committee, the Supervisory Board decided to submit to the vote of the shareholders, at the next General Shareholders' Meeting, the proposed appointment of Tidjane Thiam as a new member of the Supervisory Board, for a period of four years expiring at the end of the Ordinary Shareholders' Meeting called to approve the financial statements for the 2025 fiscal year.

The Supervisory Board expresses its thanks to Cherie Nursalim for her contribution to the work of the Board and the committees in which she participated.

Shareholders will be asked to renew their confidence in Élisabeth Badinter.

Longstanding shareholder of Publicis and the daughter of its founder, Élisabeth Badinter joined the Supervisory Board in 1987, where she took on an eminent role.

As Chair of the Board, she guided the essential strategic orientations of Publicis. In 2017, she ceded her position as Chair of the Board to Maurice Lévy, and has served as an exemplary Vice-Chair of the Board for four fiscal years. In her capacity as Vice-Chair of the Supervisory Board, she provides her skills as a guarantor of the Groupe's good governance, by contributing to the balance between management and supervisory powers.

As Chair of the Nominating Committee, she has also been an essential part of the selection process for future Supervisory Board members since 2000.

The proposal to renew her term of office expresses the wish to enable the Supervisory Board to maintain stability within the Supervisory Board and to ensure and perpetuate the quality of Publicis Groupe's governance, for the benefit of the Groupe's employees, shareholders and stakeholders.

Shareholders will also be asked to appoint Tidjane Thiam as a member of the Supervisory Board.

Tidjane Thiam, a graduate of École Polytechnique, École Nationale Supérieure des Mines de Paris and holder of an MBA from INSEAD, previously represented the Ivory Coast at the IMF and the World Bank and held positions at Aviva (newly named Abeille Assurances), before being appointed CEO of Prudential, then of Crédit Suisse.

Throughout his career, managing companies in the private and public sectors, Tidjane Thiam has developed major projects that have made a positive contribution to the economy and society.

Through this proposal, the Board aims to strengthen the international dimension and the diversity of experience and skills of its composition. In his capacity as a manager of major international groups in finance and insurance and his invaluable knowledge of China and Africa, Tidjane Thiam will bring expertise to the Groupe's investment choices as well as sound judgment in conducting operations.

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The table below summarizes the changes planned for 2022 in the composition of the Supervisory Board:

Supervisory Board member	Departure	Renewal	Appointment	Nationality
Élisabeth Badinter		May 25, 2022		French
Cherie Nursalim	May 25, 2022			Indonesian
Tidjane Thiam			May 25, 2022	French and Ivorian

3.1.2 Operation of the Supervisory Board and its Specialized Committees

The organization and operation of the Supervisory Board are governed by law, the Company's bylaws and the Supervisory Board's internal rules, which are regularly updated in accordance with the recommendations of the AMF and the Afep-Medef Code (the internal rules are available on the Groupe's website at www.publicisgroupe.com).

Articles L. 225-68 *et seq.* and L. 22-10-2 *et seq.* of the French Commercial Code set out the general rules governing the composition, operation and powers of the Board.

The Company's bylaws, adopted by the General Shareholders' Meeting, set out in Articles 12 to 17 the specific rules applicable to the Company in terms of the composition, operation and powers of the Supervisory Board, independence of the members of the Supervisory Board, conflicts of interest, confidentiality or compliance with stock market regulations, as well as the rules regarding the distribution of powers and relations with the Management Board.

The Supervisory Board's internal rules set out the bylaw rules, in particular those relating to the composition and operation of its specialized committees, and governs the Supervisory Board's relations with the Management Board. It also lays down basic rules, such as those concerning the independence of Supervisory Board members, conflicts of interest, confidentiality or inside information.

At its meeting of September 13, 2021, the Supervisory Board updated its internal rules. The update included in particular the amendment of Title II of the rules, dedicated to the specialized committees.

Pursuant to the last paragraph of Article 16 II of the Company's bylaws, the Supervisory Board has set up five specialized committees, which prepare the Board's work and make recommendations regarding certain decisions: a Nominating Committee, separate from the Compensation Committee, a Strategy and Risk Committee, separate from the Audit Committee, thereby going beyond the recommendations of the Afep-Medef Code, and the ESG Committee, a new committee, created upon the decision of the Supervisory Board on May 26, 2021, dedicated to environmental, social and corporate governance issues.

3.1.2.1 Operation of the Supervisory Board

The Supervisory Board meets as often as is necessary and its meetings are called by the Chairman or, in his absence, the Vice-Chair, with a minimum of four meetings per year, one of which is to approve the annual financial statements. The meetings are held in French. Simultaneous interpretation into English is available. In order to facilitate participation by members, particularly those who live overseas, the Supervisory Board has included provisions in its internal rules to allow members to participate in Supervisory Board meetings by video-conference or other mode of telecommunication in accordance with the law and regulations in force. Prior to meetings, the Management Board provides the Supervisory Board members with the documents and information needed for the performance of their duties. The documents required to examine the items on the agenda are sent to Supervisory Board members a few days in advance.

When reviewing the quarterly and half-yearly financial statements, the Supervisory Board reviews the Management Board's management report on the Groupe's activities, key figures, the macroeconomic environment, the Groupe's CSR policy, corporate acquisitions and disposals, the financial position and results of the Groupe and of the Company, along with future prospects, and provides its comments.

The Supervisory Board ensures that there are systems to prevent and identify corruption and influence peddling and that the Management Board has implemented a non-discrimination and diversity policy within the governing bodies. The Management Board provides it with all necessary information to this effect.

Outside of Supervisory Board meetings, the Management Board provides the Supervisory Board with all relevant information concerning the Company and the Groupe if the importance or urgency of the information so requires.

The Supervisory Board may decide to meet without the presence of the Management Board, in particular to deliberate on the compensation of the members and the Chairman of the Management Board. Meetings may be organized, at the initiative of the Chairman of the Board and, where applicable, at the request of the members of the Supervisory Board, with Groupe executives, in particular to review the strategic action plans put in place.

To prevent insider trading, the Management Board established rules regulating the conduct of the Groupe's insiders, defining the periods in which trading in Company shares is permitted, which also applies to Supervisory Board members.

The Supervisory Board met six times in 2021. It also took a decision by written consultation, on April 8, 2021.

3.1.2.2 Attendance of members of the Supervisory Board at Board meetings and Committee meetings in 2021

	Supervisory Board		Audit Committee		Nominating Committee		Compensation Committee		Strategy and Risk Committee		ESG Committee	
	Attendance/ number of sessions*	Attendance rate	Attendance/ number of sessions	Attendance rate	Attendance/ number of sessions	Attendance rate	Attendance/ number of sessions	Attendance rate	Attendance/ number of sessions	Attendance rate	Attendance/ number of sessions	Attendance rate
Maurice Lévy *Chairman of the Board*	6/6	100%			3/3	100%	6/6	100%	2/2	100%		
Élisabeth Badinter[1] *Vice-Chair of the Board*	6/6	100%			3/3	100%			1/1	100%		
Simon Badinter[2]	6/6	100%							1/1	100%		
Jean Charest	6/6	100%	5/5	100%	3/3	100%						
Sophie Dulac[3]	6/6	100%									1/2	50%
Thomas H. Glocer[4]	6/6	100%	2/3	67%			6/6	100%	2/2	100%		
Marie-Josée Kravis	6/6	100%			3/3	100%			2/2	100%		
André Kudelski	6/6	100%	5/5	100%	3/3	100%	6/6	100%				
Enrico Letta[5]	2/2	100%							1/1	100%		
Suzan LeVine[1][3][6]	5/6	83%	4/5	80%	1/1	100%			1/1	100%	2/2	100%
Antonella Mei-Pochtler	5/6	83%					6/6	100%				
Cherie Nursalim[3][7]	6/6	100%					3/4	75%			2/2	100%
Pierre Pénicaud *Member representing employees*	6/6	100%							2/2	100%		
Patricia Velay-Borrini *Member representing employees*[3][8]	6/6	100%			2/2	100%					2/2	100%
Overall attendance rate		**97%**		**89%**		**100%**		**96%**		**100%**		**87%**

(1) Left the Strategy and Risk Committee during the financial year.
(2) Appointed to the Strategy and Risk Committee during the financial year.
(3) Appointed to the ESG Committee during the financial year.
(4) Appointed to the Audit Committee during the financial year.
(5) Member who resigned during the financial year.
(6) Appointed to the Nominating Committee during the financial year.
(7) Left the Compensation Committee during the financial year.
(8) Left the Nominating Committee during the financial year.
* The written consultation of April 8, 2021 was not counted in the number of Board meetings used to determine the attendance rate of members.

3.1.2.3 Duties of the Chairman of the Supervisory Board

Maurice Lévy, Chairman of the Supervisory Board, organizes the Supervisory Board's work so that it can fulfill its role in overseeing the Management Board's management of the Company. In 2021, he prepared, chaired and directed the debate of six Supervisory Board meetings.

The Chairman of the Supervisory Board also actively assists the Management Board, though without operating responsibility, insofar as is required, by responding to requests for advice from the Management Board on all major events affecting the Company. He thus ensures a balance between the governing bodies. He maintains the strong relationships built up with major Groupe clients over decades, coordinates public affairs in the countries in which Publicis operates and provides the Groupe with his wealth of experience. He also provides support to Publicis Groupe in the application of key management principles and the definition and supervision of the implementation of strategies for the future. He participates in three Supervisory Board Committees: Nominating Committee, Compensation Committee and Strategy and Risk Committee.

3.1.2.4 Duties and activities of the Supervisory Board

Assignments of the Supervisory Board

The Supervisory Board has the responsibility of exercising ongoing supervisory authority over the Management Board, in the interest of all stakeholders and, in particular, of shareholders. To this end, it may carry out, at any time of the year, the checks and controls it deems appropriate and may request any documents it deems useful for the performance of its mission.

In accordance with the law, the Supervisory Board is entrusted by the shareholders to appoint and dismiss the members of the Management Board, and in accordance with the Company's bylaws and internal rules, it supervises business and gives the authorizations to the Management Board to carry out the following operations:

- the acquisition or disposal of property;
- the total or partial acquisition and disposal of equity interests;
- the creation of sureties, as well as sureties and guarantees;
- any loan, issue of bonds or shares;
- any change in the Company's share capital, with the exception of those resulting from transactions that have already been authorized by the Supervisory Board.

In addition, any significant transaction outside the strategy announced by the Company must be approved in advance by the Supervisory Board. The Supervisory Board may also decide that specific financial transactions be subject to its prior approval.

Pursuant to Article 2 of the internal rules, the Supervisory Board determines, at the meeting for which the agenda includes approval of the annual financial statements for the previous financial year, the thresholds below which its prior approval is required. At its meeting of February 2, 2022, renewing its resolution of February 2, 2021, the Supervisory Board decided that the purchase or disposal of any real estate, the purchase or disposal of any company whose value exceeded 5% of the Company's equity, and any loan, bond or share issuance exceeding 5% of the Company's equity would be subject to the prior approval of the Supervisory Board.

Supervisory Board activities in 2021

The main points examined, and decisions made by the Supervisory Board at its meetings during 2021 were as follows:

- the first part of the meeting of February 2 was devoted to a presentation of the PMX activity by its CEO, David Penski. In the second part of its meeting, the Supervisory Board took note of the management report of the Management Board and reviewed the consolidated financial statements and parent company financial statements for 2020, after having heard the Audit Committee and the conclusions of the statutory auditors. The Supervisory Board did not comment on these documents and assured the Management Board of its support in its management of the Groupe. Prospects and commitments for 2021 were presented. The Supervisory Board renewed the limits on the powers of the Management Board and the annual authorizations for sureties and guarantees. The Compensation Committee presented its report;
- at its meeting of March 3, the Supervisory Board gave its assent to the Management Board on the commitment for 2021. The Strategy and Risk Committee presented its report. The CSR and sustainable development strategy was presented. It was highlighted that Publicis was the first communication group to join the Global Compact in 2003. The main actions carried out by Publicis and the Groupe's CSR objectives were presented. The Nominating Committee presented its report. On the impetus of Élisabeth Badinter, Chair of the Nominating Committee, the Committee considered the subject of diversity within the Board. On the recommendation of the Nominating Committee, the Supervisory Board confirmed the independent status of its members who were previously independent. The Supervisory Board expressed its opinion on the draft resolutions to be submitted to the General Shareholders' Meeting: in particular the Board decided, on the recommendation of the Nominating Committee, to submit to the General Shareholders' Meeting the renewal of the term of office of Maurice Lévy, Simon Badinter and Jean Charest as members of the Supervisory Board for a four-year term. The Compensation Committee presented its report on the 2021 compensation policy for the members of the Management Board and the Chairman, the performance criteria related to variable compensation, long-term compensation (LTI plans), the amount and structure of the compensation of the members of the Board and a comparison to carry out with the CAC 40 companies, on the Groupe's HR policy, employee salary reviews and

recruitment. After having heard the report of the Compensation Committee and on the recommendation of the latter, the Board set the variable compensation in respect of the 2020 financial year for the members of the Management Board and the Chairman of the Management Board, the compensation policy for the 2021 financial year for the members of the Management Board and the Chairman of the Management Board and the criteria for allocating their variable compensation, as well as the fixed compensation of the Chairman of the Supervisory Board and the compensation policy for the members of the Supervisory Board, to be voted on by shareholders pursuant to Article L. 22-10-26 of the French Commercial Code. The Supervisory Board then reviewed the summary results and drew conclusions from the annual self-assessment of its work for 2021. The Supervisory Board then approved the terms of its 2020 corporate governance report;

- by means of a written consultation on April 8, the Supervisory Board duly noted the resignation of Enrico Letta from his office as member of the Supervisory Board, with effect from March 28, 2021 and, the waiver by Michel-Alain Proch, member of the Management Board as of January 15, 2021, of his specific and exceptional termination indemnity;
- at its meeting of May 26, the Supervisory Board warmly congratulated Maurice Lévy, Simon Badinter and Jean Charest on their reappointment as members of the Supervisory Board. An update was made on the progress and conclusions to be drawn from the morning's General Shareholders' Meeting held behind closed doors due to the Covid-19 health crisis. The Supervisory Board was informed of the management report of the Management Board of March 31, 2021 and the quarterly parent company and consolidated financial statements, as well as the consolidated results at April 30, 2021. The Audit Committee presented its report. The updated forecasts were presented as well as the new 2021 commitment, which was approved. The Management Board noted the guarantees provided by Publicis Groupe SA to guarantee the commitments of its subsidiaries. The Supervisory Board expressed a favorable opinion on the implementation of a Euro Medium Term note (EMTN) program with a maximum principal amount of euro 1.5 billion and the issue of bonds under the EMTN program or outside the EMTN program, within the limit of the aforementioned maximum nominal amount. The Supervisory Board, on the recommendation of the Nominating Committee and after having consulted the members of the Board individually, decided to set up a new committee, called the ESG Committee, focused on environmental, social and governance issues, to modify the composition of existing committees in order to involve all Board members in at least one committee and to ensure that the various committees can work together on common issues;
- the first part of its July 21 meeting was devoted to a presentation of Re:Sources by Jean-Michel Etienne. In the second part of the meeting, the Board noted the reappointment of Pierre Pénicaud, member representing employees on the Board, for a four-year term by the Groupe Works Council on June 15, 2021. The Supervisory Board took note of the management report of the Management Board of June 30, 2021, and examined the half-yearly parent company and consolidated financial statements, after having heard the report of the Audit Committee and the conclusions of the statutory auditors. The annual forecasts for the end of June were presented. The Chairman of the Supervisory Board highlighted the good results of the Management Board and its teams and assured it of the support of the Supervisory Board;
- the first part of its meeting on September 13 was devoted to two presentations, the first on the Publicis Sapient activity, by its CEO, Nigel Vaz, the second on Global Practices of Publicis, by Steve King, member of the Management Board and COO of Publicis Groupe. In the second part, the Supervisory Board was informed of the Groupe's results at August 31, 2021 and the annual forecasts. The Audit Committee and the Strategy and Risk Committee presented their reports. The Chairman of the Management Board informed the Supervisory Board of the initial quantitative estimates for 2022, the construction of the 2022 budget and the strategic orientations undertaken by the Management Board. The Compensation Committee presented its report. The Committee reviewed the variable compensation of the members of the Management Board for the 2021 financial year, and was informed by the Management Board of the approach envisaged for future share plans, recruitment and salary reviews of employees. The ESG Committee presented the report of its first meeting of September 9, 2021. The Committee's objectives and priorities were presented, and the Committee discussed the long-term ESG strategy. The Committee was informed of the pillars of Publicis' ESG commitment, the upcoming application of new European regulations related to the climate, its risks and opportunities (European Green Taxonomy, SFDR (Sustainable Finance Disclosure Regulation), CSRD (Corporate Sustainability Reporting Directive) and the key actions carried out by the Groupe, in particular in terms of diversity, equity, inclusion, responsible marketing and the fight against climate change. Information was provided on the Company's anti-corruption program. The Supervisory Board approved the update of its internal rules;
- the first part of its meeting on November 24 was devoted to a presentation of India by Loris Nold (CEO APAC & MEA). During the second part of the meeting, the Supervisory Board read the management report by the Management Board of September 30, 2021 and examined the parent company and consolidated financial statements for the third quarter. The Groupe's position and results as at the end of October, as well as the updated forecasts, were presented. The Audit Committee presented its report. The Supervisory Board familiarized itself with the initial draft budget and the broad principles of the 2022 commitments. The Supervisory

Board also carried out an annual review of the agreements and commitments entered into with related-parties and authorized during previous financial years and noted that no agreements entered into previously and whose performance continued during the financial year fell within the scope of related-party agreements. The Audit Committee informed the Supervisory Board of the appropriateness of the criteria used when classifying ordinary arm's length agreements as part of the procedure assessing such agreements. The Supervisory Board noted that the agreements relating to ordinary arm's length agreements did indeed meet these conditions and that no agreements falling within the scope of article L. 225-86 of the French Commercial Code on related-party agreements had been entered into since the beginning of 2021. The Nominating Committee presented its report. The Board decided, on the recommendation of the Nominating Committee, to appoint Patricia Velay-Borrini to the Compensation Committee, from January 2022. The Compensation Committee presented its report. The ESG Committee presented its report. The ESG Committee examined the climate issues resulting from the work of COP 26 and the work to be carried out as part of an analysis of the risks and opportunities related to climate change.

3.1.2.5 Assessment of the Supervisory Board

The Supervisory Board performs an annual self-assessment of its work, examines the summary results and draws conclusions. Each member of the Supervisory Board completes a personal questionnaire, with possibility of having an individual meeting with the Chairman of the Supervisory Board or the member of the Supervisory Board responsible for overseeing the assessment. The results are summarized and then a meeting is held to take comments. Thomas Glocer, an independent member, in direct contact with Supervisory Board members, conducted individual interviews with any Board member who so wished and carried out this assessment for the 2020 financial year with the support of the Secretary General and the Legal Department. Responses were examined in detail, and compared with the responses given by the same member the previous year. An analysis of the conclusions of the 2020 assessment was presented at the Supervisory Board meeting of March 3, 2021 and the Board led a discussion on areas for improvement. It emerged from this analysis that the members of the Board noted the resilience and quality of the Board's activity during the crisis period, the ability to hold virtual meetings, which were just as effective as those held in person. In addition, all members of the Board expressed their assessment of the Groupe's management activity carried out by the Management Board during the period of the health crisis.

The areas for improvement identified are to increase diversity within the Board, strengthen its skills in data and new technologies, ensure the effective contribution of Board members and improve the deadlines for the transmission of documents to Board meetings. The desire to meet with the Groupe's executives was also expressed.

With regard to the Strategy and Risk Committee, the members would like to have the opportunity to further discuss the Publicis Groupe's long-term strategy, to compare the strategy with that of its competitors and to be able to better explore the issues relating to diversity, inclusion and employee development.

The self-assessment for the 2021 financial year was carried out at the beginning of 2022 and the conclusions were presented at the Board meeting of March 17, 2022. The tone of this self-assessment is positive and notes progress on the points raised last year.

3.1.2.6 On-boarding and training of Supervisory Board members

All new members of the Supervisory Board are informed of their obligations. A welcome and induction program for all new members of the Supervisory Board has been formalized. On this occasion, personalized meetings with the Chairman of the Supervisory Board, the General Management and the Legal and Finance Departments are proposed to familiarize the new member with the organization and internal practices as well as with the Groupe's business sectors. He or she receives documentation to help the new member accomplish his or her mission. Where appropriate, site visits may be planned with the managers of subsidiaries.

Each Board member has access, should they so wish, to additional training in particular on the particularities of the Company, its business lines, industry and the Company's corporate and social responsibility challenges.

Moreover, any Board member representing employees has, by law, access to special training on the performance of their role and time allocated to allow them to do their job under the best possible conditions.

During the 2021 financial year, at her request, Patricia Velay-Borrini attended a technical training course provided by an external training organization on the duties of the Compensation Committee. The program of this training was validated by the Secretary General, with the help of the Legal Department, to enable Patricia Velay-Borrini to join the Compensation Committee with the best possible preparation.

3.1.2.7 Procedure for assessing ordinary arm's length agreements (so-called ordinary agreements)

In accordance with article L. 22-10-12 of the French Commercial Code, the Supervisory Board meeting of September 11, 2019 established, at the behest of the Audit Committee, a procedure for assessing ordinary arm's length agreements entered into by Publicis Groupe SA.

The procedure for checking the classification and evaluation applies to all new agreements as well as any subsequent amendments (in particular renewal, extension) or when there are certain indications that an agreement or a certain type of agreement no longer fully qualifies as ordinary agreements.

The Legal Department is informed of agreements typically classified as related-party agreements or ordinary agreements at Publicis Groupe SA by the person directly or indirectly concerned who is aware of a draft agreement and, more broadly, by any Groupe body that is aware of a draft agreement.

The ordinary nature and arm's length terms and conditions of agreements are considered on a case-by-case basis by the Legal Department with the support of the Finance, Accounting, Real Estate and Internal Control Departments with reference to the study published by "Compagnie Nationale des Commissaires aux Comptes" in February 2014 on related-party and ordinary agreements. If, following analysis, it appears that the agreement cannot be classified as an ordinary arm's length agreement, it will be subject to the procedure for assessing related-party agreements.

Any person directly or indirectly concerned with an ordinary agreement is not involved in its evaluation.

The Audit Committee looks at existing agreements as well as the criteria allowing the classification of ordinary arm's length agreements. It informs the Supervisory Board of the follow-up and outcomes of this procedure in the meeting on the annual review of the agreements entered into and approved in prior financial years that are still in effect.

The Supervisory Board expresses a view on changes to the procedure it feels are necessary and, on the exclusion, or inclusion of certain agreements in the category of ordinary arm's length agreements.

3.1.2.8 Observations of the Supervisory Board on the Management Board report and the financial statements for 2021

The Management Board presented its management report at the Supervisory Board Meeting of February 2, 2022, as well as the annual and consolidated financial statements for 2021. The Supervisory Board examined them, made itself aware of the opinion of the Audit Committee on the closing of the accounts, and had a discussion with the statutory auditors. After having received all the information deemed to be relevant, the Supervisory Board had no comments to make.

3.1.2.9 The Supervisory Board's Specialized Committees

The specialized committees set up within the Supervisory Board are as follows:

- the Audit Committee;
- the Nominating Committee;
- the Compensation Committee;
- the Strategy and Risk Committee; and
- the ESG Committee, created on decision of the Supervisory Board of May 26, 2021.

The detail of the operating conditions for the five Committees is indicated in Title II "Specialized Committees" in the Supervisory Board's internal rules. This document is available for consultation on the Publicis Groupe website (www.publicisgroupe.com).

Each committee comprises at least three members who must be natural persons, members of the Supervisory Board. The Board appoints the members of the committees. The members of the committees are appointed for the duration of their term on the Supervisory Board and may be reelected in the same manner, pursuant to article 13 of the bylaws. Each member is chosen on the basis of his or her skills and expertise in the Committee's area of work. The Board appoints a Chair for each Committee chosen from among its members, whose role is to direct the work of the Committee and report on it to the Supervisory Board. The committees may appoint an external expert, either temporarily or on a permanent basis, whose compensation will be determined by the committee in question.

The five specialized committees assist the Supervisory Board in the performance of its duties and thus contribute to the improvement of corporate governance within the Groupe. The committees, each in its own area of expertise, prepare the work of the Supervisory Board and issue recommendations and opinions to help the Board make decisions.

The members of the committees are appointed for the duration of their term on the Board and may be reelected in the same manner, pursuant to article 13 of the bylaws.

Committee members may be dismissed *ad nutum* at the discretion of the Supervisory Board, without any need for justification. At least half of the members of the committees must be present for the committees to validly deliberate. A member may not participate by proxy.

Following the renewal of three terms of office as members of the Supervisory Board at the General Meeting of Shareholders of May 26, 2021, the Board decided to modify the composition of the Committees, according to the skills of the members, their interests, in compliance with the principle of diversity and gender parity and the recommendations of the Afep-Medef Code, at the same time as a new committee was created, the ESG Committee. The composition of the five committees ensures a diversified and balanced representation in terms of diversity, independence, skills, experience and nationalities.

Audit Committee

Independent members: **100%**	**5 meetings** Attendance rate: **89%**	Gender balance: **25% Women** **75% Men**

As at December 31, 2021, the Audit Committee was chaired by Jean Charest (independent member) and composed of three other independent members: Suzan LeVine, André Kudelski and Thomas H. Glocer. Due to their professional backgrounds, its members have particular expertise in financial and accounting matters.

Pursuant to the decision of the Supervisory Board of May 26, 2021, Jean-Michel Etienne assists the Audit Committee as a permanent expert, he brings his knowledge of Publicis Groupe and his expertise in financial and accounting matters.

Changes in the composition of the Audit Committee in 2021:

Member of the Audit Committee	Departure	Appointment
Thomas H. Glocer *(independent member)*		May 26, 2021

The Audit Committee is governed by articles 6, 11 and 12 of the Supervisory Board's internal rules.

The missions of the Audit Committee with regard to the Supervisory Board are as follows:

- to examine the parent company financial statements and consolidated financial statements, as well as the financial disclosures issued, before they are presented to the Supervisory Board, to monitor their preparation and to formulate, if required, recommendations to guarantee their integrity;
- to supervise the organization and implementation of the Groupe's internal audit, to monitor the effectiveness of the internal control and risk management framework and to verify the accuracy and regularity of the financial statements;
- to issue a recommendation to the Supervisory Board on the choice of statutory auditors proposed for appointment or renewal by the General Shareholders' Meeting under the conditions stipulated by the law, and to ensure their independence;
- on behalf of the Supervisory Board, to authorize the provision of services not included in the missions of legal control as well as the budget to be allocated, in accordance with legal provisions.

The Committee has a sufficient period of time to review the accounts before they are examined by the Supervisory Board.

During the course of the 2021 financial year, the Audit Committee was regularly informed about the program, the results and corrective measures implemented as a result of internal controls, the results of auditing assignments and their follow up as well as the principal pending legal disputes and their developments. The work of the internal audit and internal control teams continued despite the Covid-19 crisis, according to the same working methods adopted during the 2020 financial year, which had made it possible to conduct the audit missions in 2020 remotely. A review was initiated by the Internal Audit Department to adapt working methods with the development of working from home and with a view to improving internal audit process. A summary of the controls carried out by the internal audit within the framework of the anti-corruption law was produced. No cases of corruption were identified, however areas of risk were identified and action plans were implemented to reduce them. The Committee was also informed about all fraud or fraud attempts of which the Groupe may have been made aware. A report was presented on attempted phishing scams, which were up sharply, due in particular to working from home and lockdowns. IT security measures have been strengthened. Cases of alerts or whistleblowing processed by the Internal Audit Department were communicated to the Committee.

The Committee heard from the statutory auditors without the presence of the members of Management during its meetings on the financial statements. The Committee checked the independence of the statutory auditors and monitored the completion of their duties. The statutory auditors presented their methodology, the scope of their audit and the main technical matters of the audited financial statements and detailed their work to the Committee. The Committee reviewed and authorized the fees for additional assignments entrusted to the statutory auditors and issued an opinion on the budget for their fees for the 2021 financial year. In financial year 2021, the Groupe's General Management launched a call for tenders to select the future auditors of the Groupe who should replace one of the Groupe's audit firms whose term of office expires at the General Shareholders' Meeting called to approve the financial statements of the 2022 financial year. The Audit Committee participated in the selection of new auditors.

An analysis of the Groupe's cash position and future needs was provided to the Committee, as well as a comparison with the main competitors, which showed the robustness of Publicis Groupe's cash position. The Committee reviewed the action plans aimed at further reducing the Groupe's costs.

The Committee reported to the Supervisory Board on the exercise of its duties, the results of the accounts certification, the way that this had contributed to the integrity of the financial information and the Committee's role in the process. During the Supervisory Board meeting on the annual review of related-party agreements and commitments entered into and authorized during previous financial years, the Committee informed it of the follow-up and the results of the procedure put in place on September 11, 2019 for the assessment of agreements entered into by Publicis Groupe SA relating to ordinary transactions concluded under arm's length conditions within the meaning of article L. 22-10-29 of the French Commercial Code. The Committee reviewed and approved the 2021 Internal Audit Plan.

Nominating Committee

Independent members: **66%***	**3 meetings** / Attendance rate: **100%**	Parity: **50% Women** **50%* Men**

* *Excluding the member representing employees.*

As at December 31, 2021, the Nominating Committee was chaired by Élisabeth Badinter and composed of five other members, including four independent members: Marie-Josée Kravis (independent member), Suzan LeVine (independent member), Jean Charest (independent member), André Kudelski (independent member) and Maurice Lévy.

Changes in the composition of the Nominating Committee in 2021:

Member of the Nominating Committee	Departure	Appointment
Patricia Velay-Borrini *(member representing employees)*	May 26, 2021	
Suzan LeVine *(independent member)*		May 26, 2021

The Nominating Committee is governed by articles 7, 11 and 12 of the Supervisory Board's internal rules.

The missions of the Nominating Committee with regard to the Supervisory Board are as follows:

- to make any appropriate observations on the composition of the Supervisory Board and Management Board;
- to propose to the Supervisory Board a process for selecting members of the Management Board that ensures, until the end of the process, the presence of at least one person of each gender among the candidates;
- to propose, to the Board, candidates for corporate officers of the Company;
- to examine proposals for the appointment of Head Office executives, members of the Management Committee and of the Executive Committees of the major countries;
- to draw up a succession plan for executive and non-executive corporate officers and to examine, beforehand, the succession plans for all key positions;
- to examine the gender balance policy applied to management bodies.

During 2021, the Committee reviewed the composition of the Supervisory Board. This review focused on the independence of members with regard to the criteria set out in the Afep-Medef Code and on diversity. After consulting and obtaining their consent, the Committee recommended to the Supervisory Board the renewal of the terms of office of Maurice Lévy, Simon Badinter and Jean Charest for a four-year term. The Supervisory Board has followed its recommendation. The Committee reviewed the succession plan for corporate officers.

At the beginning of 2022, the Nominating Committee decided on the terms of office of the members of the Board, Élisabeth Badinter and Cherie Nursalim, expiring at the 2022 General Shareholders' Meeting. With Élisabeth Badinter not taking part in the discussions, the Committee decided to recommend the renewal of the term of office of Élisabeth Badinter as a member of the Supervisory Board for a period of four years.

The Nominating Committee worked on a selection of potential candidates to join Publicis Groupe's Supervisory Board as independent members, in view of the needs in terms of skills, diversity requirements and compliance with quotas on gender equality and recommendations on compliance with a proportion of independent members (50% in application of the Afep-Medef Code §9.3).

The Chairman of the Supervisory Board and the Chair of the Nominating Committee studied in particular the candidacy of Tidjane Thiam and assessed the adequacy of his experience to the needs of Publicis and compliance with the independence criteria as defined in the Corporate Governance Code. The Nominating Committee recommended that the Supervisory Board propose the appointment of Tidjane Thiam to the General Shareholders' Meeting, in view of his exceptional career in international finance, his human qualities and his unique experience with China and Africa.

Compensation Committee

Independent members: **75%**	**6 meetings** / Attendance rate: **96%**	Parity: **25% Women** **75% Men**

As at December 31, 2021, the Compensation Committee was chaired by André Kudelski (independent member), and composed of three other members, including two independent members: Antonella Mei-Pochtler (independent member), Thomas H. Glocer (independent member) and Maurice Lévy. Michel Cicurel assists the Committee as a permanent expert.

As of January 2022, the Compensation Committee welcomed Patricia Velay-Borrini (member representing employees), pursuant to the Supervisory Board's decision of November 24, 2021.

As a reminder, this proposal had already been made to her in November 2020, when she was appointed to the Supervisory Board. Patricia Velay-Borrini had declined this proposal, having expressed the wish to be trained in the subjects within the remit of the Committee during the first year of her term of office.

Changes in the composition of the Compensation Committee in 2021:

Member of Compensation Committee	Departure	Appointment
Cherie Nursalim *(independent member)*	May 26, 2021	
Patricia Velay-Borrini *(member representing employees)*		November 24, 2021 Applicable as from January 1, 2022

The Compensation Committee is governed by articles 8, 11 and 12 of the Supervisory Board's internal rules.

The missions of the Compensation Committee with regard to the Supervisory Board are as follows:

- to issue a recommendation on the amount and division of compensation allocated to members of the Supervisory Board;
- to study and propose to the Supervisory Board the elements of compensation and benefits to executive corporate officers in the Company, and particularly the variable compensation, as well as the attribution of stock subscription or purchase options, performance shares and all other elements of compensation (termination benefits, pension, non-compete clauses, etc.)
- to propose to the Supervisory Board the draft resolutions, to be submitted to the General Shareholders' Meeting, on the compensation policy for corporate officers, the information relating to this compensation and the elements comprising this compensation;
- to approve the fixed, variable and exceptional compensation conditions making up the total compensation and benefits of any kind for the Company's head office executives, members of the Management Committee and Executive Committees of the major countries;
- in general terms, approving, prior to any decision of the Management Board, the variable compensation systems, and policies in the area of compensation, awarding of stock options, free shares or performance shares, or any similar instrument.

During 2021, the Committee examined issues relating to the compensation of the members of the Management Board (fixed and variable portions) and of the Chairman of the Supervisory Board (fixed compensation). With regard to the fixed compensation of the members of the Management Board, the Committee noted that Anne-Gabrielle Heilbronner and Steve King took part in the efforts required from the Groupe during the health crisis by agreeing to a 20% reduction over six months in their fixed portion for 2020, and that Arthur Sadoun had agreed to a reduction of 30% over six months of his fixed portion in respect of 2020. With regard to variable compensation, the Committee validated the achievement of the performance objectives and in particular the achievement of the objectives relating to the management of the crisis, to formulate a recommendation to the Board on the amounts of variable compensation to be awarded. The Committee reviewed the calculation method and the scope for comparing the compensation of executive corporate officers with the Company's performance and the average and median compensation of employees. The Committee was informed of the share-based compensation plans granted and delivered in 2021 and was consulted on the share-based compensation policy: the principles of a new long-term compensation plan were submitted to the Committee. The Committee was kept informed of increases for members of the country Executive Committees and approved the variable compensation package for the Groupe's employees for 2021. The Committee compared the total compensation of the Supervisory Board of Publicis Groupe SA with the compensation awarded to the Boards of other similar companies. The Committee was also informed of the points of attention noted in the reports of the proxy advisory firms or addressed during the discussions with the shareholders prior to the General Shareholders' Meeting of May 26, 2021.

Strategy and Risk Committee

Independent members: **60%***	**2 meetings** Attendance rate: **100%**	Parity: **40% Women 60%* Men**

* *Excluding the member representing employees.*

As at December 31, 2021, the Strategy and Risk Committee was chaired by Marie-Josée Kravis (independent member) and composed of five other members including two independent members and one member representing employees: Antonella Mei-Pochtler (independent member), Maurice Lévy, Simon Badinter, Thomas H. Glocer (independent member) and Pierre Pénicaud (member representing employees).

Changes in the composition of the Strategy and Risk Committee in 2021:

Member of the Strategy and Risk Committee	Departure	Appointment
Enrico Letta	March 28, 2021	
Élisabeth Badinter	May 26, 2021	
Suzan LeVine	May 26, 2021	
Simon Badinter		May 26, 2021
Antonella Mei-Pochtler		September 13, 2021

The Strategy and Risk Committee is governed by articles 9, 11 and 12 of the Supervisory Board's internal rules.

The missions of the Strategy and Risk Committee with regard to the Supervisory Board are as follows:

- to examine (in coordination with the Audit Committee), the risks to which the Company is exposed and the policies and corrective measures that will allow it to control and reduce these risks;
- to review the major strategic and development options available to the Groupe and decide whether or not they are implemented with respect to transactions likely to affect the Groupe's strategy as a whole;
- to examine the Groupe's Corporate Social and Environmental Responsibility (CSR) strategy and the options selected to implement this strategy.

During 2021, the Committee examined the Groupe's situation in the context of the Covid-19 crisis and outlined the resilience as well as the rapidity and agility of the Groupe's model, the mobilization of the teams, the priority given to the health and safety of employees, which was ensured while protecting jobs. The Committee examined the risks facing the Company and the policies making it possible to control or reduce them, the Groupe's corporate and social responsibility (CSR) strategy and the options adopted when implementing this strategy as well as the major strategic options and development opportunities available to the Groupe. The Committee took note of the report on stakeholder engagement, which was drawn up on the basis of informal consultations with clients, employees and shareholders on topics relating in particular to diversity, data and the Groupe's support for its clients to accompany them in their CSR transformation and climate change. The Committee focused on diversity and climate change. It was informed of the appointment of a new Director of Diversity and Inclusion in the United States and the creation of a Steering Committee on Diversity and Inclusion for the Groupe composed of representatives from the 10 key countries. The Committee was informed of the Publicis Groupe action plan to contribute to the fight against global warming.

The Committee reviewed the risk mapping. Risks are generally on the rise. Competitive pressure on talent and clients has intensified. The Committee noted the high attrition rate of talent in 2021, a phenomenon that is not unique to the Groupe. The Committee examined more specifically the risks related to data protection and personal data compliance, which have increased due in particular to the strengthening of regulatory requirements. With regard in particular to risks related to cybersecurity, the Committee noted the increase in attacks and the implementation of additional means to strengthen IT security. The Committee updated the specific corruption and influence peddling risk mapping that is used for controls and audits. Risks of corruption and influence peddling remain low within the Groupe. The Committee assessed the tax risks, which are at a low level. The Committee was informed of the implementation of the action plan relating to duty of care and updated the risk mapping specific to the duty of care plan. The Committee examined the Groupe's strategic priorities and related execution risks.

3

ESG Committee

Independent members: **66%***	**2 meetings** Attendance rate: **87%**	Parity: **100%*** **Women**

* *Excluding the member representing employees.*

As at December 31, 2021, the ESG Committee was chaired by Suzan LeVine (independent member) and composed of three other members, including one independent member and one member representing employees: Cherie Nursalim (independent member), Sophie Dulac and Patricia Velay-Borrini (member representing employees).

At the Supervisory Board meeting of November 24, 2021, it was decided that Patricia Velay-Borrini was to join the Compensation Committee as of the 2022 financial year and that she was to leave the ESG Committee at the same time, to devote herself entirely to the subjects dealt with by the Compensation Committee.

In addition, the Supervisory Board, at its meeting of February 2, 2022, appointed Antonella Mei-Pochtler as a member of the ESG Committee.

Changes in the composition of the ESG Committee in 2021:

Member of the ESG Committee	Departure	Appointment
Patricia Velay-Borrini *(member representing employees)*	November 24, 2021 Applicable as from January 1, 2022	

The ESG Committee was created pursuant to a decision of the Board at its meeting of May 26, 2021, with the aim of providing the Board with a specialized Committee that can prepare the Board's work on environmental, social and governance issues.

The ESG Committee is governed by articles 10, 11 and 12 of the Supervisory Board's internal rules.

The missions of the ESG Committee with regard to the Supervisory Board are as follows:

- in terms of social and environmental issues:
  - reviewing the Groupe's CSR (Corporate Social Responsibility) policy and initiating any discussions on the long-term evolution of this policy,
  - examining the Groupe's social policies, formulating proposals in terms of diversity and inclusion, professional equality, changes in working conditions,
  - prepare the work of the Board with regard to the deployment of social and environmental policies and, when they are adopted, to measure progress and the achievement of objectives;
- in terms of governance issues:
  - lead a reflection, in conjunction with all stakeholders, on the Groupe's purpose,
  - conducting discussions and proposing solutions aimed at taking into account the interests of stakeholders in the challenges and major strategic orientations of the Company and the Groupe;
- in terms of non-financial criteria:
  - examining the non-financial reporting and control systems as well as the non-financial information published by the Groupe.

In 2021, the ESG Committee reviewed the Groupe's ESG strategy and the actions already taken in the areas of diversity, equity, inclusion, responsible marketing and the fight against global warming. The Committee examined the strategic importance of actions related to the Company's social and environmental responsibility, that of enhancing and retaining employees and clients and the need for the Groupe to take into consideration the value it creates for all stakeholders. The Committee was informed of Publicis Groupe's ESG ratings. The Committee was informed of the commitment "Net Zero Gender Gap" signed by Publicis and 46 other companies as part of the Women's Forum.

The Committee was informed of the work carried out on the monitoring of ESG performance indicators and their quantification and took note of the proposals made by the Management Board, which mainly concern more frequent monitoring and the simplification of ESG performance indicators. At the same time, the Committee discussed the many standards available in terms of non-financial performance. The topic of the Groupe's "raison d'être" (purpose) was considered. In particular, 23 young talent took part in three reflection and discussion workshops to prepare the definition of a "raison d'être". The Committee has undertaken work on the Groupe's ESG communication strategy, which aims in particular to strengthen employees' knowledge of ESG issues and improve communication on Publicis' performance and achievements on ESG issues.

In addition, the Committee was informed of the new European regulations, which affect companies and Publicis, in particular those relating to the European Green Taxonomy, focused on the objectives of mitigation and adaptation to climate change, making it possible to identify the first so-called sustainable activities.

3.1.3 Management Board

3.1.3.1 Composition of the Management Board at December 31, 2021

The Company's bylaws provide that the Management Board must have between two and seven members. The members of the Management Board are appointed by the Supervisory Board for four-year terms. They may be reappointed.

The Management Board has been chaired by Arthur Sadoun since June 1, 2017. He succeeded Maurice Lévy, who became Chairman of the Supervisory Board of Publicis Groupe.

The Management Board was reappointed by the Supervisory Board on September 12, 2018. Accordingly, Arthur Sadoun as Chairman of the Management Board, Anne-Gabrielle Heilbronner and Steve King were reappointed for a four-year term at the end of their terms of office.

At its meeting of November 25, 2020, the Supervisory Board appointed Michel-Alain Proch as a member of the Management Board as from January 15, 2021, replacing Jean-Michel Etienne, whose term of office ended on December 31, 2020.

At December 31, 2021, the Management Board had four members: Arthur Sadoun, (Chairman), Anne-Gabrielle Heilbronner, Steve King, Michel-Alain Proch.

The table below provides a summary of the Management Board's composition as at December 31, 2021:

	Personal information				Experience	Position within the Management Board			Meeting Attendance
	Age(1)	Gender	Nationality	Number of Publicis Groupe SA shares held(1)	Total number of offices held in listed companies	First appointment	Years on the Management Board	End of term of office	Individual attendance rate at Management Board meetings
Arthur Sadoun *Chairman of the Management Board*	50	M	French	136,511	2	06/01/2017	4	09/14/2022	100%
Anne-Gabrielle Heilbronner	52	F	French	16,108	2	09/15/2014	7	09/14/2022	100%
Steve King	62	M	British	45,641	1	06/01/2017	4	09/14/2022	93%
Michel-Alain Proch	51	M	French	20,703	2	01/15/2021	1	09/14/2022	100%

(1) At December 31, 2021.
M: Male – F: Female

Changes to the composition of the Management Board in 2021

With the exception of the appointment of Michel-Alain Proch as a member of the Management Board as of January 15, 2021, there was no change in the composition of the Management Board in 2021.

Presentation of the members of the Management Board

The profiles below present Management Board members, their experience and skills, and their main offices and positions over the last five years, to the Company's knowledge.

Arthur Sadoun

- Chairman of the Management Board

Born on May 23, 1971,
of French nationality
First appointment: June 1, 2017
Expiry of term of office:
September 14, 2022
Number of shares held: 136,511
Publicis Groupe SA
133, avenue des Champs-Élysées
75008 Paris
France

Biography

Arthur Sadoun, who has a diploma from the European Business School and an MBA from INSEAD, the European Institute of Business Administration, started his career at the age of 21, creating his own advertising agency in Chile that he would later sell to BBDO. He joined the TBWA network (Omnicom) in 1997 and was appointed CEO of TBWA/Paris in 2003. In 2006, he joined Publicis Groupe as CEO of Publicis Conseil, the flagship of the Groupe, founded by Marcel Bleustein-Blanchet. He was appointed Chairman of Publicis France in 2009 then promoted to CEO of the Publicis Worldwide network in 2013. In 2015, he was appointed CEO of Publicis Communications, the creative solutions arm of Publicis Groupe. He has been Chairman of the Management Board of Publicis Groupe SA since June 1, 2017.

Arthur Sadoun was made a "Chevalier de l'Ordre National du Mérite" in 2014 and named "Director of the Year" by Advertising Age in 2016. He was made a "Chevalier de la Légion d'Honneur" in 2021.

Other offices and positions held within the Groupe

- Chairman and Chief Executive Officer: Publicis Conseil SA (France)
- Director: BBH Holdings Limited (United Kingdom), MMS USA Holdings, Inc. (United States)

Main offices and positions held outside the Groupe

- Independent director: Carrefour SA, listed company (France)

Offices held outside the Groupe in the last five years

Office listed above as well as the following office:

- Independent director and member of the Corporate, Environmental and Social Responsibility Committee: Fnac Darty SA, listed company (France) (term ended in 2018)

Anne-Gabrielle Heilbronner

- Member of the Management Board

Born on January 7, 1969, of French nationality
First appointment: September 15, 2014
Expiry of term of office: September 14, 2022
Number of shares held: 16,108

Publicis Groupe SA
133, avenue des Champs-Élysées
75008 Paris
France

Biography

Finance inspector, former student at ENA, Anne-Gabrielle Heilbronner is a graduate of ESCP and Sciences Po Paris and holds a DEA law degree. She joined the Treasury Directorate in 1999. In 2000, she worked for Euris/Rallye, and became head of Corporate Finance. From 2004 to 2007, she was Cabinet Director for the Secretary of State for the Reform of the State and then advisor to the Minister for Foreign Affairs. Between 2007 and 2010, she was the Director of Internal Audit & Risk Management at the SNCF. She was Senior Banker at Société Générale Corporate & Investment banking before joining Publicis Groupe in April 2012 where she took over the functions of Secretary General. Member of the Management Board since 2014, she currently supervises the Human Resources, Legal, Procurement, Audit, Risk Management and Internal Control functions, as well as Environmental and Social Responsibility. Anne-Gabrielle Heilbronner is Chair of the Women's Forum for the Economy and Society.

Other offices and positions held within the Groupe

- Secretary General: Publicis Groupe SA
- Chair: Publicis Groupe Services SAS (France), Wefcos SAS (France)
- Member of the Management Committee: Multi Market Services France Holdings SAS (France)
- Representative of Multi Market Services France Holdings on the Board of Directors of Régie Publicitaire des Transports Parisiens Métrobus Publicité SA (France)
- Director: Somupi SA (France), Publicis Groupe Holdings BV (Netherlands), BBH Holdings Limited (United Kingdom), Sapient Corporation (United States), Publicis Limited (United Kingdom)
- Director Chairman: Publicis Live SA (Switzerland)

Main offices and positions held outside the Groupe

- Director and Chair of the Audit Committee: Sanef SA (France)
- Director and Chair of the Governance and CSR Committee: Orange SA, listed company (France)

Offices held outside the Groupe in the last five years

Offices listed above

Steve King

- Member of the Management Board

Born on August 8, 1959,
of British nationality
First appointment: June 1, 2017
Expiry of term of office:
September 14, 2022
Number of shares held: 45,641
Publicis Groupe SA
133, avenue des Champs-Élysées
75008 Paris
France

Biography

As Chief Operating Officer (COO) of Publicis Groupe, Steve King is responsible for the development of marketing transformation expertise throughout the Groupe. As part of this work, he is tasked with coordinating Groupe global services covering media, commerce, content and production. Steve King is a member of the Management Board of Publicis Groupe SA, of the Management Committee and of the US Executive Committee. He is also Chairman of the new EMEA Executive Committee. He was previously Global CEO of Publicis Media, creating an organization bringing together the Zenith, Starcom, Digitas, Spark Foundry and Performics brands, which were sources of growth, new clients and operational success for the Groupe. Before heading Publicis Media, he was CEO of ZenithOptimedia Worldwide and was one of the founders, in 1988, of Zenith Media, an agency which revolutionized the sector. Recognized throughout the profession, he is often interviewed to analyze market trends and present his views on major issues facing the media. He was included in the Power List of Adweek magazine in 2016-2018 and is also a member of the Board of Directors of The Paley Center for Media.

Other offices and positions held within the Groupe

- Director: Publicis Media, Inc. (United States), VNC Communications, Inc. (United States), Digitas, Inc. (United States), Publicis Media Limited (United Kingdom), Zenith International (Media) Ltd (United Kingdom), Applied Media Logic Ltd (South Africa), Nurun Crazy Labs SLU (Spain), Leo Burnett Iberia SLU (Spain), Publicis Comunicacion Espana SLU (Spain)
- Management Board member: Apex Exchange, LLC (United States)

Main offices and positions held outside the Groupe

None

Offices held outside the Groupe in the last five years

None

Michel-Alain Proch

• Member of the Management Board

Born on April 18, 1970, of French nationality
First appointment: January 15, 2021
Expiry of term of office: September 14, 2022
Number of shares held: 20,703
Publicis Groupe SA
133, avenue des Champs-Élysées
75008 Paris
France

Biography

Michel-Alain Proch joined Publicis Groupe in January 2021 as a member of the Management Board and took up the position of Groupe Chief Financial Officer in February 2021. He is Vice-Chair of the Board of Directors of Maisons du Monde, since March 2020. Michel-Alain Proch previously served as Chief Financial Officer of Ingenico from February 2019 until the acquisition of the company by Worldline in November 2020 and since then advised its Chair and CEO on the integration of the two companies. He previously held the position of Senior Executive Vice-President and Chief Digital Officer of Atos Groupe in 2018, after leading the Groupe's operations in North America from 2015 to 2017.

As Executive Vice-President and Chief Financial Officer of Atos, from 2007 to 2015, he led several major acquisitions and successfully co-piloted the IPO of Worldline. He was also named best CFO (Europe, software and IT services) by Extel for four consecutive years. He was a member of the Board of Directors of Worldline until 2016. He previously held management positions at Hermès in France and the United States for eight years. He began his career as a consultant at Deloitte & Touche in France and the United Kingdom.

Other offices and positions held within the Groupe

- Groupe Chief Financial Officer: Publicis Groupe SA
- Chair and Chair of the Executive Committee: Multi Market Services France Holdings SAS (France)
- Chair: Publicis Finance Services SAS (France)
- Representative of Multi Market Services France Holdings SAS, Chair: Ella Factory SAS (France)
- Chair and Director: MMS Canada Holdings Inc. (Canada), TMG MacManus Canada Inc. (Canada)
- Chairman, Director and Treasurer: Obtineo USA, Inc. (United States)
- Chairman of the Board of Directors: MMS Italy Holdings S.r.l (Italy), MMS México Holdings, S. de RL de CV (Mexico), SWELG Holding AB (Sweden)
- Director: Publicis Communication Pty Ltd (Australia), Multi Market Services Australia Holdings Pty Ltd (Australia), MMS Multi-Market Services Ireland DAC (Ireland), MMS Multi Euro Services DAC (Ireland), MMS Netherlands Holdings BV (Netherlands), Publicis Groupe Holdings BV (Netherlands), Zenith International (Media) Ltd (United Kingdom), BBH Holdings Limited (United Kingdom), Lion Re:Sources UK Limited (United Kingdom), MMS UK Holdings Limited (United Kingdom), Saatchi & Saatchi Holdings Limited (United Kingdom), MMS USA Holdings, Inc. (United States)
  Co-manager: MMS Germany Holdings GmbH (Germany), Multi Market Services Spain Holdings, SLU (Spain), Lion Resources Iberia, SLU (Spain)

Main offices and positions held outside the Groupe

- Vice-Chairman of the Board of Directors, independent director, Chairman of the Audit Committee and member of the Nominating and Compensation Committee: Maisons du Monde SA, listed company (France)

Offices held outside the Groupe in the last five years

Office listed above as well as the following offices:

- Chairman: Banks and Acquirers International Holding SAS (France) (term ended in November 2020), Ingenico Business Support SAS (France) (term ended in 2020)
- Chief Executive Officer: Banks and Acquirers International Holding SAS (France) (term ended in 2020), Ingenico Banks and Acquirers France SAS (France) (term ended in June 2020), Retail International Holding SAS (France) (term ended in 2020)
- Director: Ingenico Holdings Asia II Limited (Hong Kong) (term ended in 2019), Ingenico Holdings Asia Limited (Hong Kong) (term ended in 2020), Ingenico Business Support Americas, S. de RL de CV (Mexico) (term ended in 2019), Ingenico International (Singapore) Pte Ltd (Singapore) (term ended in 2019), Fujian Landi Commercial Equipment Co., Ltd. (China) (term ended in 2020), Ingenico Corp. (United States) (term ended in 2020), Ingenico Inc. (United States) (term ended in 2020), Ingenico Retail Enterprise US Inc. (United States) (term ended in 2019), Stichting Beheer Derdengelden Ingenico Financial Solutions (Netherlands) (term ended in 2021), Bambora Top Holding AB (Sweden) (term ended in 2020)
- Member of the Supervisory Board: Global Collect Services BV (Netherlands) (term ended in 2021)

3.1.3.2 Conflicts of interest, family ties and service contracts

As of the date of preparation of this Universal Registration Document, to the best of the Company's knowledge, there are no family ties or potential conflicts between the private interests of the members of the Management Board and their duties towards the Company. The members of the Management Board have no family ties with the members of the Supervisory Board.

Moreover, there is no undertaking or agreement by the Company or its subsidiaries with members of the Company's Management Board providing for benefits to be paid upon termination of their roles, nor any other agreement between the Company, its subsidiaries and these persons, other than those described in Sections 3.2 and 3.3. Except as may be described otherwise in Section 3.3, no appointment as member of the Management Board has been made pursuant to an undertaking made to a major shareholder, client or a supplier of the Company.

3.1.3.3 No conviction for fraud

Over the last five years, to the best of the Company's knowledge at the date of this Corporate Governance Report:

- no member of the Company's Management Board has been convicted of fraud;
- no member of the Management Board has been involved in a bankruptcy or been subject to receivership or liquidation;
- no indictment and/or official public sanction has been pronounced against these people by statutory or regulatory authorities or professional organizations;
- no member of the Management Board of Publicis Groupe SA has been banned by a court of law from being a member of a corporate body, Management or Supervisory Board of an issuer, nor from taking part in the management or business operations of an issuer.

3.1.3.4 Upcoming changes in the composition of the Management Board

The terms of office of the four members of the Management Board will expire on September 14, 2022.

3.1.3.5 Duties and activities of the Management Board

Duties of the Management Board

The Management Board is the body that manages the Company.

In accordance with the law and Article 12 of the Company's bylaws, the Management Board is broadly empowered to act in all circumstances on behalf of the Company. These powers may only be exercised within the limit of the corporate purpose and subject to the powers that are by law reserved for the Supervisory Board and Shareholders' Meetings. As part of the exercise of its powers, the Management Board meets as often as the interests of the Company so require and at least once a month.

The Management Board is always available to provide clarifications or additional information to any Supervisory Board member. The Management Board informs the Supervisory Board of market developments, the competitive environment, strategy and the main challenges facing the Groupe, including in terms of corporate social responsibility (CSR). When reviewing the quarterly and half-yearly financial statements of the Supervisory Board, the Management Board presents its management report on the Groupe's activities, key figures, the macroeconomic environment, the Groupe's CSR policy, corporate acquisitions and disposals, the financial position and results of the Groupe and of the parent company, along with future prospects, and acknowledges comments made by the Supervisory Board.

In accordance with the law, the bylaws and the Supervisory Board's internal regulations, the Management Board must obtain the prior approval of the Supervisory Board to approve the transactions indicated in section 3.1.2.

Activities of the Management Board in 2021

During 2021, the Management Board met 15 times, including twice through written consultation, with an attendance rate of 98%.

Its work focused on:

- the review and approval of the 2020 consolidated and annual financial statements, the 2021 budget, the 2021 half-year financial statements and the revenue for Q1 and Q3 2021;
- the Groupe's financial position;
- the Groupe's cash position;
- the Groupe's financial communication;

- the preparation of activity reports to the Supervisory Board;
- the Groupe's strategy and positioning compared to its competitors;
- the performance of Groupe companies;
- the strategy and measures taken to deal with the health crisis;
- the updating of the share capital and the recognition of the number of shares issued as a result of the exercise of warrants, the delivery of free shares and the payment of the dividend in shares;
- the HR policy, key HR performance indicators, diversity and gender balance within management bodies and within the Groupe;
- the implementation of share plans;
- the resolutions to be put to the vote of the General Shareholders' Meeting of May 26, 2021, the preparation of the Management Board's reports on the resolutions, the stock option and free share plans and the convening of the General Shareholders' Meeting;
- the change in the conversion ratio of the Company's warrants (BSAs);
- the renewal of the EMTN program;
- the implementation of a share buyback program;
- the mapping of CSR risks and the Company's social and environmental challenges;
- the 2022 Internal Audit Plan;
- the preparatory work to replace one of the external auditors, whose mandate expires at the 2023 General Shareholders' Meeting;
- the updating of the "Janus" code of ethics.

3.1.4 Management Committee

The Management Board is assisted by the Management Committee, which is responsible for the Groupe's operations and the execution of its strategy.

At December 31, 2021, the Management Committee had 21 members, including the four members of the Management Board, with a percentage of women of 33.3% (seven women out of 21 members).

At December 31, 2021, the members of the Management Committee, excluding members of the Management Board, were as follows:

Member	Gender	Position
Emmanuel André	M	*Chief Talent Officer Publicis Groupe*
Justin Billingsley	M	*Global Chief Marketing Officer Publicis Groupe*
Agathe Bousquet	F	*Chair France Publicis Groupe*
Gerry Boyle	M	*Global Chief Media Officer Publicis Groupe, Chief Executive Officer Publicis Groupe Western Europe*
Andrew Bruce	M	*Chief Executive Officer Publicis Groupe Canada*
Nick Colucci	M	*Chairman Publicis Health & Chief Operating Officer Operations Publicis Groupe Marketing Services US*
Stephane Estryn	M	*M&A Director*
John Giuliani	M	*Executive Chairman Epsilon*
Tim Jones	M	*Chief Operating Officer Publicis Groupe Marketing Services US*
Annette King	F	*Chief Executive Officer Publicis Groupe UK*
Ros King	F	*EVP Global Clients Publicis Groupe*
Loris Nold	M	*Chief Executive Officer Publicis Groupe Asia Pacific, Middle East Africa*
Sylvie Ouziel	F	*Chief Executive Officer Shared Platforms*
Dave Penski	M	*Chief Operating Officer Publicis Media US & Global Chairman PMX*
Carla Serrano	F	*Chief Strategy Officer Publicis Groupe*
Nigel Vaz	M	*Digital Business Transformation Lead Publicis Groupe, Chief Executive Officer Publicis Sapient*
Alexandra von Plato	F	*Chief Executive Officer Publicis Health*

M: male – F: female

3.1.5 Gender diversity within governing bodies

Publicis Groupe is committed to respecting gender equality and has been involved for many years in promoting women's rights in civil society and in the workplace (see Section 4.1.2 "Diversity and Inclusion").

Publicis Groupe ensures a balanced representation of women and men up to the highest levels of responsibility. There has been balanced gender representation on the Supervisory Board since well before it became a legal requirement, making Publicis Groupe SA one of the first groups to apply gender parity to its Board.

As of 2018, Publicis Groupe has set itself a gender diversity target of 40% women in key management positions by 2020, a target that was achieved (see Section 4.1.2 "Diversity and Inclusion").

In accordance with the recommendations of the Afep-Medef Code, the Management Board, after consulting the Supervisory Board, has adopted a policy of gender diversity within the governing bodies.

In addition to the statutory governance bodies, Publicis has defined a group of "key management positions" made up of all members of the Management Board, the Management Committee and the Executive Committees of the main countries and regions. Apart from the Supervisory Board, whose gender balance is governed by Article L. 225-69-1 of the French Commercial Code, these are the bodies with the most responsibility within the Groupe.

The gender balance of the governing bodies is included as a performance criterion in the annual and long-term variable compensation of the members of the Management Board, with the target of having 45% women among key management positions by 2025.

/ Position at December 31, 2021

	Percentage of women	Objective by 2025
Global workforce	51.5%	
Management Board	25.0%	
Management Committee	33.3%	
Key management positions	41.1%	45%

Methods of implementation

In order to achieve this objective, Publicis is continuing its gender diversity policy, which has been in place for several years (see Section 4.1.2 "Diversity and Inclusion"). Special attention has been paid in recent years to the promotion and career development of women within the Groupe. An action plan is implemented by the Chief Talent Officers to ensure that there is an equal number of female and male candidates in both recruitments and promotions, including in the final short-list phase. A more specific plan has been drawn up for countries or jobs where there are fewer women in order to act in favor of gender equality from the recruitment of junior profiles. Finally, arrangements are made to promote the retention of female talent in order to allow them flexibility in the organization in their professional and personal lives, which is also granted to men. The 2021 data can be found in Section 4.1.2, and the history is publicly available on the Publicis Groupe website, Section CSR Smart data.

Results achieved during the past year

The results show a steady progression, with the target of 40% having been achieved in 2020 for women among the key management positions, which made it possible to raise the target to 45% for 2025.

This is a very ambitious target. The Groupe's development in technological professions where women are often less well represented is a new challenge in terms of improving gender balance, particularly among managers.

The Management Board has implemented cross-functional actions to achieve the target of 45% women among key executives by 2025, in particular:

- monitor key indicators on a quarterly basis for the Management Board and on a monthly basis in the countries;
- pay rigorous attention to appointments and promotions in order to have a mix in the profiles proposed and selected;
- retain women in long-term compensation programs;
- include more women in training programs for the leaders of tomorrow.

In addition, for the past 10 years, Publicis Groupe has voluntarily chosen to publish interim indicators specific to the Company and its occupations, such as the percentage of women on the Executive Committees of agencies or the percentage of women CEOs of an agency, data supplemented in recent years by the percentage of women leading the Creative, Media, data and Tech teams, corresponding to the Company's major business lines (see Section 4.1.2 "Diversity and Inclusion"). The VivaWomen! internal network plays an important role in agencies, particularly with younger women, as a space for dialogue, meeting, inspiration and support.

3.1.6 Application of the Afep-Medef Code: implementation of the "comply or explain" rule

Within the framework of the "comply or explain" rule specified in article L. 22-10-10 4° of the French Commercial Code and referred to in article 27.1 of the Afep-Medef Code, the Company considers that its practices are compliant with the recommendations of the Afep-Medef Code. However, certain provisions were set aside for the reasons explained hereafter:

Recommendations of the Afep-Medef Code	Position
Article 18.1 – Composition of the Compensation Committee "It is recommended… that one of its members should be an employee director."	Pierre Pénicaud and Patricia Velay-Borrini were appointed members of the Supervisory Board representing employees by the Groupe Works Council of Publicis Groupe SA on June 20, 2017 and October 16, 2020 respectively. They declined the invitation made to them by the Supervisory Board to join the Compensation Committee. Pierre Pénicaud is, at his request, a member of the Strategy and Risk Committee, while Patricia Velay-Borrini wished to be a member of the Nominating Committee and then joined the ESG Committee in September 2021. The Board supported these requests, considering that their significant experience in the Groupe and their operational knowledge are assets for these Committees. In their capacity as members of the Board, Pierre Pénicaud and Patricia Velay-Borrini naturally take part in meetings to review the compensation of corporate officers, which enables them to express their views on these subjects. After obtaining its agreement, the Supervisory Board, on the recommendation of the Nominating Committee, decided to appoint Patricia Velay-Borrini as member of the Compensation Committee as from January 1, 2022. Patricia Velay-Borrini received training on the topics addressed by the Compensation Committee, which was provided by an external training organization.
Article 26.2 – Annual information (information on ratios) "Corporations which have no or not many employees in relation to the global workforce in France must take into account a more significant perimeter in relation to the wage bill or the workforce in France of the corporations over which they have exclusive control within the meaning of Article L. 233-16 II of the Commercial Code."	As Publicis Groupe SA has a single employee, it has decided to publish the ratios as provided for in 6° of article L. 22-10-9 of the French Commercial Code on a scope representative of the Groupe's business in France, to which have been added the workforce of all Groupe companies in the United States and the United Kingdom. This scope is a more valid financial comparison insofar as it represents the bulk of the Groupe's revenues (73%) and of its payroll (72%), the remainder being spread across other countries worldwide. This scope was preferred to a scope limited to France, which only represents 6% of Groupe revenues and 7% of Groupe payroll and is not representative of Groupe operations (see Section 3.2.2.8 of the Universal Registration Document).

3.1.7 Code of Ethics

The Groupe has a set of rules governing its behavior and ethics under the name "Janus". It is applicable to all of the Groupe's hierarchical levels and sets out the rules of conduct for operations: "The Publicis way to behave and to operate." It is regularly updated, circulated across all networks and is available in seven languages.

Janus includes the rules and principles related to ethics, corporate social responsibility, compliance with regulatory and legal frameworks, governance, communication, conducting business and client relations, human resource management, protecting the Groupe's brand names and intellectual property, financial and accounting management, as well as rules governing mergers and acquisitions, investments, restructuring and purchasing policies.

The guidelines include a Code of Ethics applying to all Groupe employees with specific rules for members of the Management Board and other main executives. The values embodied by Publicis are clearly outlined there, starting with respect for individuals and their diversity.

The aim of these rules of conduct is to provide the Groupe with strict rules and procedures for running our business worldwide in all fields: human management, business ethics, financial management, individual responsibility. This includes encouraging diversity and preventing discriminatory conduct. They are meant to prevent any illegal activity, in particular by ensuring that Groupe employees comply with laws and regulations in carrying out the Groupe's business. Janus also contains a dedicated section with detailed rules on stock market trading, designed to prevent insider trading. The Groupe's rules of conduct are also meant to prevent favoritism, misappropriation of funds, breach of trust, corruption, conflicts of interest or other misconduct and subject the Groupe and its employees to the highest standards in terms of integrity, ethics and compliance. They are designed to protect the Groupe's data and know-how by establishing strict guidelines regarding confidentiality and good faith. They establish procedures for control and reporting by management of the Groupe and of the various networks of any breach of these policy rules. The policies have also been made public.

An update was carried out in 2021, and a new version of the Code will be rolled out in 2022.

This Code is available on the Groupe's website (www.publicisgroupe.com) in the "Corporate Social Responsibility" section, under "Library", then "Code of Ethics".

The Groupe undertakes to provide a copy of its Code of Ethics free of charge to any person upon request. A request may be made directly to the Groupe's Legal Department by telephone on +33 (0)1 44 43 70 00 or by mail to 133, avenue des Champs-Élysées, 75008 Paris, France.

3.2 COMPENSATION OF CORPORATE OFFICERS

In accordance with applicable legal and regulatory provisions, this section sets out the compensation policy for corporate officers for the 2022 financial year as well as the items of compensation for corporate officers for the 2021 financial year.

3.2.1 Compensation policy for corporate officers for the 2022 financial year

Pursuant to article L. 22-10-26 of the French Commercial Code, the General Shareholders' Meeting of May 25, 2022 will be asked to approve the compensation policy for corporate officers for the 2022 financial year. To this end, four resolutions are presented for, respectively, the Chairman of the Supervisory Board, the members of the Supervisory Board, the Chairman of the Management Board and the members of the Management Board. As required by law, the General Shareholders' Meeting will be asked to vote on this policy at least once a year as well as whenever there is a major change to the compensation policy.

In exceptional circumstances, the Supervisory Board may derogate from the compensation policy where this is temporary, in the best interests of the Company and necessary to ensure the Company's long-term future and viability.

3.2.1.1 Principles applicable to all corporate officers

General principles and Governance

The compensation policy for corporate officers is determined by the Supervisory Board, on the basis of proposals from the Compensation Committee.

The Compensation Committee plays a key role in determining the compensation policy and the individual decisions. In this regard, the Compensation Committee meets at least once a year to review the compensation policy for corporate officers, confirm the performance results for the financial and non-financial objectives from the previous year and determine the new performance criteria for the current year. To this end, the Compensation Committee relies in particular on the elements prepared and presented by the Secretary General and also on the analyzes carried out by independent compensation experts. It specifically looks at past practices in terms of the compensation of corporate officers, looks at external benchmarks as well as the terms and conditions of compensation and employment of employees and other executives within the Groupe. In addition, the Compensation Committee takes various measures to avoid or manage conflicts of interest. Chaired by an independent member and composed at 75% of independent members in 2021 (see Section 3.1.2.9 "Specialized Committees of the Supervisory Board"), it ensures the application of the Supervisory Board's internal rules, notably by asking its members to report any conflicts of interest and, if such a conflict arises, by verifying that the persons concerned abstain from participating in debate or the vote on the matter, that they do not request or communicate any information relating thereto, or that they resign from their position (see Section 3.1.1.2 "Conflicts of interest, family ties and service contracts"). The resulting policy is then submitted to the Supervisory Board before being voted on by the General Shareholders' Meeting.

This policy is adopted once the Supervisory Board has ensured i) that it is in line with the best interests of Publicis Groupe while ensuring that it is attractive and competitive to make it possible to attract and retain top talent, and ii) that it will contribute to the Groupe's long-term future while at the same time serving the commercial strategy set out in Section 1.3.2 of this document. In this regard, the compensation policy is built on a fair balance between the items of compensation (fixed compensation, target annual variable compensation and long-term variable compensation, in particular using performance shares) to reflect market practices and incorporate the Groupe's performance criteria over the medium to long term.

In this respect, the variable compensation of the members of the Management Board includes a preponderant portion of financial criteria based on targets communicated to the market. They are supplemented by criteria related to the Groupe's Corporate Social Responsibility (CSR) ambitions, also publicly communicated. These varied and measurable criteria are relevant and transparent to support both short- and long-term performance.

The other performance criteria are all quantifiable, measurable, set in advance and validated by the Compensation Committee on the basis of a clear and pre-determined scale.

In accordance with the decisions of the Supervisory Board of February 2, 2022 and March 17, 2022, upon the proposals of the Compensation Committee of February 1, 2022 and March 15, 2022, the following substantial changes to the compensation policy previously approved by the shareholders at the last General Meeting of May 26, 2021 will be proposed to the General Shareholders' Meeting of May 25, 2022:

- the structure of the compensation of the Supervisory Board members, which has been unchanged since 2005, would be brought into line with market practices (i) by introducing fixed compensation of euro 10,000 per year for a member of the Board plus euro 7,500 for a Committee Chair, and (ii) by increasing the amount of compensation related to attendance at meetings, which would change from euro 5,000 to euro 6,000 per meeting for members of the Board or Committees and euro 7,500 per meeting for Committee Chairs;
- the annual compensation budget for members of the Supervisory Board would be increased from euro 1.2 million to euro 1.5 million;
- the fixed compensation of the Chairman of the Management Board, not reviewed since June 1, 2017, would be increased to euro 1,170,000 per year, representing an increase of 17%;
- the annual variable compensation of the Chairman of the Management Board would be subject to more stringent performance criteria in terms of organic growth, operating margin, Free Cash Flow and Corporate Social Responsibility (CSR). The criteria related to organic growth and operating margin would now be half based on the Groupe's internal objectives and half compared to those of our peer group composed of the other three main global communications groups, namely Omnicom, WPP and IPG;
- in order to encourage overperformance and positioning as a leader among peers and to reconcile the variable compensation conditions with the other Groupe executives, an overperformance clause would apply to the absolute organic growth and operating margin criteria for all members of the Management Board. Thus, the annual variable compensation for these two criteria could be increased if the objectives are exceeded, with a cap of 20% on each of these two criteria;
- the performance criteria applicable to free performance shares granted to the Chairman of the Management Board would be modified and would include a relative TSR criterion (Total Shareholder Return) until now included in the annual variable compensation targets. This criterion would be assessed over three years and compared to the performance of the CAC 40 groups. The Corporate Social Responsibility criteria would be supplemented by a criterion on talent management, a material strategic issue for the Groupe. The weighting of each performance criterion of the plan in performance shares would be adapted accordingly (35% for organic growth, 35% for the operating margin, 15% for the TSR and 15% for CSR and Talent);

- in exceptional circumstances as described in Section 3.2.1.4, the Supervisory Board would be able to decide on a specific and discretionary adjustment to the whole annual variable compensation up to the maximum limit provided for in the compensation policy;
- an additional defined-benefit pension plan would be introduced for the Chairman of the Management Board from January 1, 2022, which would represent, depending on the performance observed, between 1% and 2.5% of the reference compensation (see Section 3.2.1.5 of this document).

As the term of office of the members of the Management Board expires in September 2022, it appeared to the Compensation Committee that reviewing the compensation policy would preempt the decisions of the Nominating Committee and the Supervisory Board.

The Supervisory Board decided that the compensation policy for 2022, for each of the members of the Management Board, excluding the Chairman of the Management Board, to be submitted to the General Shareholders' Meeting, should remain the same with the exception of the overperformance clause applied to the two financial criteria of annual variable compensation.

Terms of the compensation policy applicable to all corporate officers

Generally speaking, Publicis Groupe has introduced a stringent compensation policy designed to motivate employees so that they make their best contribution to the achievement of the Groupe's strategic objectives and to ensure long-term performance. The compensation structure is communicated to employees, shareholders and investors in a clear and transparent manner. Publicis Groupe refers to the recommendations of the Afep-Medef Code.

The compensation policy for corporate officers is based on the same principles as those applicable to employees: clarity, competitiveness (vis-à-vis competitors and in the markets in which Publicis Groupe operates), internal fairness, performance incentives and gender equality. The structure of compensation is based on the position and responsibilities within the Groupe and combines the following elements: the base salary (reflecting experience and responsibilities), the variable compensation (which remunerates performance during the year) and awards of performance shares, in particular (recognizing and encouraging the contribution to the Groupe's medium- and long-term performance on the basis of measurable criteria).

The compensation policy sets out the measurement methods to be applied to corporate officers to determine the extent to which they have satisfied the performance criteria specified for variable compensation and share-based compensation. To determine the extent to which corporate officers have satisfied these performance criteria, the Supervisory Board draws on the proposals and work of the Compensation Committee, which prepares and checks, with the support in particular of the Secretary General and of the Groupe Chief Financial Officer, the performance of each officer on each of the criteria in relation to the objectives set. These checks are documented and made available to the members of the Supervisory Board.

The criteria used to distribute the annual fixed sum allocated by the General Shareholders' Meeting to Supervisory Board members are set out in Section 3.2.1.2 of this document.

The principles of the compensation policy applicable to corporate officers, subject to approval by the General Shareholders' Meeting on May 25, 2022, are also intended to apply to newly-appointed corporate officers or those who are reappointed at the General Shareholders' Meeting. For the latter, the Supervisory Board is nevertheless authorized to temporarily decide certain adjustments in order to take into account, in particular, their profile and their experience. The Supervisory Board will decide, on the advice of the Compensation Committee, to the strict extent required by the situation and only on the points of the compensation policy in force that would prove to be obviously inaproriate for the situation of the newly appointed executive.

3.2.1.2 Compensation policy for members of the Supervisory Board

The compensation policy for members of the Supervisory Board includes i) the items common to all corporate officers as presented in Section 3.2.1.1, and ii) specific items submitted below.

The compensation policy for members of the Supervisory Board of Publicis Groupe SA aims to reward the expertise and involvement of its members, against the backdrop of their ever-increasing commitment.

Total amount of compensation

The total amount of compensation awarded to members of the Supervisory Board is voted on by the General Shareholders' Meeting of Publicis Groupe SA.

As a reminder, the General Shareholders' Meeting of May 28, 2014 set an annual budget of euro 1.2 million for the compensation of the members of the Supervisory Board.

As part of this budget, each member of the Supervisory Board received an amount of euro 5,000 for each meeting of the Supervisory Board and each committee attended.

In order to bring Publicis Groupe closer to market practices and to attract people with international and experienced profiles, the Supervisory Board, at its meeting of February 2, 2022, approved the Compensation Committee's recommendation to modify the structure of the compensation of the members of the Supervisory Board and its committees, and to increase their compensation linked to effective attendance at Supervisory Board meetings and that of its committees.

The compensation policy for the members of the Supervisory Board was out of step with the other CAC 40 companies in terms of both amount and structure, as it has not changed for more than 15 years. In-depth studies were carried out on the basis of comparative CAC 40 data and proposals presented to the Compensation Committee in order to determine a new compensation policy. The Supervisory Board, on the proposal of the Compensation Committee, decided to review the structure and amounts of the compensation of the members of the Supervisory Board and its committees.

From January 1, 2022, the compensation of the members of the Supervisory Board and committees would break down as follows: each member of the Supervisory Board would receive fixed compensation of euro 10,000 per year (increased by euro 7,500 for chairing a committee) to which would be added an amount of euro 6,000 for each effective attendance at a meeting of the Supervisory Board and the Committee which he/she attends (euro 7,500 per meeting for the Chairperson of a Committee) to take into account the preparatory and monitoring work that he/she is required to do.

	Board member	Committee member	Committee Chairman (additional compensation for the chaired committee)
Annual fixed compensation	€10,000	-	+€7,500
Compensation paid per meeting	€6,000	€6,000	+€1,500

Under this new compensation policy, each member of the Supervisory Board would receive annual fixed compensation of €10,000 and €6,000 for each Board meeting attended. A Board member who also participates in a Committee would receive €6,000 for each Committee meeting attended. A Board member that is also Chair of a Committee would receive fixed compensation of €10,000, increased by €7,500 for chairing a Committee, and compensation per meeting of €6,000 increased by €1,500 for attendance at the Committee meeting he/she chairs and €6,000 per Board meeting or any other Committee meeting he/she attends.

In order to take these changes into account and anticipate the possible appointment of new members and/or the increase in the number of meetings of the Supervisory Board and/or committees, it is also proposed to increase the budget submitted to the shareholders' vote from euro 1.2 million to euro 1.5 million. This increase is all the more justified given that the Supervisory Board set up a new ESG Committee in 2021.

For reference, 59.58% of the compensation budget authorized for members of the Supervisory Board was used for 2021.

The payment of items of compensation for a financial year takes place the following year.

Exceptional compensation

According to article 17 III of the Company's bylaws, the Supervisory Board may grant, in accordance with applicable laws, exceptional compensation for specific assignments and duties entrusted to its members.

This compensation shall be determined by the Supervisory Board by taking into account the length and complexity of the assignment after obtaining the Compensation Committee's opinion.

For information, this option was not used in 2021.

Compensation of the Vice-Chair

Aside from her compensation as a member of the Supervisory Board for her effective attendance at meetings, Élisabeth Badinter does not receive any specific compensation in respect of her position as Vice-Chair of the Supervisory Board. Élisabeth Badinter does not have an employment contract with Publicis Groupe SA or any of its subsidiaries.

The compensation policy for members of the Supervisory Board in respect of the 2022 financial year will be subject to approval by the General Shareholders' Meeting of May 25, 2022 in its eighth resolution pursuant to article L. 22-10-26 (II) of the French Commercial Code.

3.2.1.3 Compensation policy for the Chairman of the Supervisory Board

The compensation policy of the Chairman of the Supervisory Board is based on the same principles as all corporate officers set out in Section 3.2.1.1, the items applicable to members of the Supervisory Board presented in Section 3.2.1.2, as well as the specific items submitted below.

In line with article 17 (I) of the Company's bylaws, the Chairman may, aside from compensation as a member of the Supervisory Board, receive specific compensation in his role as Chairman. The amount of this compensation is determined by the Supervisory Board taking into account the tasks that are allocated to him, upon the Compensation Committee's proposal.

The compensation awarded, if applicable, is a fixed amount and excludes variable elements, additional benefits, and share-based compensation.

As Chairman of the Board, Maurice Lévy is responsible for facilitating dialogue between the Supervisory Board and the Management Board and ensures the effective exercise of supervisory powers by the Supervisory Board. The balance and fluidity of the dialogue between the supervisory body and the management body of Publicis Groupe result, in particular, from the in-depth knowledge that Maurice Lévy has of the Groupe. It reflects the trust placed in him by both the Supervisory Board and the Management Board and makes the Groupe's Governance exemplary.

In addition, Maurice Lévy provides support to Publicis Groupe on a few key elements such as the follow-up of a few large clients, with whom Maurice Lévy has forged links over the years, the application of major management principles, the definition and supervision of the implementation of management strategies for the future and in particular the reflections around technology, digital and data.

On March 17, 2022, the Supervisory Board, upon the proposal of the Compensation Committee, considered that the gross annual compensation of Maurice Lévy set at euro 1,300,000 since 2021 (previously euro 1,900,000) was justified given his contribution, despite Maurice Lévy's proposal to reduce it again.

The compensation policy for Maurice Lévy as Chairman of the Supervisory Board in respect of the 2021 financial year, and the vote on the items paid or awarded to Maurice Lévy in respect of the 2020 financial year, were approved (87.04% and 85.55% positive votes, respectively) by the General Shareholders' Meeting of May 26, 2021 (ninth and fifteenth resolutions) pursuant to article L. 22-10-26 II and L. 22-10-34 II of the French Commercial Code (*ex-ante* and *ex-post* votes) respectively.

Maurice Lévy does not have an employment contract with Publicis Groupe SA or any of its subsidiaries and does not receive any other compensation from Publicis Groupe SA or any of its subsidiaries.

The compensation policy for the Chairman of the Supervisory Board in respect of the 2022 financial year will be subject to approval by the General Shareholders' Meeting of May 25, 2022 in its seventh resolution pursuant to article L. 22-10-26 (II) of the French Commercial Code.

3.2.1.4 Compensation policy for members of the Management Board

The compensation policy for the members of the Management Board is based on the same items as those for all corporate officers set out in Section 3.2.1.1 and includes the specific items submitted below.

In accordance with article 10 IV of the Company's bylaws, compensation for the Chairman and members of the Management Board is set by the Supervisory Board and reviewed on the recommendation of the Compensation Committee. For members of the Management Board other than the Chairman, the Chairman of the Management Board shall make proposals to the Compensation Committee.

The compensation policy of Publicis Groupe's Management Board aims to align the interests of the Groupe's executives with those of the company and its shareholders by establishing a strong link between performance and compensation. Within this context, its essential purpose is to encourage the achievement of ambitious objectives and create value on a long-term basis, by setting stringent performance criteria.

In order to do so, the compensation structure of the Publicis Groupe executives is based on fixed compensation and on annual and multi-year variable compensation directly linked to their individual performance as well as their contribution to Groupe performance.

Furthermore, it is based on an analysis (using the services of external consultants where necessary) of market trends observed in France and abroad, both in comparable major French companies in general and, more specifically, in the companies competing with Publicis Groupe both in terms of business and talent in the United Kingdom and the United States.

The main competitors of Publicis Groupe are actually American and British companies and the United States and the United Kingdom are respectively the first (58%) and second (9%) markets of Publicis Groupe.

This compensation policy is based on the following objectives:

- attract, develop, retain and motivate the most talented individuals in a business sector/industry fundamentally based on the quality of employees, and where competition for talent is particularly fierce, especially in the context of the digital transformation, underway throughout the industry and taking place in an extremely competitive general and international environment;
- encourage the management to achieve a level of performance which is high, growing and long-lasting within an increasingly competitive environment, where new players from consulting or technological firms have become direct competitors of Publicis Groupe.

It is guided by three principles:

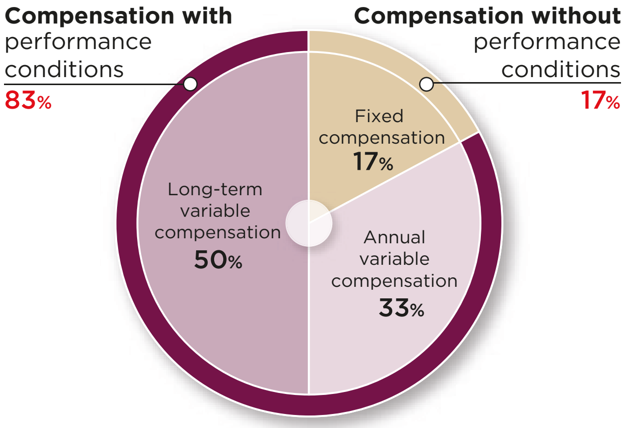
- competitive and coherent compensation package with regard to market trends;
- internal equity, based on individual and collective performance, in order to ensure fair and balanced compensation reflecting the level of individual success of each person, and the contribution to common projects, measured both quantitatively and qualitatively;
- achieving all the short-, medium- and long-term financial and operating results directly linked with the Groupe's strategic objectives and for the benefit of our clients, our employees, our shareholders and all stakeholders.

It should be noted that these principles apply to all Groupe executives and are adapted based on the geographical location of the individuals, taking into consideration the differences in terms of regulations, market practices and competitive environment.

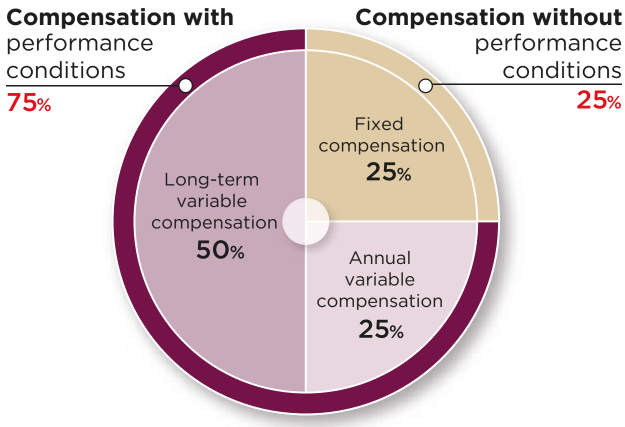
Components of the compensation of the members of the Management Board

Management Board members' compensation comprises (i) a fixed portion, as well as (ii) a substantial variable portion, primarily based on performance and alignment of their interests with those of the Company and its shareholders. This variable compensation is made up of annual variable compensation and long-term variable compensation in the form of performance shares and/or stock options. This compensation structure applicable to the members of the Management Board is in line with that proposed to the Groupe's top executives.

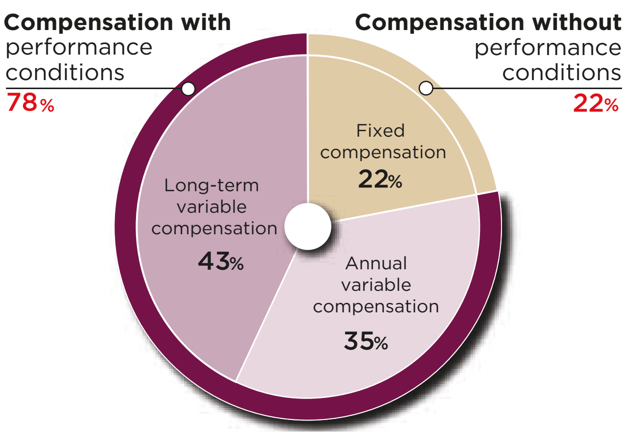
ARTHUR SADOUN, Chairman of the Management Board
Structure of 2022 compensation target



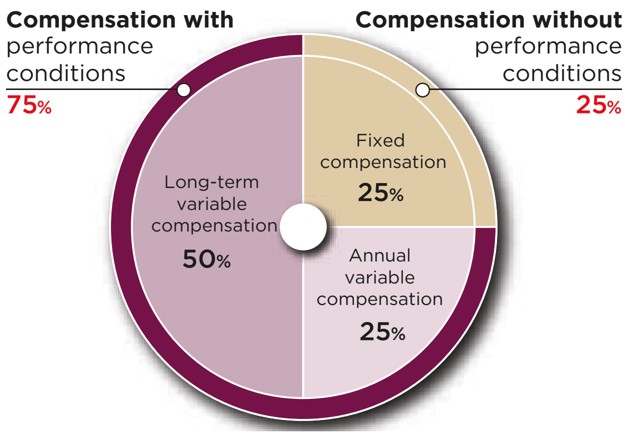
ANNE-GABRIELLE HEILBRONNER
Structure of 2022 compensation target



STEVE KING
Structure of 2022 compensation target



MICHEL-ALAIN PROCH
Structure of 2022 compensation target



Fixed compensation

The fixed compensation is determined by taking into account:

- the scope of responsibility and the complexity of tasks;
- the career path and experience of the person holding the position;
- consistency compared to the other Groupe functions (internal equity);
- market practice for identical or comparable positions (external competitiveness).

The level of fixed compensation is reviewed every two years for Management Board members and other Groupe executives in order to regularly assess its relevance and competitiveness.

Compensation for Management Board members is generally reassessed at relatively long intervals, in accordance with the Afep-Medef Corporate Governance Code recommendations, and when such a revision is justified, for example in the event of a change in scope or an adjustment relative to market practices or internal practices.

Annual variable compensation

The annual variable compensation is intended to represent a substantial, but not predominant, portion (from 25% to 35%), of the total annual compensation of the Management Board member, if objectives set are achieved. It encourages overperformance as a specific reward is paid when the objectives are exceeded.

Annual variable compensation is subject to measurable performance conditions for both financial and non-financial objectives.

No minimum amount is guaranteed. Annual variable compensation is calculated, if applicable, on a prorata basis for the year of the start of the term of office to the year of the end of the term of office.

It is based on several criteria whose performance is measurable. These criteria are assessed separately and take into account:

- the Groupe's overall performance (organic growth and operating margin) and/or the performance of the network to which the executive belongs;
- the achievement of objectives related to Corporate Social Responsibility (CSR);
- the achievement, where applicable, of the executive's individual objectives, assessed *a posteriori* by taking into account the quantitative results and the context in which the performance was achieved.

These parameters are determined in advance for each financial year and proposed by the Compensation Committee to the Supervisory Board for approval.

Detailed elements of annual variable compensation for the 2022 financial year are explained in Section 3.2.1.5 for the Chairman of the Management Board and Sections 3.2.1.6 to 3.2.1.8 for the other members of the Management Board.

Variable long-term compensation

The share-based compensation program is meant to incentivize on a long-term basis. It is subject to stringent performance conditions to develop loyalty and encourage the organization's key talent over the long-term and common interests with Publicis Groupe SA shareholders (see Section 6.6 Note 32 to the consolidated financial statements).

Grant of performance shares

The performance shares are not only intended to incentivize executive corporate officers over the long-term but also to retain them and to help align their interests with the best interests of the Company and shareholders.

The members of the Management Board may therefore receive compensation in the form of Publicis Groupe shares, specifying that the allocation of shares is subject to performance and continued presence conditions to be met over a period generally set at three years.

With a view to clarifying their compensation structure, and aligning their interests even more closely with those of the company and its shareholders and their compensation with that of the other Groupe executives, since 2021 the members of the Management Board benefit from a regular performance share plan known as the "LTIP Directoire". An initial allocation of shares is made each year, but they only vest after three years and then only in accordance with the achievement of stringent objectives. Like the LTIP set up for certain key employees of the Groupe, the members of the Management Board will be able to benefit from an allocation of performance shares each year, in order to align with market practices in terms of performance share allocation. The value of performance shares granted under the LTIP Directoire represents, at the time of the grant, 200% of the fixed compensation for members of the Management Board. In order to bring the Chairman of the Management Board's multi-year variable compensation more in line with that of our peers, particularly in the United Kingdom and the United States, the value of the performance shares awarded to the Chairman of the Management Board represents, at the time of the allocation, 300% of his fixed compensation. The acquisition of Publicis Groupe shares is subject to performance criteria that are measured following a three-year period, such that the total number of shares delivered will depend on the level of achievement of financial performance objectives, namely achieving a certain rate of weighted organic growth and an operating margin compared to a peer group of companies competing with Publicis Groupe. Since 2019, some of the allocated Publicis Groupe shares awarded are also subject to a criteria relating to Corporate Social Responsibility. From 2022, Publicis Groupe SA shares allocated to the Chairman of the Management Board are also subject to a relative TSR criterion (Total Shareholder Return) and to CSR criteria completed by a Talent management criterion, which is a strategic and material stake for the Groupe. The number of shares actually awarded is determined in accordance with the level of attainment of these performance targets. Moreover, the vesting of Publicis Groupe shares is also subject to the fulfillment of continued presence during the three-year vesting period.

The Supervisory Board, on the recommendation of the Compensation Committee, decided to grant the following performance shares to the members of the Management Board as part of the "LTIP 2022 Président du Directoire" and "LTIP 2022 Members of the Directoire" plans:

LTIP 2022 Président du Directoire LTIP 2022 Members of the Directoire	Date of grant	Vesting date[(1)]	Number of performance shares awarded[(2)]	% of the share capital
Arthur Sadoun, Chairman	March 18, 2022	March 18, 2025	52,047[(3)]	0.02%
Anne-Gabrielle Heilbronner	March 18, 2022	March 18, 2025	20,819	0.01%
Steve King	March 18, 2022	March 18, 2025	36,366	0.01%
Michel-Alain Proch	March 18, 2022	March 18, 2025	20,819	0.01%

(1) Performance conditions described below.
(2) Number of shares granted based on the opening share price on the day of the Management Board meeting of March 18, 2022.
(3) If the compensation policy applicable to the Chairman of the Management Board for the 2022 fiscal year were adopted, additional performance shares of a value of euro 510,000 would be granted.

3

The characteristics of the plans allocated to the Chairman of the Management Board are as follows from 2022:

Type of plan	LTIP Président du Directoire			
Performance conditions	Organic growth rate of Publicis Groupe compared to the weighted average of the peer group	Consolidated operating margin of Publicis Groupe compared to the peer group	TSR (Total Shareholder Return)	Two CSR criteria and one criterion related to Talent management
Type of performance conditions	Relative performances compared to the reference group Omnicom, WPP, IPG, Publicis Groupe		Compared to the median of the CAC 40 (groups present over the three-year period)	Internal objectives communicated each year
Weighting	35% of shares awarded	35% of shares awarded	15% of shares awarded	15% of shares awarded (5% for each criterion)
Acquisiton	• > the weighted average of the peer group: 100% of shares delivered; • Between 80% and 100%: the number of shares awarded is reduced by 5% for each 1% of performance recorded below 100%; • < 80% of the peer group average: no shares delivered.	• Highest operating margin compared to the peer group: 100% of the shares delivered; • Margin in 2nd position: 80% of the shares delivered; • Margin rate in 3rd or 4th position: no shares delivered.	• ≥ upper quartile of the CAC 40: 100% of shares delivered • Ranking between the median and the upper quartile: straight-line acquisition between 50% and 100% of the shares delivered • Below the median: no shares delivered	100% of the shares delivered if the trajectory on the following priorities is met: • Diversity, equality and inclusion (45% of women holding key management positions by 2025, with an indicative checkpoint of 44% by the end of 2024) • Combating climate change (100% renewable energy by 2030, with an indicative checkpoint of 60% in 2024) • Measurable criterion related to Talent management: Top 1,000 retention rate > the Groupe average
Performance period	Following a three-year period at the end of which performance is calculated			

The characteristics of the plans allocated to the members of the Management Board (and to the Chairman of the Management Board until 2021 inclusive) are as follows:

Type of plan	**LTIP Members of the Directoire**		
Performance conditions	Organic growth rate of Publicis Groupe compared to the weighted average of the peer group	Consolidated operating margin of Publicis Groupe compared to the peer group	Two CSR criteria
Type of performance conditions	Relative performances compared to the peer group Omnicom, WPP, IPG, Publicis Groupe		Internal objectives communicated each year
Weighting	45% of shares awarded	45% of shares awarded	10% of shares awarded (5% for each criterion)
Acquisition in the LTIP 2021 Directoire (including the Chairman of the Management Board)	• > the weighted average of the peer group: 100% of shares delivered • Between 80% and 100%: the number of shares delivered is reduced by 5% for each 1% of performance recorded below 100% • < 80% of the peer group average: no shares delivered	• Highest operating margin compared to the peer group: 100% of the shares delivered • Margin in 2nd position: 50% of the shares delivered • Margin in 3rd position: 15% of the shares delivered; • Margin in 4th position: no shares delivered	100% of the shares delivered if the trajectory on the following priorities is met: • Diversity, equality and inclusion (45% of women holding key management positions by 2025, with an indicative checkpoint of 43% by the end of 2023 – baseline year 2020); and • Combating climate change (100% renewable energy by 2030, with an indicative checkpoint of +50% in 2023 compared to the baseline year 2020)
Acquisition in the LTIP 2022 Members of the Directoire	Same	Same	• Diversity, equality and inclusion: same, with an indicative checkpoint of 44% by the end of 2024 • Combating climate change: same, with an indicative checkpoint of 60% in 2024
Performance period	Following a three-year period at the end of which performance is calculated		

Type of plan	LTIP 2019-2021 Directoire		
Performance conditions	Organic growth rate of Publicis Groupe compared to the peer group	Operating margin of Publicis Groupe compared to a peer group	A CSR criterion
Type of performance conditions	Relative performances compared to the reference group Omnicom, WPP, IPG, Publicis Groupe		
Weighting	45% of shares awarded	45% of shares awarded	10% of shares awarded
Acquisition	• Highest organic growth rate compared to the peer group: 100% of the shares delivered; • Growth rate in 2nd position: 75% of the shares delivered; • Growth rate in 3rd position: 50% or 30% of the shares delivered depending on the difference with the 2nd: if the difference is small (<10%), 50% of the shares will be delivered and if the difference is significant (>15%), 30% of the shares will be delivered. For a difference between 10% and 15%, the Compensation Committee, with the approval of the Supervisory Board, will decide the percentage of the shares that may be delivered.	• Highest operating margin compared to the peer group: 100% of the shares delivered; • Margin in 2nd position: 75% of the shares delivered; • Margin in 3rd position: 50% or 30% of the shares will be delivered depending on the difference with the 2nd: if the difference is small (<10%), 50% of the shares will be delivered and if the difference is significant (> 15%), 30% of the shares will be delivered. For a difference between 10% and 15%, the Compensation Committee, with the approval of the Supervisory Board, will decide the percentage of the shares that may be delivered.	• 100% of the shares awarded will be delivered if the CSR performance condition is met: at least 40% of women on the Executive Committees of the Groupe, Solutions and major countries.
Performance period	Following a three-year period at the end of which performance is calculated		

Stringent criteria

Publicis Groupe strives to use appropriate, transparent and ambitious criteria. These criteria are based on a quantifiable, performance-related assessment (encouraging Publicis Groupe management to deliver the best results in the market) as well as complete transparency, results being measured against public data. These decisions turn the plans into a tool for motivating and retaining Publicis Groupe management. The historic rates of achievement of performance conditions for the various plans that have been established show how relevant and extremely ambitious the criteria used are, making it possible to align Groupe and shareholder interests over the long term.

As an illustration, the rates of achievement of performance conditions for plans awarded in 2013, 2016 and 2019 demonstrate that grants are based on strict conditions and that they are consistent with shareholders' interests over the long-term.

Plan	2013-2015 LionLead2	LTIP 2013-2015 Directoire	LTIP 2016-2018 Directoire	2016-2018 LionLead3	LTIP 2019-2021 Directoire
Achievement rate	50%	53.2%	50%	75%	68.5%(1)

(1) The performance was 68.50% taking into account the following results: (i) organic growth compared to peers: partial achievement (13.50%), (ii) operating margin compared to peers: achieved (45%) and (iii) CSR: achieved (10%).

The shares of the LTIP 2019-2021 Directoire will be delivered on June 14, 2022. Given the rate of achievement of the performance conditions, the number of shares to be delivered corresponds to 41,100 for Arthur Sadoun and 20,600 for Jean-Michel Etienne[1], 13,700 for Anne-Gabrielle Heilbronner and 34,250 for Steve King. The shares of the LTIP 2021 Directoire, LTIP 2022 Members of the Directoire and LTIP 2022 Président du Directoire plans will be delivered, subject to final validation and external appraisal of the performance conditions, on March 18, 2024 for the LTIP 2021 Directoire and on March 19, 2025 for the LTIP 2022 Members of the Directoire and LTIP 2022 Président du Directoire plans.

Stability of the performance conditions

The Supervisory Board considers that consistency in the performance conditions helps to create long-term value. This is why the performance criteria concerning organic revenue growth and the Groupe's operating margin have been used since 2003 in long-term compensation programs and for annual variable portions. The Supervisory Board has chosen to use these two criteria, which are essential in the sector, to underline the importance of these priority indicators and drivers of the Groupe's financial viability and profitability. This is to ensure that short-term gains are not made to the detriment of long-term results. For the Chairman of the Management Board, the TSR criterion (Total Shareholder Return), in line with shareholders' expectations, was removed from the annual variable compensation objectives in order to be included in the LTIP objectives and assessed over a period of three years against CAC 40 companies, and a criterion related to the Talent management was introduced in addition to the Corporate Social Responsibility (CSR) criteria, given the strategic and material nature of this stake for Publicis Groupe.

In accordance with the Afep-Medef Code revised in June 2018, CSR criteria have been introduced since 2019.

Uniqueness of the performance conditions

The performance conditions used are the same for all of the Groupe's long-term compensation programs, whether they concern members of the Management Board or other executives, with the exception of the introduction, for the Chairman of the Management Board, of a performance criterion linked to the TSR (Total Shareholder Return) and elements related to Talent management. The main objective is to align the interests of the entire management team with the Groupe's strategic objectives.

Vesting period

In order to favor the retention of members of the Management Board, no shares are acquired by the beneficiaries before the end of a continued presence condition in the Groupe, and subject to the performance conditions being satisfied. This vesting period is three years.

Continued presence condition

Except in the specific case of death, disability or retirement, or in exceptional circumstances explained by the Supervisory Board and made public, the acquisition of shares is subject to compliance with the continued presence condition for Management Board members until the end of the vesting period.

This condition may only be waived upon recommendation of the Supervisory Board after obtaining the opinion of the Compensation Committee.

Maximum share grant level

Publicis Groupe share awards to Management Board members are limited to 0.3% of the Company's share capital, a ceiling that also applies to stock options. For information, this ceiling is a long way from being reached. The total number of shares granted before performance under the authorization granted by the General Shareholders' Meeting of May 26, 2021 in its twenty-second resolution currently represents 0.05% of share capital (including the the awards carried out in March 2022).

Mandatory holding

The Supervisory Board has decided that, in addition to plan-specific rules, Management Board members must maintain ownership of at least 20% of the shares they were awarded, in registered form, throughout their terms of office. In addition, in accordance with the Afep-Medef Corporate Governance Code, Management Board members undertake not to use hedging instruments on shares to be received or shares received but which are non-transferable.

Stock option plan

The Management Board reserves the right to grant stock options.

In this case, stock options would be subject to at least two performance conditions and measured over three years. The subscription or purchase price of the shares would not be lower than the average of the opening prices of Publicis Groupe shares on the regulated market of Euronext Paris over the twenty trading days preceding the date on which the options are granted, rounded down to the nearest euro, nor, for stock purchase options, the average purchase price of the Company's treasury shares, rounded down to the nearest euro.

These awards are limited to 0.3% of the Company's share capital, a ceiling that also applies to performance shares.

Pension plans

A supplementary defined-benefit pension plan would be introduced for the Chairman of the Management Board from January 1, 2022, which would represent, depending on the performance observed, between 1% and 2.5% of the annual reference compensation (see Section 3.2.1.5 of this document).

(1) The number of shares indicated for Jean-Michel Etienne is the result of the pro rata basis approved by the Supervisory Board on September 13, 2021 (on the recommendation of the Compensation Committee) in accordance with the compensation policy. In 2019, it was decided to award him 40,000 shares subject to continued presence and performance conditions covering the 2019, 2020 and 2021 financial years. By applying the pro rata basis, 30,073 shares would remain deliverable to Jean-Michel Etienne, which gives 20,600 shares after application of the performance results of 68.5%.

The Management Board member, bound by an employment contract in England, already benefits from the pension plan set up by the Groupe in the United Kingdom for executives of his level.

The Groupe set up a Collective Pension Savings Plan (PERECO) on October 19, 2021 and, from January 1, 2022, a Mandatory Pension Savings Plan (PER O). These common law mechanisms are automatically open, subject to conditions, to all Groupe employees. The members of the Management Board in France, with employment contracts and who depend on the French social security system, may benefit from these regimes under the same conditions as employees in France.

Collective health and welfare insurance plans

Management Board members may benefit from collective health and welfare insurance plans based on applicable local regulations.

Unemployment insurance for corporate officers

Private insurance coverage under the French plan was offered to the members of the Management Board who cannot benefit from the compulsory unemployment insurance for employees.

Employment contract

With the exception of the Chairman of the Management Board, the members of the Management Board may have an employment contract with a company of the Groupe.

Severance payment

The members of the Management Board may be entitled to severance payment in case of imposed departure, granted in accordance with current law and the Afep-Medef Corporate Governance Code. In accordance with said code, the cumulative amount of the severance payment and non-compete compensation may not exceed twenty-four months of total compensation (annual fixed and variable compensation).

Detailed elements of severance payments are explained in Section 3.2.1.5 for the Chairman of the Management Board and Sections 3.2.1.6 to 3.2.1.8 for the other members of the Management Board.

Non-compete agreement

The members of the Management Board may be bound by a non-compete agreement and, in consideration, benefit from non-compete compensation in accordance with current legislation and the Afep-Medef Corporate Governance Code. The Supervisory Board reserves the right to forgo this commitment. In accordance with said code, the cumulative amount of the severance payment and non-compete compensation may not exceed twenty-four months of total compensation (annual fixed and variable compensation). It should also be recalled that, in accordance with article R. 22-10-18, III of the French Commercial Code, the payment does not apply when the interested party is retiring.

Other items

Management Board members may be entitled to benefits based on local regulations and compensation practices, such as the use of a Groupe company car.

Where a member of the Management Board has been hired from outside the Groupe, the Supervisory Board may decide to compensate, in whole or in part, for benefits forgone on leaving previous employment.

Detailed quantified elements of the compensation policy are explained in Section 3.2.1.5 for the Chairman of the Management Board and in Sections 3.2.1.6 to 3.2.1.8 for the other members of the Management Board.

Modification to the Management Board's composition

If a new Management Board is appointed or a new member joins the Management Board, the above compensation policy applicable to Management Board members is applicable to them. The Supervisory Board will nevertheless be authorized to temporarily decide on certain adjustments to take into account, in particular, the profile or experience of the new member(s). The Supervisory Board will decide, on the opinion of the Compensation Committee, to the extent required by the situation and only on the points of the compensation policy in force that would prove to be obviously unsuitable for the situation of the newly appointed executive.

Adjustment option

In addition to the possible derogation provided for in paragraph 2 of Article L. 22-10-26 III of the French Commercial Code and to ensure that the application of the compensation policy reflects both the performance of the Chairman and the members of the Management Board as well as the Groupe, the Supervisory Board, upon the recommendation of the Compensation Committee, may take into account, if applicable, certain unpredictable and specific circumstances that may affect the assessment of the performance of the Chairman and the members of the Management Board, such as, for example, a substantial change to the Groupe's scope or the missions entrusted to a top executive, a major event affecting the markets or structural changes affecting our industry.

In this context and on an exceptional basis, the Supervisory Board reserves the right to decide on a specific and discretionary adjustment to the performance criteria (weighting, trigger thresholds, targets, objectives, etc.) attached to the annual variable compensation, both upwards and downwards, and within the limit of the ceiling set for these components in the compensation policy. It is stipulated that the Supervisory Board shall take into account in its assessment, the actual performance of the Chairman or the members of the Management Board concerned, in view of the favorable or unfavorable impact on the Groupe's overall performance, the relative positioning of the Groupe compared to its competitors and the payments made to shareholders and employees over the period.

In the assumption that the Supervisory Board uses this adjustment clause, it will communicate all useful information on the proposed adjustment. This information would also be included in the corporate governance report that will be presented to the General Shareholders' Meeting.

3.2.1.5 Compensation policy for the Chairman of the Management Board

The compensation policy for the Chairman of the Management Board is based on the same items as those for all corporate officers set out in Section 3.2.1.1 and includes the items applicable to Management Board members presented in Section 3.2.1.4 as well as the specific items detailed below.

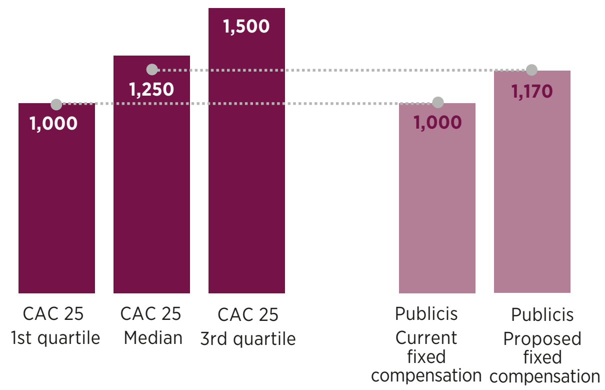
Fixed compensation

The Chairman of the Management Board receives fixed compensation in consideration for his role.

As part of a regular review of the Groupe's compensation practices compared to compensation within the CAC 40 and a group of comparable companies in the same sector, the Compensation Committee noted a significant increase in compensation gaps. Indeed, the fixed compensation of the Chairman of the Management Board is below the median of a CAC 40 peer group[(1)] (hereinafter "CAC 25") and companies operating in the same sector (WPP, Omnicom and IPG).

The Compensation Committee also noted the extension of the responsibilities and missions of Arthur Sadoun following recent acquisitions and the deployment of new activities, particularly in the digital field. In addition to the Groupe's excellent financial performance (including the 30% increase in the dividend since 2017), it is worth highlighting the overall increase in the median compensation of employees of around 15% from 2017 to 2021 (over an extended scope France, United Kingdom and United States) as well as that of the members of the Management Committee in the same proportions (their compensation being reviewed every 24 months) and the strong measures deployed in favor of all employees, at all levels, and more specifically in the context of the pandemic.

On March 17, 2022, the Supervisory Board, on the proposal of the Compensation Committee, decided to review the compensation of Arthur Sadoun, Chairman of the Management Board. This review was the subject of meticulous work carried out by the Compensation Committee, which relied on the advice and comparative analyzes of a specialized firm. The compensation of Arthur Sadoun had not been reviewed since 2017, the results obtained by the Groupe on all levels show, if it were necessary, that the company is very well managed and performs among the best in the sector and on all levels. As a result, fixed compensation was increased from euro 1,000,000 to euro 1,170,000, i.e. an increase of 17%. Analysis of Arthur Sadoun's fixed compensation in comparison with that of his CAC 25 peers (as shown below) as well as with those of the top executives of Publicis Groupe's main competitors, namely WPP, Omnicom and IPG, shows that, even after this increase, the fixed compensation remains below the median of the CAC 25 and the median of the group of comparable companies (WPP, Omnicom and IPG), and the total compensation of Arthur Sadoun remains much lower than that of the top executives of comparable companies.



This increase in fixed compensation will be effective as of January 1, 2022, subject to the approval of the compensation policy by the General Shareholders' Meeting.

(1) The companies selected for the reference group (CAC 25) are Air Liquide, Alstom, Bouygues, Capgemini, Carrefour, Danone, Dassault Systèmes, Engie, EssilorLuxottica, Kering, Legrand, L'Oréal, LVMH, Orange, Pernod Ricard, Renault, Safran, Saint Gobain, Sanofi, Schneider Electric, Teleperformance, TotalEnergies, Veolia, Vinci and Vivendi. This panel of companies was defined by excluding financial services, groups based abroad, small groups, companies where the compensation policy is influenced by the State and companies with specific governance.

Annual variable compensation

The Chairman of the Management Board receives annual variable compensation based on the achievement of the objectives set as follows.

On the recommendation of the Compensation Committee, the Supervisory Board adopted more stringent performance criteria to determine the variable compensation of Arthur Sadoun for the 2022 fiscal year.

The variable portion of Arthur Sadoun's compensation is maintained at a target amount that may represent up to 200% of his fixed compensation. The variable portion of Arthur Sadoun's compensation for the 2022 fiscal year is based on:

- three financial criteria accounting for 85% of the overall weighting of the criteria, i.e. organic growth of the Groupe's revenue, operating margin and free cash flow.

  These financial criteria were chosen by the Supervisory Board, following the proposal of the Compensation Committee, because they are demanding and best express the quality of the Company's performance. For two of them partially measured against Publicis Groupe's main competitors (organic growth and operating margin), they encourage overperformance. In this respect, the variable compensation for the two absolute criteria, relating to organic growth and the operating margin, could be increased if the objectives are exceeded, with a cap of 20% on each of these two criteria.

  The introduction of an overpeformance target on the absolute criteria of organic growth and operating margin is aligned with the Groupe's current policy on variable compensation applicable to members of the Management Committee and other key Groupe executives, which already makes it possible to reward overperformance.
- a non-financial quantifiable individual criterion of 15% of the overall weighting based on Corporate Social Responsibility (CSR).

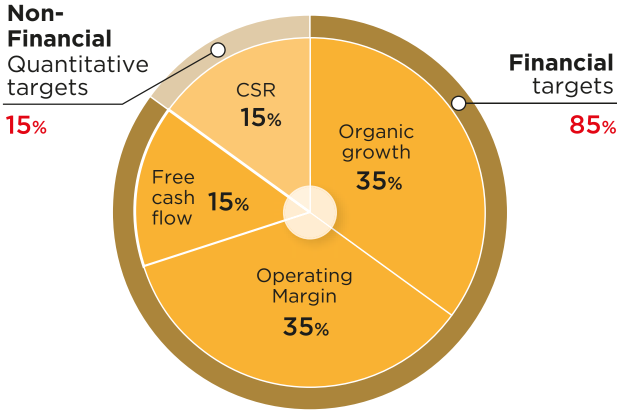
All these criteria, set in advance, are based on quantified, measurable objectives that are made public, with the exception of those that are of a strategic and confidential nature. All these criteria are proposed by the Compensation Committee and validated by the Supervisory Board.

The Committee assesses, in the finest detail, the performance for each objective and each criteria.

Performance criteria	Weight	Level of achievement of the Performance: Threshold	Target	Maximum	Acquisition scale (straight-line between the Threshold and the Maximum): Threshold	Target	Maximum
Organic growth of the Groupe revenue	**35%**						
• Organic growth of the Groupe revenue based on the Objective validated by the Supervisory Board in March 2022	17.5%	Objective -x bp[(1)]	Objective	Objective + y bp[(1)]	80%	100%	120%
• Groupe organic revenue growth compared to the weighted average organic growth rate of a peer group composed of the other three main global communications groups, namely Omnicom, WPP and IPG	17.5%	= average	#1	#1	80%	100%	100%
Operating margin	**35%**						
• Groupe Operating Margin based on the Objective approved by the Supervisory Board in March 2022	17.5%	< Objective	Objective	Objective +z bp[(1)]	0%	100%	120%
• Operating margin compared to that of a peer group composed of the other three main global communications groups, namely Omnicom, WPP and IPG	17.5%	#2	#1	#1	80%	100%	100%
Free Cash Flow based on the Objective approved by the Supervisory Board in March 2022	**15%**	> 2021	> 2021	> 2021	100%	100%	100%
CSR - the assessment of the progress of the CSR policy is carried out with regard to the following priorities:	**15%**						
• Diversity, Equality and Inclusion: the trajectory aims for 45% women among key executives in 2025 with an indicative checkpoint of 42% at the end of 2022	7.5%	≈42%	≈42%	≈42%	100%	100%	100%
• Combating climate change: the trajectory aims for 100% of energy from direct renewable sources by 2030 with an indicative checkpoint of around +14% at the end of 2022 compared to 2021	7.5%	≈+14%	≈+14%	≈+14%	100%	100%	100%
TOTAL	**100%**			**TOTAL**	**72%**	**100%**	**107%**

(1) Strategic and confidential information that may not be disclosed. For organic growth and operating margin, the thresholds and targets are higher than the guidance issued on February 19, 2022

ARTHUR SADOUN
Annual variable compensation target for 2022



Long-term variable share-based compensation

The Chairman of the Management Board receives annual variable share based compensation subject to the achievement of the objectives set as follows.

Publicis Groupe decided to set up a share plan each year for management and certain key employees of the Groupe. As Chairman of the Management Board, Arthur Sadoun is eligible for this plan since 2021. Under the “LTIP 2021 Directoire”, the number of shares that may be delivered at the end of a three-year vesting period (except in the event of death or disability), i.e. March 2024, will depend – for 90% of the shares awarded – on Publicis Groupe’s average financial performance over a three-year period (2021-2023), as compared with the financial performance of a peer group comprising WPP, Omnicom, IPG and Publicis Groupe, plus two conditions relating to Corporate Social Responsibility for 10% of the shares awarded.

From 2022, the number of shares that may be delivered at the end of a three-year vesting period (except in the event of death or disability), i.e. in 2025 under the "LTIP 2022 Président du Directoire", will depend on:

- for 35% of the shares awarded, the organic growth compared to a peer group composed of Publicis Groupe and the other three main global communications groups, namely WPP, Omnicom and IPG over a three-year period (2022-2024),
- for 35% of the shares granted, the operating margin compared to a peer group composed of Publicis Groupe and the other three main global communications groups, namely WPP, Omnicom and IPG, over a three-year period (2022-2024),
- for 15% of the shares granted, the TSR (Total Shareholder Return) compared to the median of the CAC 40 over a three-year period (2022-2024),
- for 15% of the shares granted, conditions related to Corporate Social Responsibility and Talent management.

In addition, Arthur Sadoun is also a beneficiary of the LTIP 2019-2021 Directoire, whose shares will be delivered on June 14, 2022.

In each of these plans, assuming the performance conditions are met, entitlement to receive shares is subject to continued employment until the end of the vesting period. Details of these plans are presented in Section 3.2.1.4.

In the event of forced departure or a departure due to a change in control or strategy and except in the event of serious or gross misconduct, shares awarded may be retained *prorata temporis*, subject to performance conditions.

In the event of retirement, he may, at the end of the vesting period and upon approval by the Supervisory Board, in accordance with the compensation policy approved by shareholders and applicable at that time, receive the shares granted to him *prorata temporis*.

Analysis of the compensation of Arthur Sadoun

Analysis of Arthur Sadoun’s compensation in comparison with that of his CAC 25[1] peers as well as with those of the top executives of Publicis Groupe’s main competitors, namely WPP, Omnicom and IPG, shows that, even after taking into account the increases likely to result from the adoption of the 2022 policy, the positioning of the maximum total compensation of Arthur Sadoun within the CAC 25 would remain unchanged (between the median and the third quartile) and would remain in last position compared to that of the main competitors. His overall compensation would thus remain in line with the philosophy adopted by the Compensation Committee and the Supervisory Board.

It should be noted that the Compensation Committee’s objective is not to align itself with variable compensation practices that are sometimes drastically different but to be able to objectively position the Groupe in relation to direct competitors.

Benefits in kind

Arthur Sadoun benefits from the use of a taxi firm and gets a refund for his taxis and entertainment expenses.

(1) The companies selected for the reference group (CAC 25) are Air Liquide, Alstom, Bouygues, Capgemini, Carrefour, Danone, Dassault Systèmes, Engie, EssilorLuxottica, Kering, Legrand, L’Oréal, LVMH, Orange, Pernod Ricard, Renault, Safran, Saint Gobain, Sanofi, Schneider Electric, Teleperformance, TotalEnergies, Veolia, Vinci and Vivendi. This panel of companies was defined by excluding financial services, groups based abroad, small groups, companies where the compensation policy is influenced by the State and companies with specific governance.

Collective health and welfare insurance plans

Arthur Sadoun benefits from the coverage applicable to executives at his level under the French system.

Supplementary pension plan

The Supervisory Board, on the Committee's proposal, decided on March 17, 2022, that Arthur Sadoun could benefit from a supplementary defined-benefit pension plan within the framework of article L.137-11-2 of the French Social Security Code. The purpose of this is to provide an additional pension supplementing the mandatory pension plans and paid in the form of an additional life annuity. The pension rights would be granted, and the corresponding contributions calculated, on the basis of a reference age equal to 67 years.

The effective date of the plan would be set for January 1, 2022, it being understood that the Groupe may terminate its engagement at any time. In addition, in the event of his departure from the Groupe, Arthur Sadoun would retain the annual rights that had been paid until his departure.

The annuity rights would be acquired annually according to the following rules:

- Lower limit of the defined benefit rate: 1% of the reference compensation, per year of service as a beneficiary of this plan, if the performance criteria for the annual variable compensation defined by the Supervisory Board are met at 50%.
- Upper limit of the defined benefit rate: 2.5% of the reference compensation, per year of service as a beneficiary of this plan, if the performance criteria for the annual variable compensation defined by the Supervisory Board are met at 75%.
- Between 1% and 2.5% of the reference compensation, per year of service as a beneficiary of this plan, in proportion to the achievement of the objectives defined by the performance criteria of the annual variable compensation between the two limits set above.

The cumulative percentage points applied throughout the career and all employers combined would be capped at 30 points. If this ceiling is reached, all employers combined, no additional rights could be obtained under the plan put in place.

The annual reference compensation taken into account for the calculation of pension rights acquired each year would be composed of the following items:

- Annual fixed compensation,
- Annual variable compensation due in accordance with the achievement of performance criteria.

In any event, the annual reference compensation may not exceed a capped amount greater than 60 times the Annual Social Security Ceiling (PASS).

Employment contract

The Chairman of the Management Board cannot have an employment contract with the Company.

Arthur Sadoun's employment contract with Publicis Conseil dated December 5, 2006 was terminated when he was appointed Chairman of the Management Board.

Severance payment

In the event of a forced departure or one related to a change in control or strategy and other than in the case of serious or gross misconduct, Arthur Sadoun would be entitled to a severance payment.

The amount of the payment would be equal to one year of total gross compensation (fixed and variable portion paid) calculated using the average of the last 24 months of compensation.

He would also have the right to exercise the options to subscribe to and/or to purchase the shares that have been awarded to him, and to retain *prorata temporis* the right to performance shares already granted to him, and subject to the performance conditions set out in the regulations for the plan in question (in accordance with the Supervisory Board decision of November 25, 2020).

In addition, the payment of the severance amount would be subject to a performance condition: the severance amount would only be due in its full amount if the average annual amount of the variable compensation acquired by Arthur Sadoun for the three years prior to the termination of his duties is equal to at least 75% of his "target variable compensation". If the average annual amount is less than 25% of the "target variable compensation", no sum or benefits will be due. If the average annual amount is between 25% and 75% of the "target variable compensation", payments and benefits will be calculated on a proportional basis between 0% and 100% using the rule of three.

The severance payment may only be paid after the determination by the Supervisory Board that the performance conditions had been achieved at the date on which his term as a member of the Management Board ended.

In the event of a forced departure or one related to a change in control or strategy, Arthur Sadoun will not be subject to a non-compete and/or non-solicitation commitment.

For information, note that these commitments had been authorized by the Supervisory Board on September 12, 2018 and approved by the Shareholders' Meeting of May 29, 2019 in its fifth resolution, for commitments formerly subject to the procedures on related-party agreements.

Non-compete agreement

The Chairman of the Management Board may be subject to a non-compete obligation in return for financial consideration.

The Supervisory Board accordingly decided to subject Arthur Sadoun in the event of his resignation to a non-compete agreement and an agreement not to solicit personnel during the two years following the end of his term of office as Chairman of Publicis Groupe SA's Management Board.

In consideration of his observance of this non-compete agreement, Arthur Sadoun will receive monetary compensation (payable monthly in advance) in an amount equal to two years of total gross compensation (fixed and targeted variable portions) calculated using the average of the last 24 months of compensation.

The Supervisory Board may waive this clause.

Arthur Sadoun will not be subject to a non-compete obligation in the event of a forced departure. In any case, Arthur Sadoun may not receive both a severance payment and an indemnity in respect of the non-compete agreement.

In its twenty-first resolution, the General Shareholders' Meeting of May 31, 2017 approved this non-compete indemnity in respect of the commitments subject to the related-party agreements procedure.

It is recalled that the compensation policy for Arthur Sadoun as Chairman of the Management Board for the financial year 2021 as well as the items paid or allocated to Arthur Sadoun in 2020 were approved (90.12% and 88.33% positive votes, respectively) by the General Shareholders' Meeting of May 26, 2021 (eleventh and sixteenth resolutions) pursuant to article L. 22-10-26 II and L. 22-10-34 II of the French Commercial Code (*ex-ante* and *ex-post* votes) respectively.

The compensation policy for the Chairman of the Management Board in respect of the 2022 financial year will be subject to approval by the General Shareholders' Meeting of May 25, 2022 in its ninth resolution pursuant to article L. 22-10-26 (II) of the French Commercial Code.

3.2.1.6 Compensation policy for Anne-Gabrielle Heilbronner, member of the Management Board

The compensation policy for Anne-Gabrielle Heilbronner is based on the same items as those for all corporate officers set out in Section 3.2.1.1 and includes the items applicable to Management Board members presented in Section 3.2.1.4 as well as the specific items presented below.

Annual fixed compensation

The gross annual fixed compensation of Anne-Gabrielle Heilbronner amounts to euro 600,000, unchanged from 2016.

The Supervisory Board, on the Compensation Committee's recommendation, had approved this compensation in line with:

- the scope of responsibilities of Anne-Gabrielle Heilbronner as Secretary General of the Groupe, which includes in particular the legal and governance function, human resources, internal audit, internal control, internal risk management and Corporate Social Responsibility (CSR);
- the market practices in compensation observed for this level of responsibility in France and for this level of international responsibility in Publicis Groupe's business sector.

Annual variable compensation

The Supervisory Board, on the recommendation of the Compensation Committee, decided on the criteria for the variable compensation of Anne-Gabrielle Heilbronner for the 2022 financial year.

The variable compensation of Anne-Gabrielle Heilbronner, which, if targets are met, may represent up to 100% of her fixed compensation is based on the following for the 2022 financial year:

- two financial criteria related to the Groupe's financial performance, each being taken into account on an equal basis, for 30% of variable compensation, i.e. organic growth and operating margin. To reconcile the terms and conditions of variable compensation for other Groupe executives, the variable compensation for the two criteria relating to organic growth and operating margin, could be increased if the objectives are exceeded, with a cap of 20% on each of these two criteria;
- four quantifiable individual financial and non-financial criteria, in line with main areas of responsibility, accounting for 70% of variable compensation;
  - audit: 20%, execution of the annual audit plan submitted to the Audit Committee,
  - employee expenses: 20%, based on the objective of "fixed personnel costs and freelance costs/revenue" in the annual budget approved by the Supervisory Board in March 2022,
  - legal: 10%, training of employees in Compliance and positive financial impact of the legal department on litigation, and
  - CSR: 20%, fight against climate change and Diversity, Equality and Inclusion.

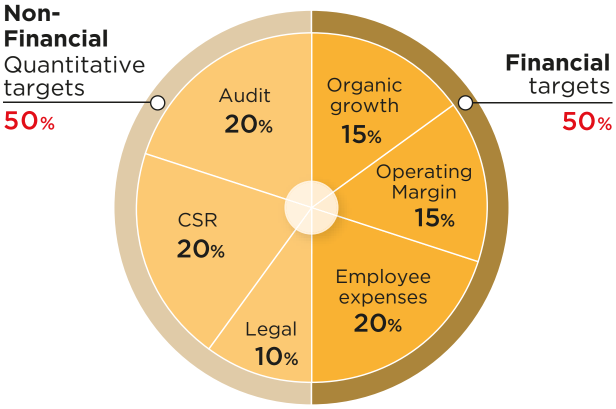
All these criteria, set in advance, are based on quantified, measurable objectives that are made public, with the exception of those that are of a strategic and confidential nature. All these criteria are proposed by the Compensation Committee and validated by the Supervisory Board.

The Committee assesses, in the finest detail, the performance for each objective and each criteria.

Performance criteria	Weight	Level of achievement of the Performance			Acquisition scale (straight-line between the Threshold and the Maximum)		
		Threshold	Target	Maximum	Threshold	Target	Maximum
Organic growth of the Groupe's revenue based on the Objective validated by the Supervisory Board in March 2022	**15%**	Objective -x bp(1)	Objective	Objective + y bp(1)	80%	100%	120%
Operating margin (the highest in the market compared to that of a peer group composed of the other three main global communications groups, namely Omnicom, WPP and IPG)	**15%**	#2	#1	#1 and objective +z bp(1)	50%	100%	120%
Audit - execution of the plan approved by the Audit Committee in November 2021: 68 planned audits (entity audits; IT; works; in compliance with IFACI rules)	**20%**	≥80% of the objective	Objective	Objective	80%	100%	100%
Employee expenses : based on the objective of "fixed personnel costs and freelance costs/revenue" in the annual budget approved by the Supervisory Board in March 2022	**20%**	Objective(1)	Objective(1)	Objective(1)	100%	100%	100%
Legal	**10%**						
• Number of people trained in Compliance	5%	≥80% of the objective	Objective	Objective	80%	100%	100%
• Positive financial impact of the legal department on litigation (difference between amounts paid plus legal fees and amounts claimed)	5%	Objective(1)	Objective(1)	Objective(1)	100%	100%	100%
CSR - the assessment of the progress of the CSR policy is carried out with regard to the following priorities:	**20%**						
• Diversity, Equality and Inclusion: the trajectory aims for 45% women among key executives in 2025 with an indicative checkpoint of 42% at the end of 2022	10%	≈42%	≈42%	≈42%	100%	100%	100%
• Combating climate change: the trajectory aims for 100% of energy from direct renewable sources by 2030 with an indicative checkpoint of around +14% at the end of 2022 compared to 2021	10%	≈+14%	≈+14%	≈+14%	100%	100%	100%
TOTAL	**100%**			**TOTAL**	**84.5%**	**100%**	**106%**

(1) Strategic and confidential information that may not be disclosed. For organic growth and operating margin, the thresholds and targets are higher than the guidance issued on February 19, 2022.

ANNE-GABRIELLE HEILBRONNER
Annual variable compensation target for 2022



Long-term variable share-based compensation

Publicis Groupe decided to set up a share plan each year for management and certain key employees of the Groupe. As a member of the Management Board, Anne-Gabrielle Heilbronner is eligible for this plan since 2021. Under this plan, the number of shares that may be delivered at the end of a three-year vesting period (except in the event of death or disability), *i.e.* in March 2024 for the "LTIP 2021 Directoire" and March 2025 for the "LTIP 2022 Members of the Directoire" plan, will depend – for 90% of the shares awarded – on Publicis Groupe's average financial performance over a three-year period (2021-2023 for the "LTIP 2021 Directoire" plan and 2022-2023 for the "LTIP 2022 Members of the Directoire" plan) as compared with the financial performance of a peer group comprising WPP, Omnicom, IPG and Publicis Groupe, plus two conditions relating to Corporate Social Responsibility for 10% of the shares awarded.

In addition, Anne-Gabrielle Heilbronner is also a beneficiary of the LTIP 2019-2021 Directoire, whose shares will be delivered on June 14, 2022.

In each of these plans, assuming the performance conditions are met, entitlement to receive shares is subject to continued employment until the end of the vesting period. Details of these plans are presented in Section 3.2.1.4.

In the event of forced departure or a departure due to a change in control or strategy and except in the event of serious or gross misconduct, shares awarded may be retained *prorata temporis*, subject to performance conditions.

In the event of retirement, she may, at the end of the vesting period and upon approval by the Supervisory Board, in accordance with the compensation policy approved by shareholders and applicable at that time, receive the shares granted to her *prorata temporis*.

Benefits in kind

The use of one of the Company cars.

Moreover, Anne-Gabrielle Heilbronner is covered by the job-loss insurance taken out by Publicis Groupe for its corporate officers, as the French unemployment office (Pôle Emploi) does not cover this.

Collective health and welfare insurance and pension plans

Anne-Gabrielle Heilbronner benefits from the coverage applicable to executives under the French regime. Anne-Gabrielle Heilbronner may benefit from the PERECO and PER O plans open, subject to conditions, to all Groupe employees in France with an employment contract.

Employment contract

Anne-Gabrielle Heilbronner continues to benefit from an employment contract with one of the Groupe's subsidiaries.

Severance payment

The current commitments to Anne-Gabrielle Heilbronner provide that in the event of a forced departure due to a change in control or strategy and other than in the case of serious or gross misconduct, Anne-Gabrielle Heilbronner would be entitled to a severance payment.

Provided that Anne-Gabrielle Heilbronner does not continue to be employed by Publicis Groupe, the amount of the severance would be equal to one year's total gross compensation (fixed and variable compensation paid). She would also have the right to exercise the options to subscribe to and/or to purchase the shares that have been awarded to her, and to retain, *prorata temporis*, the performance shares already granted to her, subject to the performance conditions set out in the regulations for the plan in question (in accordance with the decision of the Supervisory Board of November 25, 2020).

In addition, the payment of the severance amount would be subject to a performance condition: the severance amount would only be due in its full amount if the average annual amount of the variable compensation acquired by Anne-Gabrielle Heilbronner for the three years prior to the termination of her duties is equal to at least 75% of her "target variable compensation". If the average annual amount is less than 25% of the "target variable compensation", no sum or benefits will be due. If the average annual amount is between 25% and 75% of the "target variable compensation", payments and benefits will be calculated on a proportional basis between 0% and 100% using the rule of three.

The severance amount may only be paid after the determination by the Supervisory Board that the performance condition had been achieved at the date on which her term as a member of the Management Board ended.

The severance payment and any compensation in respect of the employment contract may not exceed two years of total compensation (fixed and variable compensation paid).

For information, note that these commitments had been authorized by the Supervisory Board on September 12, 2018 and approved by the Combined Shareholders' Meeting of May 29, 2019 in its seventh resolution for commitments formerly subject to the procedures on related-party agreements.

Non-compete agreement

Anne-Gabrielle Heilbronner is subject to a non-compete clause in her employment contract concluded on her arrival at Publicis Groupe in 2012, *i.e.* before her appointment as a member of the Management Board. This non-compete clause is valid for a maximum of two years and provides a maximum financial compensation to be paid equal to 30% of the gross salary, excluding variable elements. Publicis Groupe may waive this clause.

It is recalled that the compensation policy for members of the Management Board for the 2021 financial year as well as the items paid or allocated to Anne-Gabrielle Heilbronner in 2020 were approved (91.39% and 96.52% positive votes, respectively) by the General Shareholders' Meeting of May 26, 2021 (thirteenth and eighteenth resolutions) pursuant to articles L. 22-10-26 II and L. 22-10-34 II of the French Commercial Code (*ex-ante* and *ex-post* votes) respectively.

The compensation policy of Anne-Gabrielle Heilbronner for the 2022 financial year will be submitted for approval to the General Shareholders' Meeting of May 25, 2022 in its tenth resolution pursuant to II of article L. 22-10-26 of the French Commercial Code.

3.2.1.7 Compensation policy for Steve King, member of the Management Board

The compensation policy for Steve King is based on the same items as those for all corporate officers set out in Section 3.2.1.1 and includes the items applicable to Management Board members presented in Section 3.2.1.4 as well as the specific items presented below.

Annual fixed compensation

Steve King's gross annual compensation from June 1, 2017 is GBP 900,000, *i.e.* euro 1,048,077.

His compensation is determined and paid in pounds sterling. The translation into euros was carried out at the average rate of 1 GBP = 1.16453 EUR in 2021.

Annual variable compensation

The Supervisory Board, on the recommendation of the Compensation Committee, decided on the criteria for the variable compensation of Steve King for the 2022 financial year.

The variable compensation of Steve King, which, if targets are met, may represent up to 160% of his fixed compensation, is based on the following for the 2022 financial year:

- two financial criteria related to the Groupe's financial performance, each being taken into account on an equal basis, for 30% of variable compensation, i.e. organic growth and operating margin. To reconcile the terms and conditions of variable compensation for other Groupe executives, the variable compensation for the two criteria relating to organic growth and operating margin, could be increased if the objectives are exceeded, with a cap of 20% on each of these two criteria;
- six individual financial and non-financial criteria related to its role within Europe (of which five stemming from quantitative objectives and one being a precisely-defined qualitative objective) for 60% of the variable portion:
  - organic growth based on the Target beyond the Commitment: 15% (10% if the Commitment (annual budget), based on the objective approved by the Supervisory Board in March 2022, is achieved,
  - margin: 15%, based on the objective approved by the Supervisory Board in March 2022,
  - cost control of global services: 10%, based on the objective approved by the Supervisory Board in March 2022,
  - overall quality of services: 5%,
  - cash generation: 5%, based on the objective approved by the Supervisory Board in March 2022, and
  - Corporate Social Responsibility (CSR) at European level (10%).
- CSR at global level (10%).

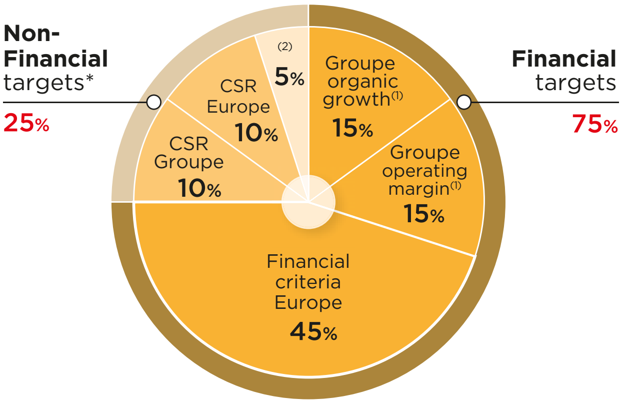
All these criteria, set in advance, are based on quantified, measurable objectives that are made public, with the exception of those that are of a strategic and confidential nature. All these criteria are proposed by the Compensation Committee and validated by the Supervisory Board.

The Committee assesses, in the finest detail, the performance for each objective and each criteria.

		Level of achievement of the Performance			Acquisition scale (straight-line between the Threshold and the Maximum)		
Performance criteria	**Weight**	**Threshold**	**Target**	**Maximum**	**Threshold**	**Target**	**Maximum**
Organic growth of the Groupe's revenue based on the Objective validated by the Supervisory Board in March 2022	**15%**	Objective -x bp[1]	Objective	Objective +y bp[1]	80%	100%	120%
Groupe Operating margin (the highest in the market compared to that of a peer group composed of the other three main global communications groups, namely Omnicom, WPP and IPG)	**15%**	#2	#1	#1 and objective +z bp(1)	50%	100%	120%
Organic growth - Europe based on the Objective approved by the Supervisory Board in March 2022	**15%**	Objective -x' bp[1]	Objective	Objective +y' bp[1]	80%	100%	100%
Operating margin - Europe based on the Objective approved by the Supervisory Board in March 2022	**15%**	Objective	Objective	Objective	100%	100%	100%
Cost control of global services based on the Objective approved by the Supervisory Board in March 2022	**10%**	Objective -x'' bp[1]	Objective	Objective +y'' bp[1]	80%	100%	100%
Quality of Global Services Management of the development plan for Global Services' tools, modules and platforms allowing a direct impact on revenue growth	**5%**	Objective	Objective	Objective	100%	100%	100%
Cash generation based on the Objective approved by the Supervisory Board in March 2022	**5%**	Objective -x''' bp[1]	Objective	Objective +y''' bp[1]	80%	100%	100%
CSR at the European level - the assessment of the progress of the CSR policy is carried out with regard to the following priorities:	**10%**						
• Diversity, Equality and Inclusion: the trajectory aims for 45% women among key executives in 2025 with an indicative checkpoint of 42% at the end of 2022	5%	≈42%	≈42%	≈42%	100%	100%	100%
• Combating climate change: the trajectory aims for 100% of energy from direct renewable sources by 2030 with an indicative checkpoint of around +14% at the end of 2022 compared to 2021	5%	≈+14%	≈+14%	≈+14%	100%	100%	100%
Global CSR - the assessment of the progress of the CSR policy is carried out with regard to the following priorities:	**10%**						
• Diversity, Equality and Inclusion: the trajectory aims for 45% women among key executives in 2025 with an indicative checkpoint of 42% at the end of 2022	5%	≈42%	≈42%	≈42%	100%	100%	100%
• Combating climate change: the trajectory aims for 100% of energy from direct renewable sources by 2030 with an indicative checkpoint of around +14% at the end of 2022 compared to 2021	5%	≈+14%	≈+14%	≈+14%	100%	100%	100%
TOTAL	**100%**			**TOTAL**	**83.5%**	**100%**	**106%**

(1) Strategic and confidential information that may not be disclosed. For Groupe organic growth and Groupe operating margin, the thresholds and targets are higher than the guidance issued on February 19, 2022.

STEVE KING
Annual variable compensation target for 2022



(1) Groupe financial criteria (2) Quality of Global Services

* Quantifiable targets, with the exception of the target relating to the Quality of Global Services, which remains measurable.

Long-term variable share-based compensation

Publicis Groupe decided to set up a share plan each year for management and certain key employees of the Groupe. As a member of the Management Board, Steve King is eligible for this new plan since 2021. Under this plan, the number of shares that may be delivered at the end of a three-year vesting period (except in the event of death or disability), *i.e.* in March 2024 for the "LTIP 2021 Directoire" and March 2025 for the "LTIP 2022 Members of the Directoire" plan, will depend – for 90% of the shares awarded – on Publicis Groupe's average financial performance over a three-year period (2021-2023 for the "LTIP 2021 Directoire" plan and 2022-2024 for the "LTIP 2022 Members of the Directoire") as compared with the financial performance of a peer group comprising WPP, Omnicom, IPG and Publicis Groupe, plus two conditions relating to Corporate Social Responsibility for 10% of the shares awarded.

In addition, Steve King is also a beneficiary of the LTIP 2019-2021 Directoire, whose shares will be delivered on June 14, 2022.

In each of these plans, assuming the performance conditions are met, entitlement to receive shares is subject to continued employment until the end of the vesting period. Details of these plans are presented in Section 3.2.1.4.

In the event of forced departure or a departure due to a change in control or strategy and except in the event of serious or gross misconduct, shares awarded may be retained *prorata temporis*, subject to the achievement of performance conditions.

In the event of retirement, he may, at the end of the vesting period and upon approval by the Supervisory Board, in accordance with the compensation policy approved by shareholders and applicable at that time, receive the shares granted to him *prorata temporis*.

Benefits in kind

Steve King benefits from the reimbursement of expenses related to his vehicle.

Collective health and welfare insurance and pension plans

Steve King benefits from the pension plan, and from the medical costs and welfare cover applicable to executives of his level in the United Kingdom.

Employment contract

Steve King benefits from an employment contract with one of the Groupe's United Kingdom subsidiaries.

Severance payment

Steve King benefits from a severance payment and the terms of the non-compete agreement as they appear in his employment contract with one of the Groupe's subsidiaries in the United Kingdom. No other compensation will be due.

In the event of a forced departure due to a change in control or strategy and other than in the case of serious or gross misconduct, Steve King would be entitled to this single severance payment.

Provided that Steve King does not continue to be employed by Publicis Groupe, the amount of the severance would be equal to one year's total gross compensation (fixed and variable compensation paid), calculated using the average of the last 24 months of compensation.

He would also have the right to exercise the options to subscribe to and/or to purchase the shares that have been awarded to him, and to retain *prorata temporis* the right to performance shares already granted to him, subject to the performance conditions set out in the regulations for the plan in question being satisfied (in accordance with the Supervisory Board decision of November 25, 2020).

In addition, this severance payment would be subject to a performance condition: the severance amount would only be due in its full amount if the average annual amount of the variable compensation acquired by Steve King for the three years prior to the termination of his duties is equal to at least 75% of his "target variable compensation". If the average annual amount is less than 25% of the "target variable compensation", no sum or benefits will be due. If the average annual amount is between 25% and 75% of the "target variable compensation", payments and benefits will be calculated on a proportional basis between 0% and 100% using the rule of three.

The severance payment may only be paid after the determination by the Supervisory Board that the performance conditions had been achieved at the date on which his term as a member of the Management Board ended.

The Supervisory Board reaffirmed that this severance payment and any compensation for a non-compete obligation (see below) may not exceed 12 months of total compensation (fixed and variable compensation paid).

For information, note that these commitments had been authorized by the Supervisory Board on September 12, 2018 and approved by the Combined Shareholders' Meeting of May 29, 2019 in its eighth resolution for commitments formerly subject to the procedures on related-party agreements.

Non-compete agreement

Steve King is subject to a non-compete obligation in his employment contract with a British subsidiary of the Groupe. This obligation does not give rise to financial consideration as permitted by applicable local regulations.

The Supervisory Board reaffirmed that any severance payment and any compensation for a non-compete obligation may not exceed 12 months of total compensation (fixed and variable compensation paid).

The non-compete agreement was specifically approved by the General Shareholders' Meeting of May 31, 2017. This agreement remains in force until a decision to the contrary by the Supervisory Board.

It is recalled that the compensation policy for members of the Management Board for the 2021 financial year as well as the items paid or allocated to Steve King in 2020 were approved (91.39% and 94.44% positive votes, respectively) by the General Shareholders' Meeting of May 26, 2021 (thirteenth and nineteenth resolutions) pursuant to articles L. 22-10-26 II and L. 22-10-34 II of the French Commercial Code (*ex-ante* and *ex-post* votes) respectively.

The compensation policy for Steve King for the 2022 financial year will be submitted for approval to the General Shareholders' Meeting of May 25, 2022 in its tenth resolution pursuant to II of article L. 22-10-26 of the French Commercial Code.

3.2.1.8 Compensation policy applicable to Michel-Alain Proch, member of the Management Board

The compensation policy for Michel-Alain Proch is based on the same items as those for all corporate officers set out in Section 3.2.1.1 and includes the items applicable to Management Board members presented in Section 3.2.1.4 as well as the specific items presented below.

Annual fixed compensation

The gross annual fixed compensation of Michel-Alain Proch is euro 600,000.

The Supervisory Board approved this compensation in line with:

- his profile, experience and skills; and
- the market practices in compensation observed for this level of responsibility in France and for this level of international responsibility in Publicis Groupe's business sector.

3

Annual variable compensation

The Supervisory Board, on the recommendation of the Compensation Committee, decided on the criteria for the variable compensation of Michel-Alain Proch for the 2022 financial year.

The variable compensation of Michel-Alain Proch, which, if targets are met, may represent up to 100% of his fixed compensation is based on the following for the 2022 financial year:

- three financial and stock market criteria for 40% of the variable portion, namely organic growth, operating margin and TSR (Total Shareholder Return). To reconcile the terms and conditions of variable compensation for other Groupe executives, the variable compensation for the two criteria relating to organic growth and operating margin, could be increased if the objectives are exceeded, with a cap of 20% on each of these two criteria;
- four quantifiable individual financial and non-financial criteria, for 60% of the variable part:
  - employee expenses: 15%, based on the objective of "fixed personnel costs and freelance costs/revenue" in the annual budget approved by the Supervisory Board in March 2022,
  - cash flow and debt management: 20% based on the objective approved by the Supervisory Board in March 2022,
  - the achievement of All in One and G&A objectives (15%), and
  - Corporate Social Responsibility (CSR) for 10%.

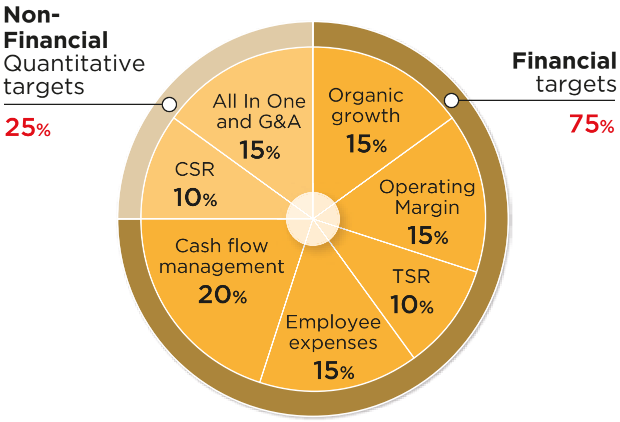
All these criteria, set in advance, are based on quantified, measurable objectives that are made public, with the exception of those that are of a strategic and confidential nature. All these criteria are proposed by the Compensation Committee and validated by the Supervisory Board.

The Committee assesses, in the finest detail, the performance for each objective and each criteria.

Performance criteria	Weight	Level of achievement of the Performance: Threshold	Target	Maximum	Acquisition scale (straight-line between the Threshold and the Maximum): Threshold	Target	Maximum
Organic growth of the Groupe's revenue based on the Objective validated by the Supervisory Board in March 2022	**15%**	Objective -x bp(1)	Objective	Objective +y bp(1)	80%	100%	120%
Operating margin (the highest in the market compared to that of a peer group composed of the other three main global communications groups, namely Omnicom, WPP and IPG)	**15%**	#2	#1	#1 and objective +z bp(1)	50%	100%	120%
TSR (Total Shareholder Return)	**10%**	Objective	Objective	Objective	100%	100%	100%
Employee expenses : based on the objective of "fixed personnel costs and freelance costs/revenue" in the annual budget approved by the Supervisory Board in March 2022	**15%**	Objective (1)	Objective (1)	Objective (1)	100%	100%	100%
Cash flow and debt management based on the Objective approved by the Supervisory Board in March 2022	**20%**	Objective -x' bp(1)	Objective	Objective +y' bp(1)	80%	100%	100%
Achievement of All in One & G&A objectives based on the Objective approved by the Supervisory Board in March 2022, included in the budget approved by the Supervisory Board in March 2022	**15%**	Objective -x'' bp(1)	Objective	Objective +y'' bp(1)	80%	100%	100%
CSR - the assessment of the progress of the CSR policy is carried out with regard to the following priorities:	**10%**						
• Diversity, Equality and Inclusion: the trajectory aims for 45% women among key executives in 2025 with an indicative checkpoint of 42% at the end of 2022	5%	≈42%	≈42%	≈42%	100%	100%	100%
• Combating climate change: the trajectory aims for 100% of energy from direct renewable sources by 2030 with an indicative checkpoint of around +14% at the end of 2022 compared to 2021	5%	≈+14%	≈+14%	≈+14%	100%	100%	100%
TOTAL	**100%**			**TOTAL**	**82.5%**	**100%**	**106%**

(1) Strategic and confidential information that may not be disclosed. For organic growth, operating margin and cash and debt management, the thresholds and targets are higher than the guidance issued on February 19, 2022.

MICHEL-ALAIN PROCH
Annual variable compensation target for 2022



Long-term variable share-based compensation

Publicis Groupe decided to set up a share plan each year for management and certain key employees of the Groupe. As a member of the Management Board, Michel-Alain Proch is eligible for this plan since 2021. Under this plan, the number of shares that may be delivered at the end of a three-year vesting period (except in the event of death or disability), *i.e.* in March 2024 for the "LTIP 2021 Directoire" and March 2025 for the "LTIP 2022 Members of the Directoire" plan, will depend – for 90% of the shares awarded – on Publicis Groupe's average financial performance over a three-year period (2021-2023 for the "LTIP 2021 Directoire" plan and 2022-2024 for the "LTIP 2022 Members of the Directoire" plan) as compared with the financial performance of a peer group comprising WPP, Omnicom, IPG and Publicis Groupe, plus two conditions relating to Corporate Social Responsibility for 10% of the shares awarded.

Assuming the performance conditions are met, entitlement to receive shares is subject to continued employment until the end of the vesting period. Details of these plans are presented in Section 3.2.1.4.

In the event of forced departure or a departure due to a change in control or strategy and except in the event of serious or gross misconduct, shares awarded may be retained *prorata temporis*, pursuant to a reasoned decision of the Supervisory Board and subject to performance conditions.

In the event of retirement, he may, at the end of the vesting period and upon a decision of the Supervisory Board, in accordance with the compensation policy approved by shareholders and applicable at that time, receive the shares granted to him *prorata temporis*.

Benefits in kind

The use of one of the Company cars.

Moreover, Michel-Alain Proch is covered by the job-loss insurance taken out by Publicis Groupe for its corporate officers, as the French unemployment office (Pôle Emploi) does not cover this.

Collective health and welfare insurance and pension plans

Michel-Alain Proch benefits from the coverage applicable to executives under the French regime. Michel-Alain Proch may benefit from the PERECO and PER O plans open, subject to conditions, toall Groupe employees in France with an employment contract.

Employment contract

Michel-Alain Proch has an employment contract with one of the Groupe's subsidiaries.

Severance payment

The current commitments to Michel-Alain Proch provide that in the event of a forced departure due to a change in control or strategy and other than in the case of serious or gross misconduct, Michel-Alain Proch would be entitled to a severance payment.

Provided that Michel-Alain Proch does not continue to be employed by Publicis Groupe, the amount of the severance would be equal to one year's total gross compensation (fixed and variable compensation paid), calculated using the average of the last 24 months of compensation.

He would also have the right to exercise the options to subscribe to and/or to purchase the shares that have been awarded to him, and to retain the performance shares already granted to him *prorata temporis*, subject to the performance conditions set out in the regulations for the plan in question.

In addition, the payment of the severance amount would be subject to a performance condition: the severance amount would only be due in its full amount if the average annual amount of the variable compensation acquired by Michel-Alain Proch for the three years prior to the termination of his duties is equal to at least 75% of his "target variable compensation". If the average annual amount is less than 25% of the "target variable compensation", no sum or benefits will be due. If the average annual amount is between 25% and 75% of the "target variable compensation", payments and benefits will be calculated on a proportional basis between 0% and 100% using the rule of three.

The severance payment may only be paid after the determination by the Supervisory Board that the performance conditions had been achieved at the date on which his term as a member of the Management Board ended.

The severance payment and any compensation in respect of the employment contract may not exceed two years of total compensation (fixed and variable compensation paid).

Non-compete agreement

A non-compete clause was entered into with Michel-Alain Proch when he joined Publicis Groupe, as part of his employment contract. This non-compete clause, for a maximum period of two years, provides for a maximum financial compensation equal to 30% of the last gross monthly salary, excluding variable elements, received by Michel-Alain Proch prior to his departure from the Groupe, calculated on the basis the average of the last twelve months preceding his departure. Publicis Groupe may waive this clause.

It should be noted that the compensation policy for Michel-Alain Proch as member of the Management Board for the 2021 financial year was approved (91.48% positive votes) by the General Shareholders' Meeting of May 26, 2021 (twelfth resolution) pursuant to Article L. 22-10-26 II of the French Commercial Code (*ex ante* vote).

The compensation policy for Michel-Alain Proch as a member of the Management Board for the 2022 financial year will be submitted for approval to the General Shareholders' Meeting of May 25, 2022 in its tenth resolution pursuant to II of article L. 22-10-26 of the French Commercial Code.

3.2.2 Compensation of corporate officers for the 2021 financial year

In accordance with Article L. 22-10-34, I of the French Commercial Code, the General Shareholders' Meeting deliberates on the disclosures mentioned in article L. 22-10-9 of the French Commercial Code. The General Shareholders' Meeting of May 25, 2022 will thus be asked to vote on these disclosures in a resolution referenced below.

Should the General Shareholders' Meeting of May 25, 2022 not approve said resolution, the Supervisory Board will be required to submit a revised compensation policy, taking into account the shareholders' vote, for approval at the next General Shareholders' Meeting.

The approval of the disclosures mentioned in article L. 22-10-9 (I) of the French Commercial Code on the compensation of corporate officers in respect of the 2021 financial year is subject to the approval of the General Shareholders' Meeting of May 25, 2022 in its eleventh resolution.

3.2.2.1 Compensation of members of the Supervisory Board

The total compensation including all benefits of any kind awarded or paid during the financial year ended December 31, 2021 to each member of the Supervisory Board, both by the Company and by the companies controlled by the Company as defined by article L. 233-16 of the French Commercial Code, is indicated hereafter.

The compensation of Supervisory Board members breaks down into the fixed compensation of Supervisory Board members in respect of their office (formerly attendance fees), with the exception of the compensation paid to the Chairman (see Section 3.2.2.2), and the exception of the salaries paid by a Groupe subsidiary to Pierre Pénicaud and Patricia Velay-Borrini in respect of their salaried positions in 2021 (see Table 3). If applicable, the amount of fixed and variable compensation included in the total compensation is indicated. Total compensation is expressed in euros. The amounts indicated are gross amounts before deductions of taxes or social charges.

The items of compensation paid or awarded in respect of the 2020 financial year were approved by the previous General Shareholders' Meeting in its fourteenth resolution. It is specified that the compensation of Supervisory Board members paid or awarded in respect of the 2021 financial year complies with the compensation policy set out in Section 3.2.1.2 of the Publicis Groupe SA 2020 Universal Registration Document as widely approved by the General Shareholders' Meeting of May 26, 2021 in its tenth resolution pursuant to article L. 22-10-26 of the French Commercial Code. Supervisory Board members received euro 5,000 for each Supervisory Board meeting and for each Committee meeting they attended.

At their request, Patricia Velay-Borrini and Pierre Pénicaud receive an amount of euro 2,500 for each meeting of the Supervisory Board and each Committee in which they participate and the Company has decided to allocate an equivalent amount to charitable work.

3.2.2.2 Compensation paid or allocated to Maurice Lévy, Chairman of the Supervisory Board

In accordance with article L. 22-10-34 (II) of the French Commercial Code, the General Shareholders' Meeting must vote on the fixed, variable and extraordinary items of total compensation and benefits of any kind paid during the past financial year or awarded for that financial year to the Chairman of the Supervisory Board.

The General Shareholders' Meeting of May 25, 2022 will thus be asked to vote on the items of compensation paid or awarded in respect of the 2021 financial year to Maurice Lévy, Chairman of the Supervisory Board, as set out below. These elements comply with the compensation policy for the Chairman of the Supervisory Board for the 2021 financial year presented in Section 3.2.1.3 of the Publicis Groupe SA 2020 Universal Registration Document as approved (87.04% positive votes) by the General Shareholders' Meeting of May 26, 2021 in its ninth resolution.

The items of compensation for the Chairman of the Supervisory Board were approved by the previous General Shareholders' Meeting; items of compensation paid from June 1, 2019 to the Chairman of the Board reflect his decision to waive one-third of his previous compensation while taking into account the vote of the Meeting and his decision to reduce his annual compensation by 30% as of June 1, 2020 in the exceptional context of the Covid-19 pandemic.

It should be noted that the variable and extraordinary items of compensation are subject to the approval of the General Shareholders' Meeting in accordance with the provisions of article L. 22-10-34 (II) paragraph 2 of the French Commercial Code.

Items within the total compensation and benefits of any kind paid during the past financial year or awarded with respect to the same financial year to Maurice Lévy, Chairman of the Supervisory Board, are subject to the approval of the General Shareholders' Meeting of May 25, 2022 in its twelfth resolution pursuant to article L. 22-10-34 (II) of the French Commercial Code.

/ Table – Items of compensation paid or awarded in 2021 to Maurice Lévy, Chairman of the Supervisory Board, subject to shareholder approval

Items of compensation subject to approval	Amounts paid in respect of the past financial year (period 2020-2021)	Amounts awarded in respect of the past financial year or accounting valuation (period 2021-2022)	Presentation
Fixed compensation	1,330,000	1,300,000	The amount paid in respect of 2021 corresponds to the payment of fixed compensation to Maurice Lévy, which takes into account his decision to reduce his compensation initially awarded by Publicis Groupe by 30% (*i.e.* euro 1,330,000 instead of euro 1,900,000) in accordance with Section 3.2.1.3 of the 2019 Universal Registration Document. The amount awarded for 2021 is euro 1,300,000 in accordance with the compensation policy approved by the General Shareholders' Meeting of May 26, 2021 in its ninth resolution. The rules for determining the fixed compensation of the Chairman of the Supervisory Board are set out in Section 3.2.1.3 of this document.
Annual variable compensation	-	-	N/A
Multi-year variable compensation	-	-	N/A
Exceptional compensation	-	-	N/A
Stock options, performance shares or any other long-term benefit (warrants, etc.)	-	-	N/A
Compensation solely related to membership of the Supervisory Board	95,000	85,000	The rules for awarding compensation for membership of the Supervisory Board are set out in Section 3.2.1.2 of this document.
Other benefits	-	-	N/A
Indemnities when taking or leaving a function	-	-	N/A
Non-compete agreement	-	-	N/A
Supplementary pension plan	-	-	N/A
Collective health and welfare insurance plans	-	-	N/A
Compensation by the company(ies) within the scope of consolidation as per article L. 233-16 of the French Commercial Code	-	-	N/A

3.2.2.3 Annual variable compensation to be paid in 2022 for the year 2021: common performance assessment applicable to members of the Management Board

The compensation policy adopted for the 2021 financial year was defined on the basis of performance criteria established in March 2021. The criteria and objectives were defined in a demanding manner in a context where the economic environment and the effects of the Covid-19 crisis were still very uncertain. The Compensation Committee has carried out very precise work to identify individual objectives, define acquisition scales and performance measurement methods for each of the performance criteria of the annual variable compensation of the members of the Management Board.

The recovery was rapid and strong, which had a positive impact on the performance of all global communication groups. In this context, Publicis achieved record results in 2021 both financially and commercially, which it owes to the Groupe's model and the dynamic of New Business wins and effective management by the members of the Management Board. These exceptional performances demonstrate the quality of the positioning of the service concept and the solutions developed around data and Publicis Groupe's country organization, making it possible to seize growth opportunities in a context of recovery.

3.2.2.4 Compensation paid or allocated to Arthur Sadoun, Chairman of the Management Board

In accordance with article L. 22-22-34, II of the French Commercial Code, the General Shareholders' Meeting must vote on the variable and extraordinary items of total compensation and benefits of any kind paid during the past financial year or awarded for that financial year to the Chairman of the Management Board.

The General Shareholders' Meeting of May 25, 2022 will be asked to vote on the items of compensation paid or awarded in respect of the 2021 financial year to Arthur Sadoun, Chairman of the Management Board, as set out below. These elements comply with the compensation policy for the Chairman of the Management Board for the 2021 financial year presented in Sections 3.2.1.4 and 3.2.1.5 of the Publicis Groupe SA 2020 Universal Registration Document, as approved by the General Shareholders' Meeting of May 26, 2021 in its eleventh resolution. Given the strong approval of items of compensation at the previous General Shareholders' Meeting, the items of compensation paid or awarded in respect of the 2021 financial year are in line with those paid or awarded in respect of the 2020 financial year. It should be noted that the fixed, variable and extraordinary items of compensation are subject to the approval of the Ordinary General Shareholders' Meeting in accordance with the provisions of article L. 22-10-34, II, second paragraph, of the French Commercial Code.

These fixed, variable and extraordinary items within the total compensation and benefits of any kind paid during the past financial year or awarded with respect to the same financial year to Arthur Sadoun, Chairman of the Management Board, are subject to the approval of the General Shareholders' Meeting of May 25, 2022 in its thirteenth resolution pursuant to article L. 22-10-34, II of the French Commercial Code.

/ Table – Items of compensation paid or awarded in 2021 to Arthur Sadoun, Chairman of the Management Board, subject to shareholder approval

Items of compensation subject to approval	Amounts paid in respect of the past financial year	Amounts awarded in respect of the past financial year or accounting valuation	Presentation
Fixed compensation	1,000,000	1,000,000	Proportion of fixed compensation: 33.33% The rules for determining the fixed compensation of the Chairman of the Management Board can be found in Section 3.2.1.5 of this document.
Annual variable compensation	2,000,000	1,900,000	Proportion of variable compensation: (in comparison with the compensation paid): 66.67% Variable compensation to be paid in 2022 for financial year 2021 After assessing the performance for each of the criteria indicated below and in accordance with the compensation policy adopted by the previous Shareholders' Meeting during the 2021 financial year, the Supervisory Board set the variable part of Arthur Sadoun's compensation at euro 1,900,000 gross, the payment of which will be subject to the approval of the Annual General Shareholders' Meeting of May 25, 2022 in its thirteenth resolution in accordance with article L. 22-10-34, II of the French Commercial Code. This amount results from the following facts and assessments shown below and in the table below.
Multi-year variable compensation	-	-	N/A
Exceptional compensation	-	-	N/A
Stock options, performance shares or any other long-term benefit (warrants, etc.)	N/A	3,570,638	This amount corresponds on the one hand to the valuation in the consolidated financial statements of the shares granted in 2021 to Arthur Sadoun under the LTIP 2021 Directoire performance share plan and, on the other hand, to the maximum annual valuation in the consolidated financial statements of the performance shares granted to him in 2019 under the LTIP 2019-2021 Directoire performance share plan, as described in section 3.2.1.4[1].

Items of compensation subject to approval	Amounts paid in respect of the past financial year	Amounts awarded in respect of the past financial year or accounting valuation	Presentation
Other benefits	-	-	N/A
Indemnities when taking or leaving a function	-	-	No sum was awarded with respect to the past financial year. The severance payment described in Section 3.2.1.5 of this document that may be paid to Arthur Sadoun equates to one year's total gross compensation (fixed part and variable part paid) calculated on the average of the last 24 months of compensation, subject to performance conditions, *i.e.* an estimated amount of euro 2,625,000.
Non-compete agreement	-	-	No sum was awarded with respect to the past financial year. The non-compete payment described in Section 3.2.1.5 that may be paid to Arthur Sadoun is equivalent to two years of total gross compensation (fixed part and target variable part) calculated on the average of the last 24 months of compensation, *i.e.* an estimated amount of euro 6,000,000 (non-cumulative with a severance payment).
Supplementary pension plan	-	-	N/A
Collective health and welfare insurance plans	4,654	4,654	This is the employer's contribution to the collective health and welfare insurance plans
Employment contract	No	No	N/A
Compensation by the company(ies) within the scope of consolidation as per article L. 233-16 of the French Commercial Code	-	-	N/A

(1) See details in Table 6. In accordance with the Company's usual practice, performance share plans that are awarded every three years are broken down in thirds over the three years in which the performance is assessed.

Annual variable compensation to be paid in 2022 for financial year 2021

The variable part of Arthur Sadoun's compensation, which, if targets are met, may represent up to 200% of his fixed compensation, without exceeding this percentage, for financial year 2021, is based on financial and Stock Exchange performance criteria, essentially based, on the one hand, a comparison with the performance of the main competitors of Publicis Groupe (Omnicom, WPP and IPG) and, on the other hand, individual quantifiable non-financial performance criteria, considered as major for the development of the Groupe.

The compensation of the Chairman of the Management Board for 2021 is thus based on two types of criteria:

- four financial and Stock Exchange criteria, accounting for 75% of the overall weight of the criteria, taking into consideration trends in Publicis Groupe growth and profitability:

	Weight of the criteria		Acquisition scale	
Criteria related to the financial and stock market performance of Publicis Groupe	**In %**	**In €**	**Level of achievement of the Performance (P)**	**%**
1. Organic growth of the Groupe's revenue based on the Target validated by the Supervisory Board in March 2021 for 25% (10% if the Commitment (annual budget) is achieved)	25%	€500,000	P ≥ Target Commit < P > Target P ≤ Commit	100% 40% 0%
2. Operating margin (the highest in the market compared to that of a peer group composed of the other three main global communications groups, namely Omnicom, WPP and IPG)	25%	€500,000	P = 1st of the peer group P = 2nd of the peer group P = 3rd of the peer group P = 4th of the peer group	100% 50% 15% 0%
3. EPS: the rate of change of the Groupe's headline diluted earnings per share (headline diluted EPS), comparing the headline diluted EPS for the fiscal year and the headline diluted EPS for fiscal year 2019 (2020 is not significant)	10%	€200,000	P = 1st of the peer group P = 2nd of the peer group P = 3rd of the peer group P = 4th of the peer group	100% 50% 15% 0%
4. TSR (Total Shareholder Return) which reflects the difference between the share price of the Publicis Groupe SA share at the end of the fiscal year in question and the stock market price at the beginning of the same fiscal year (based on the average of the opening prices recorded over the last 20 trading days of the year, compared to the average of the opening prices over the first 20 trading days of the year), plus the amount of dividends paid during the fiscal year.	15%	€300,000	P > 0	100%

The variable compensation in respect of the organic growth criterion may only be paid upon the achievement of the Commitment. A stretch objective beyond the Commitment up to the Target makes it possible to reward an even more demanding level of performance, while remaining within the limit of the ceiling set for this criterion.

The last two criteria (EPS and TSR) are directly linked to the immediate interests of shareholders.

These financial and Stock Exchange performance criteria were chosen by the Supervisory Board, following the proposal of the Compensation Committee, because they best express the quality of the Company's performance. Two of them are measured in comparison with the main competitors of Publicis Groupe, thus encouraging overperformance.

- quantifiable individual non-financial criteria corresponding to 25% of the overall weight of the criteria in order to value the implementation of key strategic actions which will yield long-term effects on the Groupe's development:

	Weight of the criteria		Acquisition scale	
Non-financial quantifiable individual criteria	**In %**	**In €**	**Level of achievement of the Performance (P)**	**%**
Implementation of the Epsilon Product Plan	15%	€300,000	P ≥ Target	100%
Corporate Social Responsibility (CSR). The assessment of the progress of the CSR policy with regard to the 2025 trajectory will be made on the following priorities:	10%	€200,000	Indicative checkpoints	100%
• Diversity, Equality and Inclusion: the trajectory aims for 45% women among key executives in 2025 with an indicative checkpoint of 41% at the end of 2021	5%	€100,000	Indicative checkpoint	100%
• Combating climate change: the trajectory aims for 100% of energy from direct renewable sources by 2030 with an indicative checkpoint of around +8% at the end of 2021 compared to 2020	5%	€100,000	Indicative checkpoint	100%
Total (financial and non-financial criteria)	**100%**	**€2,000,000**		

3

Results - Criteria linked to the financial performance of Publicis Groupe

Objectives	Results	Objective achievement level	Amount of variable compensation to be paid
Organic growth	Growth of 10.0% > the Target adopted in March 2021	Achieved	€500,000
Operating margin	With an operating margin of 17.5%, Publicis Groupe is number one in its peer group.	Achieved	€500,000
Change in current diluted headline earnings per share for the Groupe	The target was 50% achieved. Publicis Groupe ranks 2nd in the peer group (1)	Partially Achieved	€100,000
Total Shareholder Return (TSR)	TSR: 17.2	Achieved	€300,000

(1) For headline diluted EPS, insofar as the Groupe does not carry out annual share buy backs (decision of the Supervisory Board over which Arthur Sadoun has no control) and given that our competitors carried out share buybacks in 2021, it would have been unfair to penalize Arthur Sadoun. The Supervisory Board therefore decided to calculate the criterion related to diluted EPS by restating these items.

Results - Individual non-financial criteria

Objectives & Results	Objective achievement level	Amount of variable compensation to be paid
Implementation of the Epsilon Products Plan The Epsilon Products Plan was the subject of five projects in 2021. The Compensation Committee monitored the progress of the plan throughout the year and noted milestones in September 2021. In the end, the integration of Epsilon products within the Groupe and the services of the Groupe's main clients was carried out in accordance with the plan for each of the projects, some of which were even largely exceeded.	Achieved	€300,000
CSR **Diversity, Equality and Inclusion:** 41.1% of key executives were women at the end of 2021	Achieved	€100,000
Fight against climate change: the rate of renewable energies from direct sources increased by 15.8%	Achieved	€100,000
Total awarded		**€1,900,000**

Subject to the approval of the General Shareholders' Meeting, the Supervisory Board, on the recommendation of the Compensation Committee, approved the partial payment of 95% of the target variable compensation of Arthur Sadoun given the elements detailed above and which is largely justified in view of the achievement of virtually all the objectives for 2021.

3.2.2.5 Compensation paid or allocated to Anne-Gabrielle Heilbronner, member of the Management Board

In accordance with article L. 22-10-34, II of the French Commercial Code, the General Shareholders' Meeting must vote on the variable and extraordinary items of total compensation and benefits of any kind paid during the past financial year or awarded for that financial year by means of a separate resolution for each member of the Management Board.

The General Shareholders' Meeting of May 25, 2022 will thus be asked to vote on the items of compensation paid or awarded in respect of the 2021 financial year to Anne-Gabrielle Heilbronner, member of the Management Board, as set out below. These elements comply with the compensation policy for members of the Management Board for the financial year 2021 presented in Sections 3.2.1.4 and 3.2.1.6 of the Publicis Groupe SA 2020 Universal Registration Document, as approved by the General Shareholders' Meeting of May 26, 2021 in its thirteenth resolution. Given the strong approval of items of compensation at the previous General Shareholders' Meeting, the items of compensation paid or awarded in respect of the 2021 financial year are in line with those paid or awarded in respect of the 2020 financial year.

It should be noted that the fixed, variable and extraordinary items of compensation are subject to the approval of the Ordinary General Shareholders' Meeting in accordance with the provisions of article L. 22-10-34, II, second paragraph, of the French Commercial Code.

These fixed, variable and extraordinary items within the total compensation and the benefits of any kind paid during the past financial year or awarded with respect to the same financial year to Anne-Gabrielle Heilbronner, member of the Management Board, are subject to the approval of the General Shareholders' Meeting of May 25, 2022 in its fourteenth resolution pursuant to article L. 22-10-34, II of the French Commercial Code.

/ Table – Items of compensation paid or awarded in 2021 to Anne-Gabrielle Heilbronner, member of the Management Board, subject to shareholder approval

Items of compensation subject to approval	Amounts paid in respect of the past financial year	Amounts awarded in respect of the past financial year or accounting valuation	Presentation
Fixed compensation	600,000	600,000	Proportion of fixed compensation: 50% The rules for determining the fixed compensation can be found in Section 3.2.1.6 of this document
Annual variable compensation	600,000	600,000	Proportion of variable compensation: (compared to compensation paid): 50% Variable compensation to be paid in 2022 for financial year 2021: After reviewing the performance achieved for each of the criteria indicated below and in accordance with the compensation policy adopted by the previous Shareholders' Meeting during the 2021 financial year, the Supervisory Board set the variable compensation of Anne-Gabrielle Heilbronner at euro 600,000 gross, the payment of which will be subject to the approval of the General Shareholders' Meeting of May 25, 2022 in its fourteenth resolution pursuant to article L. 22-10-34, II of the French Commercial Code. This amount results from the following facts and assessments shown below and in the table below.
Multi-year variable compensation	-	-	N/A
Exceptional compensation	-	-	N/A
Stock options, performance shares or any other long-term benefit (warrants, etc.)	N/A	1,370,544	This amount corresponds on the one hand to the valuation in the consolidated financial statements of the shares granted in 2021 to Anne-Gabrielle Heilbronner under the LTIP 2021 Directoire performance share plan and, on the other hand, to the maximum annual valuation in the consolidated financial statements of the performance shares granted to him in 2019 under the LTIP 2019-2021 Directoire performance share plan, as described in section 3.2.1.4[(1)].
Other benefits	12,357	12,357	This amount corresponds to the cost to the Publicis Groupe of jobloss insurance. The use of one of the Company cars[(2)].
Indemnities when taking or leaving a function	-	-	No sum was awarded with respect to the past financial year. The severance payment described in Section 3.2.1.6 that may be paid to Anne-Gabrielle Heilbronner equates to one year of total gross compensation (fixed and variable compensation paid), subject to performance conditions, *i.e.* an estimated amount of euro 1,200,000.
Non-compete agreement	-	-	No sum was awarded with respect to the past financial year. The non-compete payment described in Section 3.2.1.6 that may be paid to Anne-Gabrielle Heilbronner under her employment contract equates to 30% of gross salary, excluding variable items, *i.e.* an estimated amount of euro 180,000.

Items of compensation subject to approval	Amounts paid in respect of the past financial year	Amounts awarded in respect of the past financial year or accounting valuation	Presentation
Collective pension plan	-	-	Anne-Gabrielle Heilbronner made voluntary contributions to the PERECO 2021, The accounting expense of the benefit is euro 464.
Collective health and welfare insurance plans	4,654	4,654	This is the employer's contribution to the collective health and welfare insurance plans
Compensation by the company(ies) within the scope of consolidation as per article L. 233-16 of the French Commercial Code	-	-	Anne-Gabrielle Heilbronner continues to benefit from an employment contract with one of the Groupe's subsidiaries. Anne-Gabrielle Heilbronner holds other positions in Groupe subsidiaries. Compensation for offices held in Groupe companies is excluded by Janus, the Publicis Groupe code of conduct. Anne-Gabrielle Heilbronner does not receive compensation other than that detailed in this document.

(1) See details in Table 6. In accordance with the Company's usual practice, performance share plans that are awarded every three years are broken down in thirds over the three years in which the performance is assessed.
(2) Benefits in kind relating to the use of a company-provided vehicle are not mentioned if they are for an immaterial amount.

Annual variable compensation to be paid in 2022 for financial year 2021

The variable compensation of Anne-Gabrielle Heilbronner, which, if targets are met, may represent up to 100% of her fixed compensation, without exceeding this percentage, is based on:

- two criteria linked to the Groupe's financial performance, each counting equally, for 30% of the variable compensation:

	Weight of the criteria		Acquisition scale	
Criteria related to the financial and stock market performance of Publicis Groupe	**In %**	**In €**	**Level of achievement of the Performance (P)**	**%**
1. Organic growth of the Groupe's revenue based on the Target validated by the Supervisory Board in March 2021 for 15% (10% if the Commitment (annual budget) is achieved)	15%	€90,000	P ≥ Target Commit < P > Target P ≤ Commit	100% 67% 0%
2. Operating margin (the highest in the market compared to that of a peer group composed of the other three main global communications groups, namely Omnicom, WPP and IPG)	15%	€90,000	P = 1st of the peer group P = 2nd of the peer group P = 3rd of the peer group P = 4th of the peer group	100% 50% 15% 0%

The variable compensation in respect of the organic growth criterion may only be paid upon the achievement of the Commitment. A stretch objective beyond the Commitment up to the Target makes it possible to reward an even more demanding level of performance, while remaining within the limit of the ceiling set for this criterion.

- five quantifiable individual financial and non-financial criteria, in line with main areas of responsibility, accounting for 70% of variable compensation:

Individual quantifiable financial and non-financial criteria	Weight of the criteria In %	Weight of the criteria In €	Acquisition scale: Level of achievement of the Performance (P)	Acquisition scale: % acquired
Audit (execution of the plan validated by the Audit Committee) Target: • number of missions completed in 2021	15%	€90,000	P ≥100% of the target P ≥80% of the target P <80% of the target	100% Straight-line acquisition 0%
Procurement Annual savings target	15%	€90,000	P ≥100% of the target P ≥80% of the target P <80% of the target	100% Straight-line acquisition 0%
Employee expenses Objective: achievement of the Target validated by the Supervisory Board in March 2021	10%	€60,000	P ≥ Target	100%
Legal Targets: • number of employees trained in Compliance • positive financial impact of the legal department on litigation	10%	€60,000	P ≥ Target	100%
CSR	20%	€120,000		
• Diversity, Equality and Inclusion: the trajectory aims for 45% women among key executives in 2025 with an indicative checkpoint of 41% at the end of 2021	10%	€60,000	Indicative checkpoint	100%
• Combating climate change: the trajectory aims for 100% of energy from direct renewable sources by 2030 with an indicative checkpoint of around +8% at the end of 2021 compared to 2020	10%	€60,000	Indicative checkpoint	100%
Total (financial and non-financial criteria)	**100%**	**€600,000**		

Results - Criteria linked to the financial performance of Publicis Groupe

Objectives	Results	Objective achievement level	Amount of variable compensation to be paid
Organic growth	Growth of 10.0% > the Target adopted in March 2021	Achieved	€90,000
Operating margin	With an operating margin of 17.5%, Publicis Groupe is number one in its peer group.	Achieved	€90,000

Results -Individual financial and non-financial criteria

Objectives & Results	Objective achievement level	Amount of variable compensation to be paid
Audit (execution of the plan validated by the Audit Committee) The target was exceeded with 69 missions carried out in 2021 beyond the initial target and the revised target to take into account the uncertainty of the possibility of travel given the health restrictions. The target was exceeded by 15%.	Achieved	€90,000
Procurement The savings target was achieved and exceeded while mobilizing the Purchasing teams to manage the health crisis in India (supply of medical equipment and organization of vaccination). The target was exceeded by 8%.	Achieved	€90,000
Employee expenses With +60bp compared to the Target, the objective is achieved and exceeded	Achieved	€60,000
Legal More than 50,000 people trained in Compliance well beyond the target set for 2021. Strong positive financial impact of the legal department on litigation. The objectives are largely exceeded.	Achieved	€60,000
CSR Diversity, equality and inclusion: 41.1% of key executives were women at the end of 2021	Achieved	€60,000
Fight against climate change: The rate of renewable energies from direct sources increased by 15.8%	Achieved	€60,000
Total awarded		**€600,000**

Subject to the approval of the General Shareholders' Meeting, the Supervisory Board, on the recommendation of the Compensation Committee, approved the full payment of the variable compensation of Anne-Gabrielle Heilbronner given elements detailed above and which is largely justified in view of the achievement all the objectives for 2021.

3.2.2.6 Compensation paid or allocated to Steve King, member of the Management Board

In accordance with article L. 22-10-34, II of the French Commercial Code, the General Shareholders' Meeting must vote on the variable and extraordinary items of total compensation and benefits of any kind paid during the past financial year or awarded for that financial year by means of a separate resolution for each member of the Management Board.

The General Shareholders' Meeting of May 25, 2022 will thus be asked to vote on the items of compensation paid or awarded in respect of the 2021 financial year to Steve King, member of the Management Board, as set out below. These elements comply with the compensation policy for members of the Management Board for the financial year 2021 presented in Sections 3.2.1.4 and 3.2.1.7 of the Publicis Groupe SA 2020 Universal Registration Document, as approved by the General Shareholders' Meeting of May 26, 2021 in its thirteenth resolution. Given the strong approval of items of compensation at the previous General Shareholders' Meeting, the items of compensation paid or awarded in respect of the 2021 financial year are in line with those paid or awarded in respect of the 2020 financial year. It should be noted that the fixed, variable and extraordinary items of compensation are subject to the approval of the Ordinary General Shareholders' Meeting in accordance with the provisions of article L. 22-10-34, II, second paragraph, of the French Commercial Code.

These fixed, variable and extraordinary items within the total compensation and benefits of any kind paid during the past financial year or awarded with respect to the same financial year to Steve King, member of the Management Board, are subject to the approval of the General Shareholders' Meeting of May 25, 2022 in its fifteenth resolution pursuant to article L. 22-10-34, II of the French Commercial Code.

/ Table – Items of compensation paid or awarded in 2021 to Steve King, member of the Management Board, subject to shareholder approval

Items of compensation subject to approval	Amounts paid in respect of the past financial year	Amounts awarded in respect of the past financial year or accounting valuation	Presentation
Fixed compensation	1,048,077	1,048,077	Proportion of fixed compensation: 38.46% The rules for determining fixed compensation can be found in Section 3.2.1.7 of this document.
Annual variable compensation	1,676,923	1,676,923	Proportion of variable compensation: (compared to compensation paid): 61.54% Variable compensation to be paid in 2022 for financial year 2021: After assessing the performance for each of the criteria indicated below and in accordance with the compensation policy adopted by the previous Shareholders' Meeting during the 2021 financial year, the Supervisory Board set the variable part of Steve King's compensation at GBP 1,440,000 gross, *i.e.* euro 1,676,923, the payment of which will be subject to the approval of the Annual General Shareholders' Meeting of May 25, 2022 in its fifteenth resolution in accordance with article L. 22-10-34, II of the French Commercial Code. This amount results from the following facts and assessments shown below and in the table below.
Multi-year variable compensation	-	-	N/A
Exceptional compensation	-	-	N/A
Stock options, performance shares or any other long-term benefit (warrants, etc.)	N/A	2,547,930	This amount corresponds on the one hand to the valuation in the consolidated financial statements of the shares granted in 2021 to Steve King under the LTIP 2021 Directoire performance share plan and, on the other hand, to the maximum annual valuation in the consolidated financial statements of the performance shares granted to him in 2019 under the LTIP 2019-2021 Directoire performance share plan, as described in section 3.2.1.4[(2)].
Other benefits	-	-	The use of one of the Company cars[(3)]
Indemnities when taking or leaving a function	-	-	No sum was awarded with respect to the past financial year. The severance payment described in Section 3.2.1.7 that may be paid to Steve King equates to one year of total gross compensation (fixed and variable compensation paid) calculated from the average over the previous 24 months of compensation, subject to performance conditions, *i.e.* an estimated amount of euro 2,412,199.
Non-compete agreement	-	-	N/A
Supplementary pension plan	55,259	55,259	N/A
Collective health and welfare insurance plans	-	-	N/A
Compensation by the company(ies) within the scope of consolidation as per article L. 233-16 of the French Commercial Code	-	-	Steve King continues to benefit from an employment contract with one of the Groupe's subsidiaries. Compensation for offices in Groupe companies is excluded by Janus, the Publicis Groupe code of conduct. Steve King does not receive any compensation other than that described in this document.

(1) Compensation determined and paid in pounds sterling. The translation into euros was carried out at the average rate of 1 GBP = 1.16453 EUR.
(2) See details in Table 6. In accordance with the Company's usual practice, performance share plans that are awarded every three years are broken down in thirds over the three years in which the performance is assessed.
(3) Benefits in kind relating to the use of a company-provided vehicle are not mentioned if they are for an immaterial amount.

Annual variable compensation to be paid in 2022 for financial year 2021

The variable compensation of Steve King, which, if targets are met, may represent up to 160% of his fixed compensation, without exceeding this percentage, is based on:

- two criteria linked to the Groupe's financial performance, each counting equally, for 30% of the variable compensation:

Criteria related to the financial and stock market performance of Publicis Groupe	In %	In £	Level of achievement of the Performance (P)	%
1. Organic growth of the Groupe's revenue based on the Target validated by the Supervisory Board in March 2021 for 15% (10% if the Commitment (annual budget) is achieved)	15%	£216,000	P ≥ Target Commit < P > Target P ≤ Commit	100% 67% 0%
2. Operating margin (the highest in the market compared to that of a peer group composed of the other three main global communications groups, namely Omnicom, WPP and IPG)	15%	£216,000	P = 1st of the peer group P = 2nd of the peer group P = 3rd of the peer group P = 4th of the peer group	100% 50% 15% 0%

The variable compensation in respect of the organic growth criterion may only be paid upon the achievement of the Commitment. A stretch objective beyond the Commitment up to the Target makes it possible to reward an even more demanding level of performance, while remaining within the limit of the ceiling set for this criterion.

- six individual financial and non-financial criteria related to its role within Europe (of which five stemming from quantitative objectives and one being a precisely-defined qualitative objective) for 60% of the variable portion, and Groupe CSR criteria for 10% of the variable portion:

	Weight of the criteria		Acquisition scale	
Individual financial and non-financial criteria, related to its role within Europe	**In %**	**In £**	**Level of achievement of the Performance (P)**	**%**
1. Organic growth - Europe	15%	£216,000	P ≥ Target Commit < P > Target P ≤ Commit	100% 67% 0%
2. Operating margin - Europe	15%	£216,000	P ≥ Target	100%
3. Cost control of Global Services	10%	£144,000	P ≥100% of the target P ≥80% of the target P <80% of the target	100% Straight-line acquisition 0%
4. Quality of Global Services	5%	£72,000	P ≥ Target	100%
5. Cash generation	5%	£72,000	P ≥100% of the target P ≥80% of the target P <80% of the target	100% Straight-line acquisition 0%
6.1. CSR - Europe	10%	£144,000		
• Diversity, Equality and Inclusion: the trajectory aims for 45% women among key executives in 2025 with an indicative checkpoint of 41% at the end of 2021, and	5%	£72,000	Indicative checkpoint	100%
• Combating climate change: the trajectory aims for 100% of energy from direct renewable sources by 2030 with an indicative checkpoint of around +8% at the end of 2021 compared to 2020	5%	£72,000	Indicative checkpoint	100%
6.2 CSR - Groupe	10%	£144,000		
• Diversity, Equality and Inclusion: the trajectory aims for 45% women among key executives in 2025 with an indicative checkpoint of 41% at the end of 2021	5%	£72,000	Indicative checkpoint	100%
• Combating climate change: the trajectory aims for 100% of energy from direct renewable sources by 2030 with an indicative checkpoint of around +8% at the end of 2021 compared to 2020	5%	£72,000	Indicative checkpoint	100%
Total (financial and non-financial criteria)	**100%**	**£1,440,000**		

Results - Criteria linked to the financial performance of Publicis Groupe

Objectives	Results	Objective achievement level	Amount of variable compensation to be paid[1]
Organic growth	Growth of 10.0% > the Target adopted in March 2021	Achieved	€251,538
Operating margin	With an operating margin of 17.5%, Publicis Groupe is number one in its peer group.	Achieved	€251,538

Results - Individual financial and non-financial criteria

Objectives	Results	Objective achievement level	Amount of variable compensation to be paid[1]
Organic growth – MT Europe	MT Europe growth is higher than Target	Achieved	€251,538
Operating margin – MT Europe	MT Europe operating margin is higher than Target	Achieved	€251,538
Cost control of Global Services	+8% above and beyond cost savings compared to Commitment	Achieved	€167,692
Quality of Global Services The Media, Commerce, Content and Production teams of Global Services developed and delivered the platforms, tools and/or modules (GrowthOS, CI, DAM, Shelf, Booste, Extract) in accordance with the plan, and generated revenue growth beyond expectations. These results were achieved while reducing Global Services costs.	All targets were met and exceeded	Achieved	€83,846
Cash generation Management of the Trade Working Capital	Cash flow targets were met and exceeded the Target by more than 18.75%	Achieved	€83,846
CSR at European level Diversity, equality and inclusion: 41.3% of women among key executives at the end of 2021		Achieved	€83,846
Fight against climate change: Renewable energies from direct sources increased by 8.6%		Achieved	€83,846
CSR at global level Diversity, equality and inclusion: 41.1% of key executives were women at the end of 2021		Achieved	€83,846
Fight against climate change: Rate of renewable energies from direct sources increased by 15.8%		Achieved	€83,846
Total awarded			**€1,676,923**

(1) Compensation determined and paid in pounds sterling. The translation into euros was carried out at the average rate of 1 GBP = 1.16453 EUR.

Subject to the approval of the General Shareholders' Meeting, the Supervisory Board, on the recommendation of the Compensation Committee, approved the full payment of the variable compensation of Steve King, given elements detailed above and which is largely justified in view of the achievement of all the objectives for 2021.

3.2.2.7 Compensation paid or allocated to Michel-Alain Proch, member of the Management Board from January 15, 2021

In accordance with article L. 22-10-34, II of the French Commercial Code, the General Shareholders' Meeting must vote on the variable and extraordinary items of total compensation and benefits of any kind paid during the past financial year or awarded for that financial year by means of a separate resolution for each member of the Management Board.

The General Shareholders' Meeting of May 25, 2022 will be asked to vote on the items of compensation paid or awarded in respect of the 2021 financial year to Michel-Alain Proch, member of the Management Board, as set out below. These elements comply with the compensation policy for Michel-Alain Proch for the financial year 2021 presented in Sections 3.2.1.4 and 3.2.1.8 of the Publicis Groupe SA 2020 Universal Registration Document, as approved by the General Shareholders' Meeting of May 26, 2021 in its twelfth resolution.

It should be noted that the fixed, variable and extraordinary items of compensation are subject to the approval of the Ordinary General Shareholders' Meeting in accordance with the provisions of article L. 22-10-34, II, second paragraph, of the French Commercial Code.

These fixed, variable and extraordinary items within the total compensation and benefits of any kind paid during the past financial year or awarded with respect to the same financial year to Michel-Alain Proch, member of the Management Board, are subject to the approval of the General Shareholders' Meeting of May 25, 2022 in its sixteenth resolution pursuant to article L. 22-10-34, II of the French Commercial Code.

/ Table – Items of compensation paid or awarded in 2021 to Michel-Alain Proch, member of the Management Board, subject to shareholder approval

Items of compensation subject to approval	Amounts paid in respect of the past financial year	Amounts awarded in respect of the past financial year or accounting valuation	Presentation
Fixed compensation	573,810	573,810	Proportion of fixed compensation (compared to the compensation paid): 100% The rules for determining fixed compensation can be found in Section 3.2.1.8 of this document.
Annual variable compensation	-	600,000	Proportion of variable compensation (compared to the compensation paid): 0% Variable compensation to be paid in 2022 for financial year 2021: After assessing the performance for each of the criteria indicated below and in accordance with the compensation policy adopted by the previous Shareholders' Meeting during the 2021 financial year, the Supervisory Board set the variable part of Michel-Alain Proch's compensation at euro 600,000 gross, the payment of which will be subject to the approval of the Annual General Shareholders' Meeting of May 25, 2022 in its sixteenth resolution in accordance with article L. 22-10-34, II of the French Commercial Code. This amount results from the following facts and assessments shown below and in the table below.
Multi-year variable compensation	-	-	N/A
Exceptional compensation	-	-	N/A
Stock options, performance shares or any other long-term benefit (warrants, etc.)	N/A	1,081,944	This amount the one hand to the valuation in the consolidated financial statements of the shares granted in 2021 to Michel-Alain Proch under the LTIP 2021 Directoire performance share plan(1).
Other benefits	-	-	Michel-Alain Proch will benefit from job loss insurance according to the terms of this guarantee. The use of one of the Company cars(2).
Indemnities when taking or leaving a function	-	-	No sum was awarded with respect to the past financial year. The severance payment described in Section 3.2.1.8 that may be paid to Michel-Alain Proch equates to one year of total gross compensation (fixed and variable compensation paid), subject to performance conditions, *i.e.* an estimated amount of euro 573,810.
Non-compete agreement	-	-	No sum was awarded with respect to the past financial year. The non-compete payment described in Section 3.2.1.8 that may be paid to Michel-Alain Proch under her employment contract equates to 30% of gross salary, excluding variable items, *i.e.* an estimated amount of euro 180,000.
Collective pension plan	-	-	Michel-Alain Proch made voluntary contributions to the PERECO 2021. The accounting expense of the benefit is euro 464.
Collective health and welfare insurance plans	4,447	4,447	This is the employer's contribution to the collective health and welfare insurance plans.
Compensation by the company(ies) within the scope of consolidation as per article L. 233-16 of the French Commercial Code	-	-	Michel-Alain Proch has an employment contract with one of the Groupe's subsidiaries. Michel-Alain Proch holds other offices within Groupe subsidiaries. Compensation for offices held in Groupe companies is excluded by Janus, the Publicis Groupe code of conduct. Michel-Alain Proch does not receive any compensation other than that described in this document.

(1) See details in Table 6.
(2) Benefits in kind relating to the use of a company-provided vehicle are not mentioned if they are for an immaterial amount.

Annual variable compensation to be paid in 2022 for financial year 2021

The variable compensation of Michel-Alain Proch, which, if targets are met, may represent up to 100% of his fixed compensation without exceeding this percentage, would be based on:

- three financial and Stock Exchange related criteria for 40% of the variable part:

	Weight of the criteria		Acquisition scale	
Publicis Groupe financial performance and stock market criteria	**In %**	**In €**	**Level of achievement of the Performance (P)**	**%**
1. Organic growth of the Groupe's revenue based on the Target validated by the Supervisory Board in March 2021 for 15% (10% if the Commitment (annual budget) is achieved)	15%	€90,000	P ≥ Target Commit < P > Target P ≤ Commit	100% 67% 0%
2. Operating margin (the highest in the market compared to that of a peer group composed of the other three main global communications groups, namely Omnicom, WPP and IPG)	15%	€90,000	P = 1st of the peer group P = 2nd of the peer group P = 3rd of the peer group P = 4th of the peer group	100% 50% 15% 0%
3. TSR (Total Shareholder Return) which reflects the difference between the share price of the Publicis Groupe SA share at the end of the fiscal year in question and the stock market price at the beginning of the same fiscal year (based on the average of the opening prices recorded over the last 20 trading days of the year, compared to the average of the opening prices over the first 20 trading days of the year), plus the amount of dividends paid during the fiscal year.	10%	€60,000	P > 0	100%

The variable compensation in respect of the organic growth criterion may only be paid upon the achievement of the Commitment. A stretch objective beyond the Commitment up to the Target makes it possible to reward an even more demanding level of performance, while remaining within the limit of the ceiling set for this criterion.

- four quantifiable individual financial and non-financial criteria, for 60% of the variable part:

	Weight of the criteria		Acquisition scale	
Individual quantifiable financial and non-financial criteria	**In %**	**In €**	**Level of achievement of the Performance (P)**	**%**
Employee expenses Objective: achievement of the Target validated by the Supervisory Board in March 2021	15%	€90,000	P ≥ Target	100%
Cash flow and debt management Objective: achievement of the Target validated by the Supervisory Board in March 2021	20%	€120,000	P ≥100% of the target P ≥80% of the target P <80% of the target	100% Straight-line acquisition 0%
All in One and G&A Reduction in real estate costs in 2021 compared to 2020	15%	€90,000	P ≥100% of the target P ≥80% of the target P <80% of the target	100% Straight-line acquisition 0%
CSR	10%	€60,000		
• Diversity, Equality and Inclusion: the trajectory aims for 45% women among key executives in 2025 with an indicative checkpoint of 41% at the end of 2021	5%	€30,000	Indicative checkpoint	100%
• Combating climate change: the trajectory aims for 100% of energy from direct renewable sources by 2030 with an indicative checkpoint of around +8% at the end of 2021 compared to 2020	5%	€30,000	Indicative checkpoint	100%
Total (financial and non-financial criteria)	**100%**	**€600,000**		

Results - Criteria linked to the financial performance of Publicis Groupe

Objectives	Results	Objective achievement level	Amount of variable compensation to be paid
Organic growth	Growth of 10.0% > the Target adopted in March 2021	Achieved	€90,000
Operating margin	With an operating margin of 17.5%, Publicis Groupe is number one in its peer group.	Achieved	€90,000
TSR	TSR: 17.2	Achieved	€60,000

Results - Individual financial and non-financial criteria

Objectives & Results	Objective achievement level	Amount of variable compensation to be paid
Employee expenses With +60bp compared to the Target, the objective is achieved and exceeded	Achieved	€90,000
Cash flow and debt management Cash flow management: +€84 million compared to Target Debt management: +€395 million compared to Target The objectives are largely exceeded	Achieved	€120,000
Achievement of All in One and G&A objectives All in One: +€12 million in savings compared to Target G&A: +€62 million compared to Target The objectives are largely exceeded	Achieved	€90,000
CSR Diversity, Equality and Inclusion: 41.1% of key executives were women at the end of 2021	Achieved	€30,000
Fight against climate change: The rate of renewable energies from direct sources increased by 8%	Achieved	€30,000
Total awarded		**€600,000**

Subject to the approval of the General Shareholders' Meeting, the Supervisory Board, on the recommendation of the Compensation Committee, approved the full payment of the variable compensation of Michel-Alain Proch given elements detailed above and which is largely justified in view of the achievement all the objectives for 2021.

3.2.2.8 Comparison of the compensation of executive corporate officers with the Company's performance and the average and median compensation of employees

In accordance with article L. 22-10-9, (6) and (7) of the French Commercial Code, the table below indicates the ratios of the level of compensation of the executive corporate officers to i) the average compensation on a full-time equivalent basis of employees who are not executive corporate officers and ii) the median compensation on a full-time equivalent basis of employees who are not executive corporate officers; as well as the annual evolution in the compensation of the executive corporate officers, the Company's performance, the average compensation on a full-time equivalent basis of employees who are not executive corporate officers and the aforementioned ratios, over he past five financial years.

The ratios presented below in accordance with Order no. 2019-1234 of November 27, 2019 were calculated on the basis of the median and average compensation paid to Company employees during the 2017 to 2021 financial years.

Scope

Publicis Groupe SA currently employs only one person. In 2021, the ratio determined at the level of Publicis Groupe SA was 30 compared to the compensation of Maurice Lévy, Chairman of the Supervisory Board[(1)], 64 compared to the compensation of Arthur Sadoun, Chairman of the Management Board[(2)], 29 compared to the compensation of Jean-Michel Etienne/Michel-Alain Proch[(3)], 26 compared to the compensation of Anne-Gabrielle Heilbronner[(4)] and 59 compared to the compensation of Steve King,[(5)] members of the Management Board. In accordance with recommendation 26.2 of the Afep-Medef Code, and in line with article L. 22-10-9, I, (6) of the French Commercial Code, Publicis Groupe has decided to publish in detail the ratios required by law on an expanded scope, representative of the Groupe's business in France, to which have been added the workforce of all Groupe companies in the United States and the United Kingdom. This scope is economically relevant insofar as it represents the bulk of the Groupe's payroll (72%) and Groupe revenue (73%), the remainder being spread across other countries worldwide. As a result, the publication of the ratios required on the basis of this expanded scope makes it possible to provide clear information that fully meets the objective of transparency regarding compensation gaps. A scope restricted to France has also been excluded, as it accounts for only 6% of the Groupe's revenue, 7% of the Groupe's payroll, and is not representative of its business.

Compensation components

The compensation of the executive corporate officers and employees used for the purposes of the table below includes all items of compensation (fixed and variable) and benefits of any kind paid during the 2017 to 2021 financial years. The method used to determine and value the items of compensation for executive corporate officers and employees is harmonized.

By analogy, share-based compensation has been taken into account at its acquisition value (*i.e.* the number of shares acquired during the financial year in question multiplied by the share price on the vesting date, less where applicable, the acquisition price) for financial years 2017 to 2021. Thus, for the financial year 2021, the share-based compensation from the LTIP 2018, the Publicis Sapient and Publicis Epsilon plans were taken into account based on their actual value to determine the total employee compensation for 2021.

However, for three-year plans implemented until 2019 (in particular the LionLead plans, the last allocation of which took place in 2016 and the LTIP 2019-2021 Directoire plan), the amount of share-based compensation, although determined at its actual value upon delivery of the shares, is allocated in the amount of one third to each of the three years of performance of said plans in order to be economically relevant. Thus, the share-based compensation from the LionLead3 International plan for the benefit of the Groupe's employees whose shares were delivered in June 2020 was spread in thirds over the three years of plan performance (2016, 2017 and 2018). For corporate officers, share-based compensation from the LionLead3 and LTIP 2016-2018 Directoire plans (vesting in 2019) was also spread over the three years of performance, *i.e.* 2016, 2017 and 2018. These valuations make it possible to reflect the strict performance conditions of our plans and the specific details of the performance shares awarded to our executive corporate officers. It should be noted that from 2021, the allocation of shares to the Groupe's corporate officers will now be carried out on an annual cycle.

For information purposes, the table below summarizes the methodology applied for the main compensation items of corporate officers.

(1) The ratios for the previous four years are 6 for 2017, 61 for 2018, 62 for 2019 and 42 for 2020, in relation to the compensation of Élisabeth Badinter, Chair of the Supervisory Board until May 31, 2017, and Maurice Lévy, Chairman of the Supervisory Board from June 1, 2017.
(2) The ratios for the four previous years are 71 for 2017, 59 for 2018, 51 for 2019 and 48 for 2020, in relation to the compensation of Maurice Lévy, Chairman of the Management Board until May 31, 2017, and Arthur Sadoun, Chairman of the Management Board from June 1, 2017.
(3) The ratios for the previous four years are 49 for 2017, 50 for 2018, 32 for 2019 and 32 for 2020, compared to the compensation of Jean-Michel Etienne, member of the Management Board until December 31, 2020 and Michel-Alain Proch, member of the Management Board since January 15, 2021.
(4) The ratios for the previous four years are 33 for 2017, 31 for 2018, 23 for 2019 and 22 for 2020.
(5) The ratios for the previous four years are 45 for 2017, 64 for 2018, 58 for 2019 and 45 for 2020.

Compensation items	Base	Financial year
1. Annual fixed compensation	Total gross amount paid	Financial year N
2. Annual variable compensation and any other exceptional compensation	Total gross amount paid	Financial year N (in respect of N-1)
3. Share-based compensation:		
• Stock options	Exercise gain *(= Market value of the shares at the date of exercise of the options – exercise price)*	Financial year N
• Annual LTIs (Groupe LTIP, Publicis Sapient and Epsilon plans)	Acquisition gain *(= Market value of the shares at the date of delivery of the shares)*	Financial year N
• Three-year LTIs implemented until 2019 (LTIP Directoire 2016-2018 and LTIP Directoire 2019-2021, LionLead plans)	1/3 of the acquisition gain *(= Market value of the shares at the date of delivery of the shares divided by three)*	Financial year N-3 (performance year 1 of the plan) Financial year N-2 (performance year 2 of the plan) Financial year N-1 (performance year 3 of the plan)
4. Other obligations or benefits of any kind	Valuation of the obligation or benefit in kind	Financial year N

Changes in aggregates

	2017	2018	2019	2020	2021
Performance of the Company					
Company net revenue *(in millions of euros)*	9,332	8,969	9,800	9,712	10,487
(Change compared with the previous financial year)	*N/A*	*-3.89%*	*+9.27%*	*-0.90%*	*+7.98%*
Compensation of employees					
Average compensation of employees (full time equivalent basis excluding executive corporate officers)	80,884	80,410	83,593	91,499	91,366
(Change compared with the previous financial year)	*-1.66%*	*-0.59%*	*+3.96%*	*+9.46%*	*-0.15%*
Median compensation of employees (full time equivalent basis excluding executive corporate officers)	61,973	62,405	65,005	74,732	71,339
(Change compared with the previous financial year)	*-1.10%*	*+0.70%*	*+4.17%*	*+14.96%*	*-4.54%*
Chairman of the Supervisory Board[1]					
Compensation of Élisabeth Badinter	300,000[2]	-	-	-	-
Compensation of Maurice Lévy	-	2,845,000	2,885,000	1,985,000	1,425,000
(Change compared with the previous financial year)	*+1.69%*	*N/A*	*+1.41%*	*-31.20%*	*-28.21%*
Ratio to average employee compensation	4[3]	35	35	22	16
(Change compared with the previous financial year)	*+3.41%*	*N/A*	*-2.46%*	*-37.14%*	*-28.11%*
Ratio to median employee compensation	5[3]	46	44	27	20
(Change compared with the previous financial year)	*+2.82%*	*N/A*	*-2.65%*	*-40.15%*	*-24.80%*
Chairman of the Management Board[4]					
Compensation of Maurice Lévy	3,541,667	-	-	-	-
Compensation of Arthur Sadoun	2,276,106	2,749,511	2,400,000	2,250,000	3,000,000
(Change compared with the previous financial year)	*-15.31%[5]*	*-17.13%[5]*	*-12.71%*	*-6.25%*	*+33.33%*
Ratio to average employee compensation	41[5]	34	29	25	33
(Change compared with the previous financial year)	*-13.88%*	*-16.64%*	*-16.04%*	*-14.35%*	*+33.53%*
Ratio to median employee compensation	54[5]	44	37	30	42
(Change compared with the previous financial year)	-14.37%	-17.70%	-16.20%	-18.45%	+39.68%

	2017	2018	2019	2020	2021
Member of the Management Board (Jean-Michel Etienne / Michel-Alain Proch)(6)					
Compensation	2,296,252	2,338,252	1,512,000	1,513,000	1,377,000
(Change compared with the previous financial year)	*-10.31%*	*+1.83%*	*-35.34%*	*+0.07%*	*-8.99%*
Ratio to average employee compensation	28	29	18	17	15
(Change compared with the previous financial year)	*-8.80%*	*+2.43%*	*-37.80%*	*-8.58%*	*-8.86%*
Ratio to median employee compensation	37	37	23	20	19
(Change compared with the previous financial year)	*-9.32%*	*+1.12%*	*-37.92%*	*-12.96%*	*-4.66%*
Member of the Management Board (Anne-Gabrielle Heilbronner)					
Compensation	1,541,363	1,446,863	1,092,357	1,032,357	1,212,357
(Change compared with the previous financial year)	*-15.15%*	*-6.13%*	*-24.50%*	*-5.49%*	*+17.44%*
Ratio to average employee compensation	19	18	13	11	13
(Change compared with the previous financial year)	*-13.72%*	*-5.58%*	*-27.38%*	*-13.66%*	*+17.61%*
Ratio to median employee compensation	25	23	17	14	17
(Change compared with the previous financial year)	*-14.21%*	*-6.78%*	*-27.52%*	*-17.79%*	*+23.02%*
Member of the Management Board (Steve King(7))					
Compensation	2,133,811(8)	3,017,105	2,731,562	2,099,397	2,780,259
(Change compared with the previous financial year)	*-48.25%*	*+41.40%*	*-9.46%*	*-23.14%*	*+32.43%*
Ratio to average employee compensation	26	38	33	23	30
(Change compared with the previous financial year)	*-47.38%*	*+42.23%*	*-12.91%*	*-29.78%*	*+32.62%*
Ratio to median employee compensation	34	48	42	28	39
(Change compared with the previous financial year)	*-47.67%*	*+40.42%*	*-13.09%*	*-33.15%*	*+38.73%*

(1) Élisabeth Badinter's term of office as Chairman of the Supervisory Board ended on May 31, 2017. Maurice Lévy took over as Chairman of the Supervisory Board on June 1, 2017.
(2) In order to provide a valid financial comparison, the compensation paid to Élisabeth Badinter in 2017 was annualized (*i.e.* euro 300,000) for the purposes of calculating ratios and changes in compensation compared with the previous financial year.
(3) The 2017 ratios take into account the compensation paid to Élisabeth Badinter in 2017, the portion of the compensation of Maurice Lévy solely pertaining to the period from June 1 to December 31, 2017 having been paid in 2018.
(4) The term of office of Maurice Lévy as Chairman of the Management Board ended on May 31, 2017. Arthur Sadoun took over as Chairman of the Management Board as from June 1, 2017.
(5) In order to provide a valid financial comparison, the ratio for 2017 and the evolution of compensation, compared with the previous financial year, were calculated on the following basis: firstly the compensation paid in 2017 to the outgoing Chairman of the Management Board, Maurice Lévy, adjusted to reflect (1) the period compensated (namely 12 months in 2016 and the first five months in 2017, *i.e.* a total of 17 months) and (2) the effective term of the outgoing Chairman of the Management Board for 2017, *i.e.* five months, the compensation thus calculated for 2017 amounts to euro 1,041,667; and secondly, the compensation paid in 2017 for the incoming Chairman of the Management Board, Arthur Sadoun, *i.e.* euro 2,276,105, thus a total amount of euro 3,317,772.
(6) The term of office of Jean-Michel Etienne as a member of the Management Board ended on December 31, 2020, and that of Michel-Alain Proch began on January 15, 2021. The compensation for 2021 therefore includes on the one hand, the fixed compensation of Michel-Alain Proch paid in 2021 and, on the other hand, the variable compensation of Jean-Michel Etienne paid in 2021 (in respect of 2020).
(7) The term of Kevin Roberts as a member of the Management Board ended on August 31, 2016. The term of office of Steve King as a member of the Management Board began on June 1, 2017.
(8) The compensation paid in respect of 2017 to Steve King was annualized (*i.e.* euro 2,133,811) for the purposes of calculating ratios.

The ratios determined for the 2021 financial year for Arthur Sadoun, Anne-Gabrielle Heilbronner and Steve King are higher than those determined for the 2020 financial year for two reasons. On the one hand, these three top executives had reduced their compensation by 30% for six months in 2020, which automatically increases the amount of their compensation paid in 2021 compared to that of 2020 while all other Groupe employees, including the members of the Management Committee who had reduced their compensation in 2020 were reimbursed. On the other hand, the median annual compensation of employees decreased between 2020 and 2021 due in particular to a significant number of hires in the United States at lower compensation levels.

3.2.2.9 Standardized presentation of compensation (AMF and Afep-Medef)

The 2021-02 position-recommendation of the AMF and the Afep-Medef Code recommends a standardized presentation of the compensation of executive corporate officers of companies whose securities are traded on a regulated market.

/ Table 1 (AMF nomenclature) compensation summary table in respect of the compensation and the options and shares granted to each executive corporate officer *(in euros)*

	2021	2020
Management Board		
Arthur Sadoun, Chairman of the Management Board		
Compensation awarded for the financial year(1)	2,900,000	3,000,000
Valuation of multi-year variable compensation granted during the financial year	-	-
Valuation of options granted during the financial year	-	-
Valuation of performance shares granted during the financial year(3)	3,570,638	865,800
Valuation of other long-term compensation plans	-	-
Total	**6,470,638**	**3,865,800**
Jean-Michel Etienne, Executive Vice-President – Groupe Finance Until December 31, 2020		
Compensation awarded for the financial year(1)	-	1,618,000
Valuation of multi-year variable compensation granted during the financial year	-	-
Valuation of options granted during the financial year	-	-
Valuation of performance shares granted during the financial year(3)	-	577,200
Valuation of other long-term compensation plans	-	-
Total	**-**	**2,195,200**
Anne-Gabrielle Heilbronner, Secretary General		
Compensation awarded for the financial year(1)	1,212,357	1,212,357
Valuation of multi-year variable compensation granted during the financial year	-	-
Valuation of options granted during the financial year	-	-
Valuation of performance shares granted during the financial year(3)	1,370,544	288,600
Valuation of other long-term compensation plans	-	-
Total	**2,582,901**	**1,500,957**
Steve King, member of the Management Board		
Compensation awarded for the financial year(1)(2)	2,780,259	2,686,861
Valuation of multi-year variable compensation granted during the financial year	-	-
Valuation of options granted during the financial year	-	-
Valuation of performance shares granted during the financial year(3)	2,547,930	721,500
Valuation of other long-term compensation plans	-	-
Total	**5,328,189**	**3,408,361**
Michel-Alain Proch, Groupe Chief Financial Officer From January 15, 2021		
Compensation awarded for the financial year(1)	1,173,810	-
Valuation of multi-year variable compensation granted during the financial year	-	-
Valuation of options granted during the financial year	-	-
Valuation of performance shares granted during the financial year(3)	1,081,944	-
Valuation of other long-term compensation plans	-	-
Total	**2,255,754**	**-**

(1) See details in Table 2.
(2) Compensation determined and paid in pounds sterling. The translation into euros was carried out at the average rate of 1 GBP = 1.16453 EUR in 2021.
(3) See details in Table 6. The amount indicated for 2021 corresponds on the one hand to the amount valued in the consolidated financial statements of the shares granted in 2021 under the LTIP 2021 Directoire performance share plan (annual plan) and, on the other hand, the maximum annual amount under the LTIP 2019-2021 Directoire plan for 2021. The amount indicated for 2020 corresponds to the maximum annual amount under the LTIP 2019-2021 Directoire plan for 2020. The LTIP 2019-2021 Directoire is a three-year plan subject to continued employment and performance conditions. As an illustration, the rates at which performance conditions were met under the preceding plans *i.e.* LionLead3 and LTIP 2016-2018, were 75% and 50%, respectively. The LTIP 2019-2021 Directoire plan covers the 2019, 2020 and 2021 financial years.

/ Table 2 (AMF nomenclature) summary table of the compensation for each executive corporate officer *(in euros)*

In general, the compensation paid corresponds to the fixed compensation for the specified year and the variable portion corresponds to that of the previous year.

No multi-year variable compensation, exceptional compensation or compensation awarded for serving as a director was paid to corporate officers.

	2021 – Amounts		2020 – Amounts	
	Awarded	Paid	Awarded	Paid
Management Board				
Arthur Sadoun, Chairman of the Management Board				
Fixed compensation	1,000,000	1,000,000	1,000,000	850,000
Annual variable compensation[1]	1,900,000	2,000,000	2,000,000	1,400,000
Benefits in kind[2]	-	-	-	-
Total	**2,900,000**	**3,000,000**	**3,000,000**	**2,250,000**
Jean-Michel Etienne, Executive Vice-President – Groupe Finance Member of the Management Board until December 31, 2020				
Fixed compensation	-	-	840,000	840,000
Annual variable compensation[3]	-	777,000	777,000	672,000
Loyalty bonus[4]	-	-	1,000	1,000
Benefits in kind[2]	-	-	-	-
Total	**-**	**777,000**	**1,618,000**	**1,513,000**
Anne-Gabrielle Heilbronner, Secretary General				
Fixed compensation	600,000	600,000	600,000	540,000
Annual variable compensation[5]	600,000	600,000	600,000	480,000
Benefits in kind[2]	-	-	-	-
Job loss insurance[6]	12,357	12,357	12,357	12,357
Total	**1,212,357**	**1,212,357**	**1,212,357**	**1,032,357**
Steve King, member of the Management Board[7]				
Fixed compensation	1,048,077	1,048,077	1,012,869	911,582
Annual variable compensation[8]	1,676,923	1,676,923	1,620,590	1,134,413
Supplementary pension plan	55,259	55,259	53,402	53,402
Benefits in kind[2]	-	-	-	-
Total[7]	**2,780,259**	**2,780,259**	**2,686,861**	**2,099,397**
Michel-Alain Proch, Groupe Chief Financial Officer Member of the Management Board from January 15, 2021				
Fixed compensation	573,810	573,810	-	-
Annual variable compensation[9]	600,000	-	-	-
Benefits in kind[2]	-	-	-	-
Total	**1,173,810**	**573,810**	**-**	**-**

(1) The variable compensation criteria for the year 2020 and their achievement levels are presented in Section 3.2.2.4 of the 2020 Universal Registration Document. The criteria for variable compensation for the year 2021 and their achievement levels are presented in Section 3.2.2.4 of this document.
(2) Benefits in kind relating to the use of a company-provided vehicle are not mentioned if they are for an immaterial amount.
(3) The variable compensation criteria for the year 2020 and their achievement levels are presented in Section 3.2.2.5 of the 2020 Universal Registration Document.
(4) Loyalty bonus paid for length of service with the Groupe (20 years).
(5) The variable compensation criteria for the year 2020 and their achievement levels are presented in Section 3.2.2.6 of the 2020 Universal Registration Document. The criteria for variable compensation for the year 2021 and their achievement levels are presented in Section 3.2.2.5 of this document.
(6) As the French unemployment office (Pôle Emploi) does not cover it, Publicis Groupe took out insurance for its corporate officers.
(7) Compensation determined and paid in pounds sterling. The translation into euros was carried out at the average rate of 1 GBP = 1.12541 EUR in 2020 and at the average rate of 1 GBP = 1.16453 EUR in 2021.
(8) The variable compensation criteria for the year 2020 and their achievement levels are presented in Section 3.2.2.7 of the 2020 Universal Registration Document. The criteria for variable compensation for the year 2021 and their achievement levels are presented in Section 3.2.2.6 of this document.
(9) The criteria for variable compensation for the year 2021 and their achievement levels are presented in Section 3.2.2.7 of this document.

/ Table 3 (AMF nomenclature) details of compensation awarded or paid in 2020 and 2021 to members of the Supervisory Board *(gross amounts in euros before deduction of taxes or social charges)*

	2021 – Amounts[1]		2020 – Amounts	
	Awarded	Paid	Awarded	Paid
Maurice Lévy[2]				
Fixed compensation	1,300,000	1,330,000	1,330,000	1,900,000
Compensation solely related to membership of the Supervisory Board	85,000	95,000	95,000	85,000
Other compensation	-	-	-	-
Élisabeth Badinter[3]				
Fixed compensation	-	-	-	-
Compensation solely related to membership of the Supervisory Board	50,000	60,000	60,000	40,000
Other compensation	-	-	-	-
Simon Badinter				
Fixed compensation	-	-	-	-
Compensation solely related to membership of the Supervisory Board	35,000	40,000	40,000	40,000
Other compensation	-	-	-	-
Jean Charest				
Fixed compensation	-	-	-	-
Compensation solely related to membership of the Supervisory Board	70,000	75,000	75,000	70,000
Other compensation	-	-	-	-
Sophie Dulac				
Fixed compensation	-	-	-	-
Compensation solely related to membership of the Supervisory Board	35,000	30,000	30,000	40,000
Other compensation	-	-	-	-
Thomas Glocer				
Fixed compensation	-	-	-	-
Compensation solely related to membership of the Supervisory Board	80,000	80,000	80,000	75,000
Other compensation	-	-	-	-
Marie-Josée Kravis				
Fixed compensation	-	-	-	-
Compensation solely related to membership of the Supervisory Board	55,000	60,000	60,000	45,000
Other compensation	-	-	-	-
André Kudelski				
Fixed compensation	-	-	-	-
Compensation solely related to membership of the Supervisory Board	100,000	105,000	105,000	100,000
Other compensation	-	-	-	-
Enrico Letta[4]				
Fixed compensation	-	-	-	-
Compensation solely related to membership of the Supervisory Board	15,000	50,000	50,000	25,000
Other compensation	-	-	-	-

	2021 – Amounts		2020 – Amounts	
	Awarded	Paid	Awarded	Paid
Suzan LeVine[5]				
Fixed compensation	-	-	-	-
Compensation solely related to membership of the Supervisory Board	35,000	70,000	70,000	35,000
Other compensation	-	-	-	-
Marie-Claude Mayer[6]				
Fixed compensation	-	-	-	-
Compensation solely related to membership of the Supervisory Board		-	-	25,000
Other compensation	-	-	-	-
Antonella Mei-Pochtler				
Fixed compensation	-	-	-	-
Compensation solely related to membership of the Supervisory Board	55,000	70,000	70,000	25,000
Other compensation	-	-	-	-
Véronique Morali[6]				
Fixed compensation	-	-	-	-
Compensation solely related to membership of the Supervisory Board		-	-	45,000
Other compensation	-	-	-	-
Cherie Nursalim				
Fixed compensation	-	-	-	-
Compensation solely related to membership of the Supervisory Board	55,000	55,000	55,000	40,000
Other compensation	-	-	-	-
Pierre Penicaud[7] *Member representing employees*				
Fixed compensation	-	-	-	-
Compensation solely related to membership of the Supervisory Board	20,000	25,000	25,000	25,000
Other compensation	-	-	-	-
Patricia Velay-Borrini[8] *Member representing employees*				
Fixed compensation	-	-	-	-
Compensation solely related to membership of the Supervisory Board	25,000	2,500	2,500	-
Other compensation	-	-	-	-

(1) With respect to 2021, Jean-Michel Etienne and Michel Cicurel received euro 15,000 as expert on the Audit Committee and euro 30,000 as expert on the Compensation Committee, respectively.
(2) Start of the term of office as Chairman of the Supervisory Board, on June 1, 2017. Compensation paid in 2020 for the period from June 1, 2019 to May 31, 2020 and, in 2021, for the period from June 1, 2020 to May 31, 2021.
(3) Chair of the Supervisory Board until May 31, 2017, Vice-Chair of the Supervisory Board since June 1, 2017.
(4) Enrico Letta terminated his term of office as a member of the Supervisory Board in April 2021.
(5) Pursuant to Suzan LeVine's request, only the meetings that took place from September were remunerated.
(6) End of term of office as a member of the Supervisory Board on May 29, 2019.
(7) Appointment as member of the Supervisory Board representing employees on June 20, 2017.
(8) Appointment as member of the Supervisory Board representing employees on October 16, 2020.

/ Table 4 (AMF Nomenclature) stock options granted during the financial year to each executive corporate officer by the issuer and by any Groupe company

None, no stock options were granted in 2021.

/ Table 5 (AMF Nomenclature) stock options exercised during the financial year by each executive corporate officer (nominative list)

	Description and date to plan	Number of options exercised in 2021	Average exercise price *(in euros)*	Year granted
Management Board				
Arthur Sadoun, Chairman		No exercise		
Anne-Gabrielle Heilbronner		No exercise		
Steve King		No exercise		
Michel-Alain Proch		No exercise		

/ Table 6 (AMF nomenclature) performance shares granted to each executive corporate officer

					Position at December 31, 2021		
	Description of plan	Date of grant	Vesting date	Availability date	Number of performance shares granted in 2021	O/w subject to performance condition	Valuation of shares in the consolidated financial statements
Management Board							
Arthur Sadoun, Chairman	LTIP 2019-2021 Directoire	June 14, 2019	June 14, 2022	June 14, 2022	20,000(1)	20,000	865,800
	LTIP 2021 Directoire	March 16, 2021	March 16, 2024	March 18, 2024	61,237(1)	61,237	2,704,838
Total							**3,570,638**
Anne-Gabrielle Heilbronner	LTIP 2019-2021 Directoire	June 14, 2019	June 14, 2022	June 14, 2022	6,667(2)	6,667	288,600
	LTIP 2021 Directoire	March 16, 2021	March 16, 2024	March 18, 2024	24,495(1)	24,495	1,081,944
Total							**1,370,544**
Steve King	LTIP 2019-2021 Directoire	June 14, 2019	June 14, 2022	June 14, 2022	16,667(3)	16,667	721,500
	LTIP 2021 Directoire	March 16, 2021	March 16, 2024	March 18, 2024	41,350(1)	41,350	1,826,430
Total							**2,547,930**
Michel-Alain Proch	LTIP 2021 Directoire	March 16, 2021	March 16, 2024	March 18, 2024	24,495(1)	24,495	1,081,944
Total							**1,081,944**

(1) Corresponds to the maximum annual amount under the LTIP 2019-2021 Directoire plan for 2021. In 2019, it was decided to award him 60,000 shares subject to continued presence and performance conditions covering the period 2019-2021 (*i.e.* 20,000 shares subject to continued presence and performance conditions per year). The LTIP 2019-2021 Directoire is a three-year plan subject to continued employment and performance conditions.
The LTIP 2019-2021 Directoire plan covers the 2019, 2020 and 2021 financial years.

(2) Corresponds to the maximum annual amount under the LTIP 2019-2021 Directoire plan for 2021. In 2019, it was decided to award him 20,000 shares subject to continued presence and performance conditions covering the period 2019-2021 (*i.e.* 6,667 shares subject to continued presence and performance conditions per year). The LTIP 2019-2021 Directoire is a three-year plan subject to continued employment and performance conditions.
The LTIP 2019-2021 Directoire plan covers the 2019, 2020 and 2021 financial years.

(3) Corresponds to the maximum annual amount under the LTIP 2019-2021 Directoire plan for 2021. In 2019, it was decided to award him 50,000 shares subject to continued presence and performance conditions covering the period 2019-2021 (*i.e.* 16,667 shares subject to continued presence and performance conditions per year). The LTIP 2019-2021 Directoire is a three-year plan subject to continued employment and performance conditions.
The LTIP 2019-2021 Directoire plan covers the 2019, 2020 and 2021 financial years.

/ Table 7 (AMF nomenclature) performance shares vested for each executive corporate officer

None, no performance shares became available in 2021.

Information relating to the performance shares resulting from the LTIP 2019-2021 that will vest on June 14, 2022 is provided in Section 3.2.1.4.

/ Table 8 (AMF nomenclature) history of options granted over the last ten years

Date of authorization by the Extraordinary General Shareholders' Meeting (EGM)	2013 co-investment plan (LionLead2) June 1, 2010 (24th resolution)
Date of the Board of Directors or Management Board's Meeting	04/30/2013
Total number of stock options granted	5,949,305(1)
of which corporate officers:	198,687
• *Jean-Yves Naouri (options canceled)*	*69,301*
• *Jean-Michel Etienne (of which 27,916 options exercisable)*	*55,832*
• *Kevin Roberts (options exercised)*	*73,554*
Start date for exercise of the options	04/30/2016(2) / 04/30/2017(3)
Expiry date	04/30/2023
Subscription or purchase price *(in euros)*	52.76
Total adjusted number of stock options granted as at 12/31/2021	5,949,305(1)
Total number of shares subscribed or purchased as at 12/31/2021	(925,816)
Total number of canceled stock options as at 12/31/2021	(4,004,934)
Number of outstanding stock options as at 12/31/2021	1,018,555

(1) Conditional options, the exercise of which is contingent on the achievement of objectives under the three-year plan. The achievement level of objectives in the LionLead2 plan was measured in 2016.
(2) Concerns French employees.
(3) Concerns employees outside France.

3

/ Table 9 (AMF nomenclature) Share subscription options or share purchase options granted to the first ten employees (non-corporate officers) and options exercised by the latter

	Plan	Number of options granted/ subscribed or purchased	Weighted average price *(in euros)*
Stock options granted between January 1 and December 31, 2021, by the issuer and by any company included in the scope of option allocation to their ten respective employees, whose number of options thus granted is the highest (overall information).	-	-	-
Stock options held from the issuer and the aforementioned companies, exercised between January 1, and December 31, 2021, by the respective ten employees of the issuer and these companies, who bought or subscribed to the greatest number of options (overall information).	2013 stock option co-investment plan	54,458	52.76
Total		**54,458**	**52.76**

/ Table 10 (AMF nomenclature) history of free share allocations (vested and/or unvested plans in 2021)

	Sapient Plan 2017[1]	LTIP 2018[3]	Sapient Plan 2018[4]	Sprint to the Future (cancelled)[5]	LTIP 2019[6]	2019 Special Plan[7]	Sapient Plan 2019[8]
Date of authorization by the Extraordinary General Shareholders' Meeting (EGM)	**n/a[2]**	**05/25/2016**	**n/a[2]**	**05/25/2016**	**05/30/2018**	**n/a[2]**	**n/a [2]**
Date of Management Board meeting	06/15/2017	04/17/2018	04/17/2018	05/18/2018	05/28/2019	05/28/2019	05/28/2019
Total number of free shares awarded	528,000	746,800	516,372	1,079,596	335,950	262,700	585,499
Total number of free shares awarded to corporate officers		-	-	306,156	-	-	
• *Arthur Sadoun*	-	-	-	*96,681*	-	-	
• *Jean-Michel Etienne*	-	-	-	*64,454*	-	-	
• *Anne-Gabrielle Heilbronner*	-	-	-	*64,454*	-	-	
• *Steve King*	-	-	-	*80,567*	-	-	
• *Michel-Alain Proch*	-	-	-	-	-	-	
Vesting date of shares	**06/16/2018 06/16/2021**	**04/17/2021**	**04/17/2019 04/17/2022**	**12/20/2021**	**05/28/2022**	**05/28/2022**	**05/28/2020 05/28/2023**
End of retention period	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total number of shares vested as of 12/31/2021	(349,955)	(296,350)	(285,853)	(48,340)		-	(103,516)
Total number of free shares canceled or lapsed at 12/31/2021	(178,045)	(450,450)	(194,258)	(1,031,256)	(196,725)	(50,617)	(179,833)
Number of free shares outstanding at 12/31/2021	-	-	36,261	-	139,225	212,083	302,150

(1) The Sapient Plan 2017 consists of two different plans. One plan is subject only to continued employment, and gives rise to the delivery of one-quarter of the shares awarded on the anniversary dates of the first four years of the plan (*i.e.* June 2018, 2019, 2020 and 2021). The second plan was subject to, in addition to the continued presence condition, performance conditions based on Publicis Sapient's operating margin and revenue growth, such that the total number of shares delivered depended on the level of achievement of targets for 2017, 2018 and 2019. The shares ultimately awarded in accordance with the level of attainment of these performance targets were delivered at the end of a three-year period, *i.e.* in June 2020.

(2) Allocations made outside the provisions of the French Commercial Code ("non-qualified" plans).

(3) The vesting of shares under the LTIP 2018 is subject to presence and performance conditions. The performance conditions of the plan are based on the achievement of an organic growth rate and an operating margin rate compared to a group of competitors, such that the number of shares to be delivered at the end of the three-year vesting period, *i.e.* in April 2021, depended on the level of achievement of these objectives for the year 2018.

(4) The Sapient Plan 2018 consists of two different plans. One plan is subject only to continued employment, and gives rise to the delivery of one-quarter of the shares awarded on the anniversary dates of the first four years of the plan (*i.e.* April 2019, 2020, 2021 and 2022). The second plan was subject to, in addition to the continued presence condition, performance conditions based on Publicis Sapient's operating margin and revenue growth, such that the total number of shares delivered depended on the level of achievement of targets for 2018, 2019 and 2020. The shares ultimately awarded in accordance with the level of attainment of these performance targets were delivered at the end of a three-year period, *i.e.* in April 2021.

(5) The Sprint to the Future Plan was a one-off award of performance share covering the 2018-2020 period and offered to 20 key Groupe managers. The condition for achieving the organic Groupe revenue growth target (2018-2020 average) could not be satisfied given the performance levels already recorded for 2018 and 2019. Unless otherwise stated, failure to satisfy this condition resulted in a loss as from July 2019 of all entitlement to shares awarded at the outset of the plan.

(6) The vesting of shares under the LTIP 2019 is subject to presence and performance conditions. The performance conditions of the plan are based on the achievement of an organic growth rate and an operating margin rate compared to a group of competitors, such that the number of shares to be delivered at the end of the three-year vesting period, in May 2022, will depend on the level of achievement of these objectives for the year 2019.

(7) The Special Plan is a retention plan conditional only upon continued employment and introduced for certain employees with a direct impact on growth.

(8) The Sapient Plan 2019 consists of two different plans. One plan is conditional upon continued employment only and gives rise to the delivery of one-quarter of the shares awarded on the dates of the first four anniversaries of the plan (*i.e.* in May 2020, 2021, 2022 and 2023). The second plan is subject, in addition to the continued presence condition, to performance conditions based on Publicis Sapient's operating margin and revenue growth budgets, such that the total number of shares delivered will depend on the level of achievement of targets for the years 2019, 2020 and 2021. The shares ultimately awarded in accordance with the level of attainment of these performance targets will be deliverable at the end of a three-year period, *i.e.* in May 2022.

(9) The LTIP 2019-2021 plan is specifically for the benefit of the members of the Management Board. The acquisition of Publicis Groupe shares under this plan is subject to performance criteria that are measured following a three-year period (2019-2021), such that the total number of shares delivered will depend on the level of achievement of financial performance objectives, namely achieving a certain rate of organic growth and an operating margin compared to a peer group of companies competing with Publicis Groupe. Some of the shares allocated are also subject to a condition based on a CSR (Corporate Social Responsibility) criterion. The number of shares actually awarded is determined in accordance with the level of attainment of these performance targets. In addition, the vesting of shares is also subject to the fulfillment of a condition of continued presence during the three-year vesting period., *i.e.* in June 2022.

LTIP 2019-2021[9] [10]	Epsilon Replacement Plan[11]	Special Retention Plan[12]	Sapient Plan 2020[13]	Epsilon LTI 2020[14]	LTIP 2021 and other specific plans[15]	LTIP 2021 Directoire[16]	Epsilon LTI 2021[17]	Sapient Plan 2021[18]
05/30/2018	**n/a[2]**	**05/30/2018**	**n/a[2]**	**n/a[2]**	**05/30/2018 05/26/2021**	**05/30/2018**	**n/a[2]**	**n/a[2]**
06/14/2019	07/15/2019	11/15/2019	05/19/2020	07/20/2020	03/16/2021 09/15/2021	03/16/2021	03/16/2021	04/13/2021
170,000	628,681	765,110	585,503	1,264,420	590,391	151,577	632,348	604,474
170,000	-	-	-	-	-	151,577	-	-
60,000	-	-	-	-	-	*61,237*	-	-
40,000	-	-	-	-	-	-	-	-
20,000	-	-	-	-	-	*24,495*	-	-
50,000	-	-	-	-	-	*41,350*	-	-
-	-	-	-	-	-	*24,495*		
06/14/2022	**03/31/2020 03/31/2022**	**03/16/2024**	**05/19/2021 05/19/2024**	**03/31/2021 03/31/2023**	**03/16/2024 09/15/2024**	**03/16/2024**	**03/31/2022 03/31/2024**	**04/13/2022 04/13/2025**
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
-	(289,111)		(53,156)	(184,123)	-	-	-	-
(9,927)	(187,581)	(273,185)	(89,026)	(681,319)	(18,632)	-	(32,521)	(36,751)
160,073	151,989	491,925	443,321	398,978	571,759	151,577	599,827	567,723

(10) The canceled shares result from the application of the pro-rated performance shares initially granted to Jean-Michel Etienne, as approved by the Supervisory Board (on the recommendation of the Compensation Committee) in accordance with the compensation policy.

(11) Awards consisting of replacements for awards made by the ADS group in 2019 that had lapsed as a result of Epsilon's acquisition by Publicis Groupe. The shares granted are subject to a presence condition for 20% and a performance condition for 80% (based on the annual operating margin and net revenue budgets of the Epsilon entities). Shares vest in tranches over the three years of the plan (*i.e.* in March 2020, 2021 and 2022).

(12) Retention plan offered to 10 Groupe managers. The shares are subject to individualized performance conditions for 2020 to 2022. The cancellation of the Special Retention Plan was presented to the Management Board on December 16, 2020. The awards of the Special Retention Plan will be replaced by new LTIPs from 2021. The shares in the second tranche correspond to those allocated under the new LTIP 2021 plan. The shares of the third tranche were kept at the same level as the initial plan. The initial vesting date (03/31/2023) has been extended and aligned with that of the LTIP 2021.

(13) The Sapient Plan 2020 consists of two different plans. One plan is conditional only upon continued employment and gives rise to the delivery of one-quarter of the shares awarded on the dates of the first four anniversaries of the plan (*i.e.* in May 2021, 2022, 2023 and 2024). The second plan is subject, in addition to the continued presence condition, to performance conditions based on Publicis Sapient's operating margin and revenue growth budgets, such that the total number of shares delivered will depend on the level of achievement of targets for the years 2020, 2021 and 2022. The shares ultimately awarded in accordance with the level of attainment of these performance targets will be deliverable at the end of a three-year period, *i.e.* in May 2023.

(14) The shares granted are subject to a presence condition for 20% and a performance condition for 80% (based on the annual operating margin and net revenue budgets of the Epsilon entities). The shares are vested and delivered in tranches for the three years of the plan (*i.e.* in March 2021 for 30% of the shares granted, in March 2022 for 30% of the shares granted and in March 2023 for 40% of the shares granted).

(15) Excluding beneficiaries of the Special Retention Plan for whom the shares remain presented in the initial plan. The vesting of shares under the LTIP 2021 is subject to performance criteria measured for 2021, such that the total number of shares delivered will depend on the level of achievement of financial performance targets, *i.e.* the achievement of an organic growth rate and an operating margin rate compared to a reference group of competitors. Some of the shares allocated are also subject to a condition based on a CSR (Corporate Social Responsibility) criterion. The number of shares actually awarded is determined in accordance with the level of attainment of these performance targets. In addition, the vesting of shares is also subject to a presence condition during the three-year vesting period, *i.e.* in March 2024 (September 2024 for the specific individual plan).

(16) The acquisition of Publicis Groupe shares under this plan is subject to performance criteria that are measured following a three-year period (2021-2023), such that the total number of shares delivered will depend on the level of achievement of financial performance objectives, namely achieving a certain rate of organic growth and an operating margin compared to a peer group of companies competing with Publicis Groupe. Some of the shares allocated are also subject to a condition based on a CSR (Corporate Social Responsibility) criterion. The number of shares actually awarded is determined in accordance with the level of attainment of these performance targets. In addition, the vesting of shares is also subject to the fulfillment of a condition of continued presence during the three-year vesting period., *i.e.* in March 2024.

(17) The shares granted are subject to a presence condition for 20% and a performance condition for 80% (based on the annual operating margin and net revenue budgets of the Epsilon entities). The shares are vested and delivered in tranches for the three years of the plan (*i.e.* in March 2022 for 30% of the shares granted, in March 2023 for 30% of the shares granted and in March 2024 for 40% of the shares granted).

(18) The Sapient Plan 2021 consists of two different plans. One plan is conditional only upon continued employment and gives rise to the delivery of one-quarter of the shares awarded on the dates of the first four anniversaries of the plan (*i.e.* April 2022, 2023, 2024 and 2025). The second plan is subject, in addition to the continued presence condition, to performance conditions based on Publicis Sapient's annual operating margin and revenue growth, such that the total number of shares delivered after a three-year period, in April 2014, will depend on the level of achievement of the objectives for 2021.

/ Table 11 (AMF nomenclature) Other information concerning the executive corporate officers

Executive corporate officers	Employment contract	Supplementary pension plan	Indemnities or benefits due or payable on cessation or change in functions	Indemnities under a non-compete clause
Management Board				
Arthur Sadoun, Chairman	No	No	Yes[1]	Yes[1]
First appointment: June 1, 2017 Expiry of term of office: September 14, 2022				
Anne-Gabrielle Heilbronner	Yes	Yes[2]	Yes[2]	Yes[2]
First appointment: September 15, 2014 Expiry of term of office: September 14, 2022				
Steve King	Yes	Yes[3]	Yes[3]	Yes[3]
First appointment: June 1, 2017 Expiry of term of office: September 14, 2022				
Michel-Alain Proch, from January 15, 2021	Yes	Yes[4]	Yes[4]	Yes[4]
First appointment: January 15, 2021 Expiry of term of office: September 14, 2022				

(1) See Section 3.2.1.5 "Compensation policy for the Chairman of the Management Board".
(2) See Section 3.2.1.6 "Compensation policy for Anne-Gabrielle Heilbronner".
(3) See Section 3.2.1.7 "Compensation policy for Steve King".
(4) See Section 3.2.1.8 "Compensation policy for Michel-Alain Proch".

3.2.3 Share ownership

At December 31, 2021, no members of the Management Board and the Supervisory Board owned more than 1% of the Company's shares, with the exception of Élisabeth Badinter and her children (6.74%), and Maurice Lévy, who owns directly or indirectly 4,848,159 shares, *i.e.* 1.91% of the Company's capital, including 2,509,602 shares owned through a company belonging to Maurice Lévy and his family.

At December 31, 2021, the members of the Supervisory Board and Management Board (excluding Élisabeth Badinter and her children) directly and indirectly held 6,823,521 shares, *i.e.* 2.69% of the Company's share capital, of which 1.91% by Maurice Lévy.

As of December 31, 2021, the members of the Management Board also owned 63,031 stock options, all of which are exercisable. The weighted average exercise price of the options is euro 52.76 per share with these options expiring in 2023 (see Note 32 to the consolidated financial statements in Section 6.6).

The following table shows the interest of each corporate officer in the share capital of the Company at December 31, 2021 by the number of shares and voting rights, as well as the number of shares that each corporate officer has the right to acquire through the exercise of new stock subscription options and existing stock purchase options.

Shareholding and stock options of the corporate officers as of December 31, 2021

Corporate officer	Number of Publicis Groupe SA shares	Voting rights in Publicis Groupe SA[(1)]	Shares that may be vested through the exercise of stock options: Total number	Of which conditional options[(2)]	Weighted average price *(in euros)*
Member of the Management Board					
Arthur Sadoun	136,511	245,308	35,491	35,491	52.76
Anne-Gabrielle Heilbronner	16,108	30,472	-	-	-
Steve King	45,641	89,829	27,540	27,540	52.76
Michel-Alain Proch	20,703	20,703	-	-	-
Total Management Board	**218,963**	**386,312**	**63,031**	**63,031**	**52.76**
Member of the Supervisory Board					
Maurice Lévy[(3)]	4,848,159	8,317,405			
Élisabeth Badinter[(4)]	16,700,967	22,535,787			
Simon Badinter[(5)]	1,279	1,825			
Jean Charest	1,400	2,700			
Sophie Dulac	1,749,460	2,473,420			
Thomas H. Glocer	500	600			
Marie-Josée Kravis	2,914	2,914			
André Kudelski	500	500			
Suzan LeVine	537	1,037			
Antonella Mei-Pochtler	500	500			
Cherie Nursalim	538	1,058			
Pierre Pénicaud[(6)]	-	-			
Patricia Velay-Borrini[(6)]	50	50-			
Total Supervisory Board	**23,306,804**	**33,337,796**			

(1) Shows the impact of possible double voting rights.
(2) The conditions were taken into account to determine the final number of vested options.
(3) Maurice Lévy directly owns 2,338,557 shares, and indirectly owns 2,509,602 shares of the Company through a family-owned company, representing a total of 8,317,405 voting rights.
(4) Élisabeth Badinter fully owns 5,834,820 shares (representing 2.35% of the share capital and 4.71% of voting rights) and is the beneficial owner of 10,866,147 shares, with her children having the bare ownership of the underlying shares (representing 4.39% of the share capital and 8.77% of voting rights).
(5) Excluding the 3,622,049 bare owner shares held by Simon Badinter.
(6) Pierre Pénicaud and Patricia Velay-Borrini are members of the Supervisory Board representing employees.

Note: bylaws require members of the Supervisory Board to hold at least 500 shares. However, members representing employees are not obliged to hold a minimum number of shares during their term of office (article 13 of the Company bylaws).

3.2.4 Transactions carried out on Publicis Groupe shares by executives and persons related to them

The transactions performed by the corporate officers and the persons mentioned in article L. 621-18-2 of the French Monetary and Financial Code concerning Company stock during the 2021 financial year are as follows:

Name and surname	Position	Description of the financial instrument	Type of transaction	Number of transac-tions	Amount of the transactions *(in euros)*
Arthur Sadoun	Chairman of the Management Board	Shares	Payment of the dividend in shares	1	157,346.30
Anne-Gabrielle Heilbronner	Member of the Management Board	Shares Shares	Payment of the dividend in shares Disposal	1 1	41,909.50 867,393.40
Steve King	Member of the Management Board	Shares	Payment of the dividend in shares	1	77,081.65
Michel-Alain Proch	Member of the Management Board	Shares	Payment of the dividend in shares	1	39,946.65
Emmanuel André	Member of the Management Committee	Shares Shares	Acquisition of free shares Disposal	1 3	- 170,057.22
Justin Billingsley	Member of the Management Committee	Shares Shares Shares	Acquisition of free shares Disposal Payment of the dividend in shares	1 3 1	- 182,778.51 19,257.15
Agathe Bousquet	Member of the Management Committee	Shares	Payment of the dividend in shares	1	3,448.25
Gerry Boyle	Member of the Management Committee	Shares Shares	Acquisition of free shares Disposal	1 4	- 708,404.51
Andrew Bruce	Member of the Management Committee	Shares Shares	Acquisition of free shares Disposal	1 5	- 374,731.84
Nick Colucci	Member of the Management Committee	Shares Shares	Acquisition of free shares Disposal	1 1	- 56,118.26
Tim Jones	Member of the Management Committee	Shares Shares	Acquisition of free shares Disposal	1 1	- 56,118.26
Bryan Kennedy	Member of the Management Committee	Shares Shares	Acquisition of free shares Disposal	2 1	- 328,774.01
Loris Nold	Member of the Management Committee	Shares Shares Shares	Acquisition of free shares Disposal Payment of the dividend in shares	1 6 1	- 542,125.82 53,050.00
David Penski	Member of the Management Committee	Shares Shares	Acquisition of free shares Disposal	1 3	- 160,331.78
Carla Serrano	Member of the Management Committee	Shares Shares	Acquisition of free shares Disposal	1 1	- 56,118.26
Nigel Vaz	Member of the Management Committee	Shares Shares	Acquisition of free shares Disposal	4 4	0 266,942.27
Alexandra von Plato	Member of the Management Committee	Shares Shares	Acquisition of free shares Disposal	1 1	0 46,756.14

3.3 RELATED-PARTY TRANSACTIONS

The following explanations summarize all transactions since 2020 between Publicis Groupe and related parties.

3.3.1 Terms and conditions of financial transactions carried out with related parties

None.

3.3.2 Related-party transactions

During 2021, the following transactions were carried out by Publicis Groupe with related parties:

	Revenue from related parties	Expenses for related parties
Joint-venture between MSL France and Les Échos Solutions(2)	7	-
Burell Communication Group(4)	3	-
Weborama(5)		5

During the previous two financial years, the following transactions were carried out by Publicis Groupe with related parties:

	Revenue (expenses) from related parties	
	2020 financial year	2019 financial year
Joint-venture between MSL France and Les Échos Solutions(2)	2	12
Burell Communication Group(4)	2	(2)
Weborama(5)	(6)	-

The outstanding amounts with related parties in the balance sheet as at December 31, 2021 were as follows *(in millions of euros)*:

	Receivables/loans *vis-à-vis* related parties	Liabilities *vis-à-vis* related parties
OnPoint Consulting, Inc.(1)	3	-
Joint-venture between MSL France and Les Échos Solutions(2)	3	-
Zag Limited(3)	4	-
Others	5	1

(1) Entity 100% owned by Publicis Groupe.
(2) Entity 50% owned by Publicis Groupe, to organize the "Viva Technology" event.
(3) Entity 36.75% owned by Publicis Groupe.
(4) Entity 49% owned by Publicis Groupe.
(5) Entity indirectly held by YCOR SCA, in which, Maurice Lévy, Chairman of the Supervisory Board of Publicis Groupe, has interests.

3.4 STATUTORY AUDITORS' SPECIAL REPORT ON RELATED-PARTY AGREEMENTS

To the Annual General Meeting of Publicis Groupe,

In our capacity as statutory auditors of your Company, we hereby present to you our report on related party agreements.

We are required to inform you, on the basis of the information provided to us, of the terms and conditions of those agreements indicated to us, or that we may have identified in the performance of our engagement, as well as the reasons justifying why they benefit the Company. We are not required to give our opinion as to whether they are beneficial or appropriate or to ascertain the existence of other agreements. It is your responsibility, in accordance with Article R. 225-58 of the French Commercial Code *(code de commerce)*, to assess the relevance of these agreements prior to their approval.

We are also required, where applicable, to inform you in accordance with Article R. 225-58 of the French Commercial Code *(code de commerce)* of the continuation of the implementation, during the year ended December 31, 2021, of the agreements previously approved by the Annual General Meeting.

We performed those procedures which we deemed necessary in compliance with professional guidance issued by the French Institute of statutory auditors *(Compagnie nationale des commissaires aux comptes)* relating to this type of engagement.

Agreements submitted for approval to the Annual General Meeting

We hereby inform you that we have not been notified of any agreements authorized and entered into during the year ended December 31, 2021 to be submitted to the Annual General Meeting for approval in accordance with Article L. 225-86 of the French Commercial Code *(code de commerce)*.

Agreements previously approved by the Annual General Meeting

We hereby inform you that we have not been notified of any agreements previously approved by the Annual General Meeting, whose implementation continued during the year ended December 31, 2021.

Paris-La Défense, April 21, 2022

The Statutory Auditors

French original signed by

MAZARS		**ERNST & YOUNG et Autres**	
Olivier Lenel	Ariane Mignon	Nicolas Pfeuty	Valérie Desclève

CHAPTER

4 CORPORATE SOCIAL RESPONSIBILITY – NON-FINANCIAL PERFORMANCE

The declaration of non-financial performance (DNFP) meets the French and European legal obligations, and the voluntary commitments of Publicis Groupe in terms of reporting on Corporate Social Responsibility (CSR) following international guidelines such as the GRI and in accordance with the standards used for non-financial or ESG (Environment, Social, Governance) analysis by investors and shareholders.

This Section is the core of the Groupe's non-financial reporting and includes a number of quantitative and qualitative indicators presented under the "comply or explain" rule. Examples of the actions and initiatives implemented in the agencies are given. More examples are featured on the Groupe's corporate website www.publicisgroupe.com (CSR Section). A dynamic table of indicators, presenting the correspondance with other standards, is also available on the corporate website (CSR Section) under the heading CSR Smart data.

The DNFP is made up of a number of factors included in this document, denoted as follows:

- background information on segment trends or the general outlook, as well as on the business model and value-creation components, are presented in the introduction with a summary of key financial figures and the main non-financial indicators;
- the Groupe's strategy and activities are presented in more detail in Chapter 1;
- the risk factors are presented in order of priority in Chapter 2. Non-financial risks are addressed in the form of CSR issues in this Chapter. Already at the heart of the major CSR challenges, the health and well-being of employees are a priority as illustrated by the CSR materiality table (see the introduction to this document). Human rights and environmental risks are presented in Section 4.2.4, with the aim of complying with duty of care requirements. As part of the Groupe's Climate strategy, the work carried out on these risks is presented in Section 4.3;
- the Groupe's governance is presented in Chapter 3;
- the consolidated financial statements are in Chapter 6;
- a specific DNFP cross-referencing table can be found in Chapter 10.

Methods and processes in place for CSR reporting and the DNFP, as well as the governance of these non-financial issues are explained in Section 4.6. In accordance with French and European regulations, the Bureau Veritas verification report of external audit can be found at the end of this Chapter, in Section 4.7.

Changes in the governance of ESG issues

2021 marks a major turning point for ESG issues with the start of the work of the new ESG Committee of the Supervisory Board (see Chapter 3.1.2.9 of this document). It met twice in 2021 to gain an in-depth understanding of the scope in question and to discuss how to further value Publicis Groupe's CSR/ESG strategy and its positive results, and how to participate in the Groupe's choices regarding the reduction of carbon footprint, or the corporate "raison d'être" (purpose).

The members of the ESG Committee are kept regularly informed of the progress of ongoing projects through discussions with the Chairman of the Management Board and the Secretary General. The Chair of the ESG Committee, Suzan LeVine, reports on the work of the Committee to the Supervisory Board. ESG matters are the responsibility of the Groupe's Secretary General, who is a member of the Management Board (see also Section 4.8).

Materiality of ESG issues

Based on the conclusions of the 2020 consultation with its stakeholders in the middle of a pandemic year, 2021 was devoted to the progress made on actions related to the Groupe's three ESG priorities:

1. Diversity, Equity & Inclusion and the fight for Social Justice;
2. Responsible Marketing and Business Ethics;
3. Fight against climate change.

The materiality matrix remained unchanged following the review conducted in 2020 with the help of Salterbaxter under a contract using recognized materiality analysis methodologies. This work is managed by the Groupe's CSR Department, with the assistance of external firms such as EcoAct for environmental issues, including the reduction of the carbon footprint and the choice of offsetting actions.

Questions regarding this non-financial reporting may be addressed to the Groupe CSR Department:
csr@publicisgroupe.com.

4.1 PRIORITY #1: DIVERSITY, EQUITY & INCLUSION AND SOCIAL JUSTICE

2021 confirmed major changes resulting from the consequences of the Covid-19 pandemic on the organization of work and the aspirations of employees. Working from home, in either on-and-off or continuous mode, continued depending on changes in the local health situation. Employees have shown adaptability and have responded effectively to their customers' expectations.

4.1.1 Diversity, Equity and Inclusion (DE&I)

The Groupe's Diversity, Equity & Inclusion policy, part of the Janus code of conduct, sets out the founding principles behind which local actions are aligned. The Groupe policy is regularly updated and communicated to employees who are involved in the actions implemented. They are also shared with clients with whom we may conduct joint initiatives.

Inclusion is at the heart of the Groupe's top management priorities. For nearly 15 years, the Groupe has selected eight criteria to monitor in particular: gender, age, ethnic origins, education, disability, sexual orientation, religious affiliation, veteran, with a specific legal framework determining the type of indicators that may be monitored for each country.

With the widespread mobilization around the Black Lives Matter movement in 2020, a specific program was set up in the American agencies (see Section 4.1.1.2). Inspired by this action, other countries (United Kingdom, Latin America, France, etc.) have also implemented new actions to improve the inclusion of employees of different ethnic origins, depending on each national context. The Groupe's culture is based on the motto *Viva la Difference*, based on respect for each and every individual, both internally (the diversity of our employees) and externally (the diverse cultural contexts in which the teams work with our clients). This respect for differences is at the heart of the Company's culture.

The Groupe's gender diversity – at December 31, 2021

Tables providing demographics can be found at the end of this section. Multi-year data trends are available on the Groupe website, in the CSR section of the CSR Smart data page.

/ Gender balance by region

Region	% of Women
Asia Pacific	43.4%
Europe/Russia	57. 1%
Latin America	53.8%
Middle East/Africa	53.3%
North America	54.7%
Grand total	**51.5%**

/ Gender balance by business line, in Senior positions

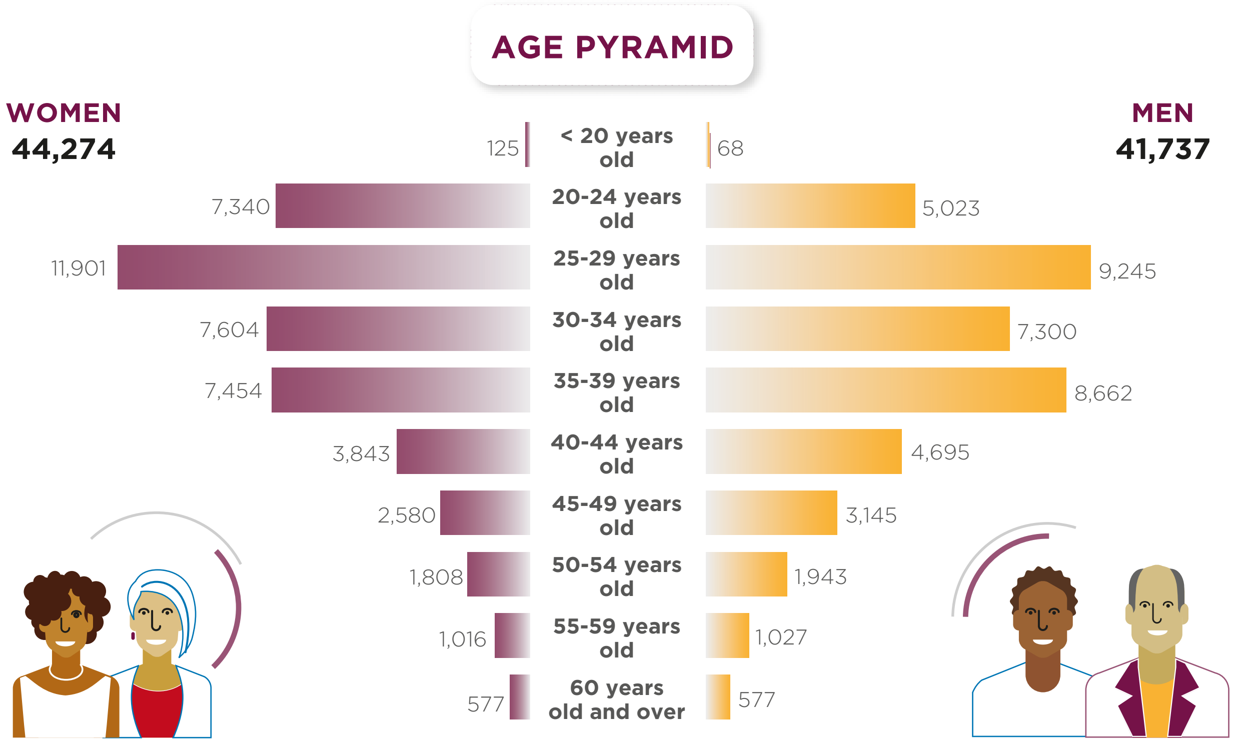
Management diversity: Senior Level	% of Women
Consulting	24.8%
Client Management	47.8%
Creative & Content	23.9%
Data & Tech	26.9%
Engineering	8.8%
Support Functions	54.5%
Management	35.0%
Healthcare	33.3%
Media	47.6%
Production	32.8%
Strategy	42.3%

The Publicis Groupe Supervisory Board, chaired by Maurice Lévy, has seven women (55% women) out of thirteen members, including two members representing employees (one woman and one man) (see Section 3.1.1 of this document):

- the Management Board, chaired by Arthur Sadoun, has three men and one woman (25% women), unchanged from 2020;
- the Management Committee, chaired by Arthur Sadoun, has 21 members at December 31, 2021, including seven women (33.3% women);
- the Groupe's 2025 target of 45% women among key managers set by the Groupe foresaw a transition point, which was reached in 2021 at 41.1% (Groupe Management Committee and Country and Region Executive Committees);
- age pyramid: calculated in 2021 based on 97% of the workforce having provided this data in Career Settings, HRIS (Human Resources Information System); this shows a good gender balance at Groupe level (51.5% women and 48.5% men). The simplified breakdown is as follows:

	Women	Men
<30 years old	43.8%	34.4%
30-50	49.5%	58.3%
51 years old and over	6.7%	7.3%
Total	**100%**	**100%**

- Average age of employees: 34 years old (35 for men – 33 for women).



Multi-year data trends are available on the Groupe website, in the CSR Smart data section of the CSR page.

Other diversity and inclusion indicators

The legal framework in each country determines the data that may be made public. Gender and age are the only two criteria authorized in France and applicable worldwide. This is why in June 2020 and June 2021, Publicis Groupe publicly shared its data on the ethnic origins of its employees only in the United States and the United Kingdom, as part of a strong commitment to actually improve inclusion within agencies. Disability is a criterion that is unevenly followed in all countries; only French data is published in this document.

The five pillars of the Diversity, Equity & Inclusion policy

1) The Zero Tolerance principle

This principle is intangible. It has always been applied in the fight against all forms of discrimination, on whatever grounds (gender, age, origins, sexual orientation, religion, etc.). It is more valid than ever and must be respected by all, employees and managers alike. This Zero Tolerance principle also applies to moral and sexual harassment and inappropriate conduct. It is described as such in the Janus Code of Ethics (excerpts of which are accessible on the Groupe's corporate site at: www.publicisgroupe.com).

A centralized whistleblowing mechanism is operational: ethicsconcerns@publicisgroupe.com. Reported concerns are managed by the Secretary General and systematically followed up, with complete confidentiality and protection for whistleblowers (see details in Section 4.2.6 of this document).

2) Viva la Difference: a respectful and inclusive culture

During the *Viva la Difference* virtual seminar, which brought together all Groupe employees in December 2021, the motto at the heart of the Company and the Groupe's strategy were the red wire of the discussions. This alignment between the Company's internal culture and the business approach consolidates the core values on which the Groupe has relied for decades, brings meaning to the business lines, and illustrates the Groupe's intention to see our activities contribute to the construction of a more inclusive world.

The Groupe has a proactive approach to diversity in its workforce (see Section 4.1.1.2 for country examples). The Groupe is pursuing its efforts in eight specific areas, namely: gender, age, disability, cultural and ethnic origins, educational background, sexual orientation, religion, and veterans (military). Monitoring of diversity indicators is subject to national legislative frameworks. At the global level, only gender and age data can be consolidated and published. The Groupe is very mindful of individual situations (illnesses, family responsibilities, etc.) and is always looking for appropriate solutions to support its employees who may be experiencing challenging periods.

In order to maintain the conditions of an inclusive culture that respects every single person, mandatory training on unconscious bias is carried out in almost all countries to train male and female managers and all employees. The legal and human resources/talent teams oversee compliance issues in very close contact with the leaders who are members of the Country/Agency Executive Committees.

3) Groupe commitments

The Chairman of the Management Board, Arthur Sadoun, deals directly and personally with the issues of diversity and inclusion. He is heavily involved in the US action plan and in the global internal communication around it. Publicis Groupe regularly reaffirms its commitments to gender equality, as equality for all is a factor of inclusion. The Groupe is a signatory of the Women's Empowerment Principles (WEPs) of UN Women, a United Nations agency: the seven key principles promote women's rights as fundamental human rights and encourage equality in all its forms. The Groupe is also a stakeholder in CEO Action for Diversity and Inclusion in the United States, which requested that hundreds of CEO signatories share their best practices and data concerning trends in female employment in their organizations. Publicis Groupe is one of the 20 or so corporate members of the Unstereotype Alliance which is placed under the aegis of UN Women and whose mission is to fight against gender stereotypes in communication and advertizing campaigns to promote wide-spread diversity. The Groupe has had a partnership with Catalyst for several years now and the agencies have built local partnerships with committed organizations. Publicis Groupe joined OneInThreeWomen, an international initiative, mobilizing companies around domestic violence against women. Through this commitment, companies are required to set up assistance systems or facilitate access to assistance for victims. Such systems are in place in the United States and Canada, India, France, the United Kingdom, Australia and New Zealand, to name but a few.

In order to increase the impact of measures taken internally, the **Global DE&I Council,** created in 2020, meets every month, under the responsibility of the Secretary General, and is comprised of some fifteen DE&I experts from several countries coordinated by the Groupe's CSR Director. Its goal is to scale up common actions on a few themes shared by all countries, such as diversity among teams in the broadest sense, in particular with regard to under-represented populations in each country, gender balance, women with management positions, visibility of LGBTQ+ individuals, and all questions regarding various forms of disability. The public document *DEI in Action – 2022 Playbook* illustrates the main areas of the Groupe's policy and the actions implemented by the agencies locally.

In terms of recognition, Publicis Groupe is one of the:

- Top 100 international companies selected by Equileap Global, in 29th place (out of 3,702 companies assessed),

- 418 companies selected in the 2022 Bloomberg Gender Equality Index score of (71/100).

4) Internal affinity networks

The affinity networks (Business Resources Groups - BRGs or Employee's Action Groups - EAGs) illustrate the Power of One in action for employees. Fifteen cross-functional groups bring together voluntary employees to enhance awareness and develop concrete solutions adapted to the day-to-day running of the agency (see their presentation on the CSR page of the corporate web site). At Groupe level, three affinity groups are active on the international stage: "VivaWomen!" (women), "Égalité" (LGBTQ+) and enABLE (disability). BRGs also play a role at the external level: they take part in different events and actions aiming to change behavior and practices.

"VivaWomen!" – Present in more than 30 cities worldwide, "VivaWomen!" brings together motivated female and male volunteers to take action to promote gender equality and support women in the Groupe, regardless of their position or function within the Company. Coordinated by the Groupe's CSR Department, it is present from Los Angeles to Shanghai, *via* Mumbai, Madrid, Paris, London, New York, Chicago and Sydney, Cotonou and Dubai. "VivaWomen!" USA has created two sub-groups; "VivaParents", to more closely support future parents, and *VivaTech*, focused on women in the technological and digital sectors. The area of focus of "VivaWomen!" is twofold: Career Development (with leadership training, coaching, etc.) and Work-Life Integration (with practical workshops on "motherhood and work," "time management," with regular testimonials from female or male role models, etc.). In every city, priorities are adjusted to meet the expectations of local teams. "VivaWomen!" works alongside women's networks among the Groupe's clients and with other companies to carry out joint awareness raising and mobilization actions. Lastly, in accordance with its initial positioning, "VivaWomen!" commits to causes that defend the rights of women and girls.

"Égalité" – Launched in the United States, this network brings together employees from agencies mobilized in the defense of LGBTQ+ rights (Lesbian, Gay, Bisexual, Transgender and Queer communities), and is backed by the Groupe's CSR Department. All agencies have now joined this network, which is present in various major cities from Boston to Atlanta *via* London and Paris. Ten US agencies obtained a performance score of 100/100 in the Human Rights Campaign Corporate Equality Index, renewed each year. This award was the result of an initiative launched in 2006. The focus of these evaluations is the policies in place and the activities to promote inclusion carried out in the agencies. Égalité is now present in ten cities around the world.

enABLE – This more recent network, also supported by the Groupe's CSR Department, brings together various local initiatives that promote the inclusion of people with disabilities, with inspiring programs in India, the United Kingdom and the United States, to educate on the issues and allow for a better understanding of the different types of disabilities and the opportunities that these atypical profiles can represent for the Company and the internal culture in terms of genuine inclusion.

5) The Women's Forum for the Economy and Society

The Women's Forum has been a Publicis Groupe subsidiary since 2009. This global platform's ambition is to promote the voice, vision and added value of women not only to issues of equality, but also to other issues concerning global social and economic issues as a whole. The Women's Forum works for a fairer and more inclusive world, seeking to remove structural barriers to equality to ensure that women of all generations and from all ethnic, cultural and social backgrounds are players and decision-makers in all areas.

Since 2020, the Women's Forum has published its Barometer in partnership with Ipsos, which enables a comparison between the perception of the general public with the actual most recent figures in the G7 and/or G20 countries. This instrument is driven by the ambition of the Women's Forum to be a reference point on gender issues and in areas where women are the most disadvantaged, while their impact is decisive such as the climate, female entrepreneurship, professions of the future, artificial intelligence and healthcare. This barometer enables the monitoring of the progress made year after year and inform political and economic decision-makers as well as civil society. The pandemic had a significant negative impact on the situation of women, as revealed by the latest results presented in October 2021. For example, 69% of women surveyed said they had suffered from burnout, anxiety or depression since the start of the pandemic.

Global forums

In 2021, the Women's Forum brought together its community around the theme Uniting Power & Purpose at two main forums: the G20 Italy Women's Forum and the 2021 Women's Forum Global Meeting. As part of the G20 under the Italian Presidency, the Women's Forum presented public policy recommendations addressed to international leaders in order to implement a "She-Covery" for a truly inclusive recovery. The Women's Forum also launched the Pact Towards Zero Gender Gap, signed by 27 business leaders in Milan, and another 28 in Paris, during the two meetings of the CEO Champions initiative.

On the occasion of the 2021 Global Meeting in November 2021 in Paris, organized around the theme Her and Now, the Women's Forum brought together political, economic and civil society leaders, alongside young activists, to share innovative solutions to the challenges of today and tomorrow. 10,000 young people were invited to participate online and 100 young people were welcomed to this event at the Louvre museum in Paris as part of the launch of the Youth Initiative. This 2021 hybrid edition brought together more than 15,000 participants online in four days with nearly 1,000 participants in Paris on the last day. In addition, for the first time in its history, the Women's Forum joined forces with Diane Von Furstenberg to co-organize the twelfth edition of the prestigious DVF Awards, exceptionally held in Paris.

The Daring Circles

Since 2018, the Women's Forum has Daring Circles, bringing together around 50 partners: companies, international institutions, NGOs and experts. These five unique and innovative cross-sector working groups aim toimplement solutions where women are disproportionately affected and where their leadership is crucial: Women4AI, Women4Business, Women4Climate, Women4Health, Women4STEM. These action-oriented coalitions aim to develop operational solutions on the climate, technology for the common good, access to health and economic empowerment.

In 2021, the Women's Forum launched WomenEntrepreneurs 4Good, its accelerator, in partnership with P&G and HEC, the aim of which is to identify and support projects led by women that enable an acceleration of the energy and ecological transition and promote Green Economy. Around ten women were selected for this first seven-month program, alternating online sessions and access to experts and stakeholders who can help them grow their project in a sustainable manner and change scale.

4.1.1.1 Policies and actions in specific countries

1) United States

The action program for 2021 extended activities initiated in 2020 following the mobilizations around the Black Lives Matter movement. In early 2021, the agencies largely demonstrated their solidarity among their colleagues, following the racist crimes suffered by the AAPI (Asian American & Pacific Islander) community. In June 2021, 30,000 employees took part in the second edition of Pause for Action in the United States and Canada, during two days organized around guests, workshops, presentations, testimonials from several communities and debates on the theme Identity & Impact. In application of the pillars of the action plan led by the Chairman of the Groupe's Management Board and monitored by the US Executive Committee, highlights included:

- in the United States and since 2020, the publication of data on the ethnic origins of employees, while respecting regulations and data protection provisions, showing a 5.5% increase in the number of employees of ethnic minority;
- the creation of the first internal Black Talent Summit, bringing together a majority of employees and external guests, during a two-day event; 150 employees (Entry, Mid, Senior) took part in its first edition in 2021;
- the implementation of the Black Talent Career Development initiative in the form of a six-month individualized support program to better understand opportunities within the Groupe and build a stronger internal community;
- work on an allyship culture by training all employees, in particular through the three-step program on unconscious bias Disrupting Everyday Bias, extended in 2021 by workshops in small groups on the theme Influencing Inclusion.

The Diversity Progress Council created in 2020, bringing together people from outside the Groupe (clients, academics, etc.) with employees including young talent, met twice in 2021 to monitor the progress of the actions undertaken by the Groupe reports and define joint projects.

The Talent Engagement & Inclusion *(TE&I)* Brain Trust bringing together 16 diversity managers across the United States provides monthly updates on the progress of programs and activities within the agencies, and also works on the development of policies and practices by sharing experiences.

The Talent Engagement & Inclusion *(TE&I)* Council meets quarterly, in the presence of the Groupe's Secretary General or with the Groupe's CSR Department. The monthly newsletter TE&I reports on its activities on Marcel, along with the Inclusion Activated podcasts. In 2021, the focus was on more precise work on the internal options to help Groupe employees with attractive and highly individualized career paths to develop.

The TE&I Core team, which coordinates all actions, has refocused its efforts around four priorities: internal culture and employee communities, support for Talent, work carried out for clients, responsibility – supporting figures, rolling out the 6Ps model: Process, Practices, Policies, Platform, Products/Services and Partnerships. This team supports local D&I managers by providing various tools and programs such as: Unconscious Bias, Inclusive recruiting, Managing inclusion, Straight talk, and others.

The teams focused on several external conferences such as 3% Conference & Movement, which aims to increase the role of women in creative management roles in agencies and in the creative industry with 300 employee participants; or *Adcolor* which recognizes young talent and rewards companies active in these areas with around a hundred delegated employees.

For the 12th consecutive year, the Groupe's proprietary program, the MCTP (MultiCultural Talent Pipeline) took place, this time virtually, over two days in September 2021: it welcomed 272 young people, 75% of which were young girls, from 80 Universities or Schools with which the Groupe works, and introduced them to numerous representatives of the Groupe's clients, in the presence of leaders of the Groupe's agencies.

Publicis Groupe is a member of the CEO Action for Diversity & Inclusion; through Leo Burnett, Publicis Groupe is a member of Free the Work, an independent platform aimed at facilitating working relationships between directors, photographers and creators from diverse backgrounds. The Groupe's agencies participate in the Alliance for Inclusive Multicultural Marketing (AIMM) to welcome and support more interns representing diversity. The MAIP alumni network (Multicultural Advertising Intern Program) initiated by the American inter-professional organization (4As, American Association of Advertising Agencies), welcomed 40 interns from minorities or underprivileged neighborhoods during the summer, and then recruit them.

BRGs (Business or Employees Resource Groups) have 70 chapters spread across the cities where the Groupe is present and rely on volunteers. The aim of these affinity communities is to act together: "VivaWomen!" (women), "Égalité" (LGBT), "VivaWomen!" of Color (Women of Color), PublicisParents (parents), "VivaTech!" (women in Tech), MOCA (Men of Color Alliance), "Hola" (Latin origins), GenNext (Young Talent), Publicis Connects (for HR managers and encourage internal mobility), Cross Boundary (international mobility), Sage (for people over 50), PubVets (Military veterans), and the 12th BRG, Conscious Mind (Well-Being and Health), "Écologique" (environmental concerns) and "VivaWit" (Women in Technology) were created this year. They organized more than 200 events in 2021.

Lastly, collaboration between the Groupe and its clients on inclusion issues is a key area, based on the internal Workplace to Marketplace framework, in order to obtain more tangible results. The first step, already underway for many years, is based on the creation of truly diverse teams to support our customers and better serve them. The second stage consists of structuring projects, such as the initiative launched by the Groupe around the Once and For All Coalition, which has become a sectoral approach to promote media diversity, in order to better contribute to their development and financial strength (see Section 4.2.2).

2) India

With more than 18,000 employees in India, the Groupe has a significant presence there and can have a positive impact.

Activities related to the Diversity, Equity & Inclusion program aim to sustainably change practices in terms of recruitment, appointment and promotion of women, and in favor of persons belonging to under-represented population groups, including:

- thematic awareness-raising workshops are held throughout the year for executives, managers, Talent teams and those in charge of strategy. The role of diversity and inclusion managers is to be vigilant and nurture this internal culture to which everybody has the right to belong. Within the context of the induction program organized to welcome new employees into the Company, all female, male and LGBTQI+ (Lesbian, Gay, Bisexual, Transgender, Queer, Intersex) take part in an "Unconscious bias" session designed to anchor the culture of diversity. Publicis Sapient has set itself a roadmap in which the place of women is central, in order to better assist them, as are persons belonging to under-represented population groups, who need to be better represented;
- the internal *VivaWomen!* network is active and helps to share experiences, highlight role models and encourages people to speak at professional events. Monthly meetings with inspiring guests are an opportunity to reflect on professional development, and to share experiences on personal and family life balance, and professional ambitions. The 2021 VivaWomen! conference gathered many exciting testimonials to understand how some women were able to navigate between professional and personal difficulties while keeping their ambitions intact. The aim is to encourage women to be ambitious despite the significant constraints they face in an environment marked by the pandemic. On top of the workshops held with and for women, Publicis Sapient has rolled out the Catalyst MARC (Men Advocating Real Change) program which embarks the CEO of the entity as well as the male managers on a process of achieving a more in-depth transformation and a sharper understanding of gender balance and diversity issues;
- internal network activities *PRIDE (Potential Realized in Diverse Experience)* allowing people concerned by LGBTQI+ issues to have a dedicated space to discuss personal situations, watch films and debate on these sensitive topics around gender identity, transformation and being in contact with this very supportive community;
- for people with disabilities, the agency launched the PwD (People with Disability) program to promote inclusion in the workplace. The Agency intentionally hired, integrated and focused on growing this community in the different departments;
- the association Care Givers played a role on several occasions to help employees who have to deal with the care of elderly parents and family complications while pursuing their professional goals.

Finally, the Groupe has strengthened its approach to diversity with its local suppliers to support companies led by women, LGBTQi and people with disabilities, and active in the area of equal treatment.

3) France

In 2021, the Groupe has given itself the means to accelerate the creation of a larger DE&I team. The actions carried out during the year mainly focused on the following areas.

1. Measuring the social footprint to better manage it. With the assistance of an external firm, Publicis France is the first French communications group to implement an assessment process for its social footprint based on five pillars, *i.e.* social diversity and diversity of origins; gender equality; LGBT+ equality; inclusion of people with disabilities; seniors.
2. Youth: social diversity and diversity of origins, around equal opportunities and the employability of young people who may find themselves far removed from our companies:
   - Publicis Track program, a concrete program to promote equal opportunities, which allows young students from priority areas of the city to join our agencies for quality internships. 76 BTS (French Associate Degree) Communication students from public high schools (70% of scholarship pupils) joined 18 of our agencies for seven-week internships. Three classes of young people were welcomed during the year and managers came to give masterclasses in partner high schools. In view of its success for young people, their secondary schools and the Groupe, the program will continue;
   - in 2021, agencies in France welcomed 321 work-study students and 734 interns throughout the country;
   - Publicis France has become an official member of PAQTE, a French government program promoting inclusion and equal opportunities. The Talent teams and agency employees take part in numerous coaching and awareness-raising actions, such as the *Salon Jeunes d'Avenir*: coaching of young people to support them in their internship and job search initiatives; or in the form of interventions in vocational and general secondary schools with 100,000 Entrepreneurs (presentation of our business lines, opening up new horizons, role models);

- the Groupe continued to support the Alliance for Youth (All4Youth) – under the aegis of Nestlé – to prepare for upcoming events in 2022 with a view to combating youth unemployment and supporting their employability and integration with various partners (objective: to create 300,000 opportunities for young people across Europe, the Middle East and North Africa by 2025);
- renewal of the action with the C'Possible association; a vocational high school class was accompanied by Publicis Media employees to introduce them to the communication profession. The objective was to open up horizons, to abolish the borders between young people from modest backgrounds and the ambition to join large companies, to stop the phenomenon of self-censorship in the access to certain professions;

3 Inclusion of people with disabilities through the overhaul of the Disability team: the professional training delivered to the entire reference team enabled it to offer better support to employees with disabilities. The partnership with Tous Hanscène enabled creative teams to participate in this French competition to better understand the various disabilities. As part of the European Week for the Employment of People with Disabilities (SEEPH) in November 2021, Publicis France took part for the first time in the Talent Handicap recruitment forum, held in March and June, respectively dedicated to work-study contracts and permanent contracts in the tech and digital sector.

The percentage of people with disabilities is 1.65% in France.

4 LGBTQ+ equality: the Groupe is committed alongside the association Têtu Connect to raise awareness and promote positive actions in favor of LGBTQ+ equality in our agencies.

5 Gender equality with 12 responding subsidiaries. The overall objective is still to reach 95/100. On the occasion of the annual Action Day on Violence Against Women (November 25), as is the case every year now, the Talent team rolled out a campaign to raise awareness among all employees about these dramatic situations, and implemented a dedicated advice and guidance system for those in our teams who are affected by this scourge. The Groupe's headquarters on the Champs Elysées were lit up in orange, the color symbol of this fight. Publicis France has an active role within the OneInThree Woman community, which brings together many large companies around this major societal issue. In terms of gender equality, a collective bargaining agreement was signed at Groupe level in France in October 2020 for a period of three years, and revised by an amendment on October 4, 2021. It provides *inter alia* for the granting of financial assistance from the birth of the child until his or her third birthday, as well as the maintenance of full compensation during the entire maternity, paternity and childcare leave. This revised agreement also provides for the extension of the scope of this leave to the spouse, civil union (PACS) partner or the biological father's partner.

6 Training: to enable everyone to get to know and understand themselves better with the mandatory unconscious bias training cycle, for all levels of responsibility in the Company.

Lastly, in France, the Groupe is continuing its long-standing partnerships (*Nos quartiers ont des talent, Baissez les barrières, Jeunesse et entreprises, Prométhée Éducation*, etc.) by providing them with long-term support.

With regard to the allocation of the apprenticeship tax, diversity is still a key priority for the Groupe (training, job profiles, etc.), which continues to back several pilot high schools for young people from disadvantaged districts.

4) United Kingdom

Since 2020, Diversity, Equity & Inclusion topics have taken a strategic place. The work echoed the Black Lives Matter movement in the United States with the Embrace Change action plan, which enabled Publicis Groupe UK to take decisive steps to expand, strengthen and integrate Diversity, Equity & Inclusion (DE&I) into all aspects of our work.

The Diversity team has defined the roadmap until 2023 in order to assess the progress of the actions and objectives. The pillars of this strategy are gender equality, ethnic equality and the desire to be an anti-racist company, inclusion of people with disabilities and inclusion of LGBTQ+ individuals, by adopting a cross-sectional approach for all these issues. The team works alongside of the attraction and recruitment policies in place, thereby ensuring the best conditions for employee life balance, leadership, learning and development, and so as to work with clients and external partners.

The Publicis Groupe UK DE&I charter describes the inclusive approach and behaviors that are promoted. In 2021, extensive work was done to develop inclusive and progressive policies around the expression of concerns at work *(Raising Concern)*, family-friendly policies on maternity, paternity, shared parental leave, adoption, miscarriages, fertility and menopause. At the same time, a more precise approach enabled the improvement of policies relating to disability, the integration of transgender people, the fight against violence against women and domestic abuse, and support for caregivers.

Internal culture is at the heart of discussions so that employees feel psychologically safe and can flourish. It was decided to establish a feedback culture through listening exercises, focus groups and engagement surveys, which showed a 15% increase compared to 2020 in employees' sense of integration and belonging at the end of the year. Thanks to the Human Librairies series, teams had access to tailor-made programs for managers on creating inclusive teams.

The success of these actions also relies on the active role of BRGs (Business/Employees Resource Groups) and DE&I Champions – internal networks that support these positive changes throughout the Groupe through advocacy, the creation of alliances and awareness-raising. *Equality*, *Embrace*, *enABLE* and *VivaWomen!* championed inclusion in 2021 with a series of innovative and cross-sectional programs and events. On Marcel, a knowledge center was created to provide all employees with access to content, information and training.

Inclusive recruitment through targeted initiatives to diversify the talent pool continued with the launch of Publicis Media's program Women in Tech and the development of The Innovators – a new program to attract people from diverse backgrounds to Data and Commerce.

In accordance with UK Gender Pay Gap Reporting legislation, the five entities concerned produce a report on gender equality and pay gaps. The ambition is to achieve the Groupe's objective of having 45% of women in management positions by 2025.

The Diversity Forum is the place where we can work together with external partners, thanks to their contribution of knowledge and best practices, such as the Black British Network, the Business Disability Forum, Diverse Matters, Impact Culture, Stonewall and Valuable 500. Publicis UK also participates in sectoral initiatives such as the the IPA *All In* census and the BRiM toolbox of the Advertising Association.

From London, Publicis Sapient EMEA has evolved its engagement program for new employees by turning inclusion and the fight against unconscious bias into central priority areas. Training on unconscious bias was also delivered to managers prior to performance assessments. A pilot sponsorship program was launched in the Financial Services Industry practice and is intended to be extended to other practices. Together with a client, an internal campaign was rolled out to change the sometimes very stereotypical words and vocabulary used, a program that has attracted attention and is being rolled out in other practices.

5) Poland

The country has set up a project called #CuriosityCulture to encourage regular cultural sharing and stimulate everyone's curiosity; it is based on a series of internal sessions with inspiring personalities from inside or outside the agency. The X-Team is responsible for preparing these sessions and scheduling workshops open to all on new topics. In November 2021, it organized the Brands for Good event in order to mobilize employees around Diversity and Inclusion and the need to help customers improve on this subject, through the development of a best practices guide. In the same vein, the issue of fostering sustainable growth was addressed in order to train teams and help clients in their approaches and communications.

To promote women in the agency, "VivaWomen!" organizes sessions to help them on both professional and personal topics, such as using social networks for themselves and their children. With the Talent team, a joint program on health and well-being at work has been strengthened over the last two years, with the intervention of professionals and external experts. "Égalité" is also active in favor of the LGBTQ+ community and their allies, with activities around the construction of more inclusive messages. In June 2021, every Wednesday, guests were invited from outside the company to testify and inspire teams.

6) South Africa

The fight against inequality is central to the agency's approach, and support for South Africans of color is an essential lever. The agencies are "BBBEE – level 1" certified (Broad-Based Black Economic Empowerment), following a voluntary evaluation process carried out by external auditors. This is the highest certification level and it underscores the ambition of the agencies to take a business approach that has a positive inclusive impact on both employees and clients, and an impact on society through the resultant transformations. This is a long-term investment, in that it is not a straightforward compliance exercise, but a strategic approach. A proactive plan is in place, focusing on management, recruitment and training, as well as a procurement policy that targets supplier companies that have historically been disadvantaged. The areas of progress in 2021 include recruitment efforts, with an increase of 70% in the diversity of profiles compared to previous years, in particular those from communities far from the agencies.

The local Next Generation Board, which brought together young talent supported these actions, and also supported the setting up of a platform called "Report & Resolve", thereby creating a secure channel for employees to share concerns or questions in a confidential manner. A new program has been put in place to prepare younger generations to take over: Project X is a demanding 18-month program covering more than 150 employees (50/50 women-men, and balanced in terms of ethnic origins) with certain topics addressed in small working groups and others individually. This process of building loyalty and identifying individuals with high potential was received a warm welcoming.

In 2021, agencies in South Africa continued their efforts to support local communities, in particular by providing direct assistance in education for children. These projects have an immediate impact on combating inequality in the pandemic context. Finally, a dozen low-skilled employees in the agencies benefited from a one-year internal scholarship program, enabling them to work and take courses, leading to a certificate in their chosen field.

A special effort continued with regard to suppliers headed by women or South Africans of color. All these actions are aimed at continuing the fight against apartheid and rebuilding a more egalitarian society.

7) Australia and New Zealand

Agencies strengthened their partnership with the NGOs Diversity Council Australia, Diversity Works New Zealand, and Pride in Diversity, thereby furthering the roll-out of important training programs on unconscious biases, inclusive leadership and cultural intelligence, which were attended by more than 500 employees in the Australia and New Zealand region. The local DE&I policy was revised to clarify support measures relating to fertility, miscarriage, gender change and bereavement issues. A second perception survey was conducted to measure the progress made and identify areas for improvement, thereby setting the roadmap for *Publicis Belong* – the DE&I team, which also relies on the invaluable work performed by the BRGs, coordinated by volunteers:

- in 2021, *VivaWomen!* continued its cycle of international online sessions around The Confidence Playbook for all female Groupe employees outside Australia;
- "Égalité" with several events that enabled the entire community to feel united during the working from home periods;
- the RAP Team is composed of highly committed volunteers whose role is to implement actions in favor of the aboriginal culture, with the *Aboriginal* and *Torres Strait Islander* organizations returning to the roots of Australian culture as part of the national program Reconciliation Australia. On this occasion, discovery and education activities were conducted for all employees in Australia.

8) Inclusion of people with disabilities

In the agencies of many countries, this remains a priority (no global Groupe indicator due to legislation in different countries), either through the recruitment of people with disabilities, or support, in terms of adapting and reorganizing workstations, for employees with disabilities. In recent years, several more pro-active initiatives were implemented in the agencies, whether working on internal culture, the lifting of taboos or stereotypical and erroneous views, and on better understanding individual situations. The creation of the BRG enABLE over the last two years in the United States, the United Kingdom and India in particular also helped to demystify these topics related to disability in all its forms, thanks to the testimonials of employees and their allies.

In the United Kingdom, in-depth work was carried out on updating the *Disability* policy, in order to include more broadly many forms of disability (physical or mental disability, long-term, chronic or autoimmune diseases, pathologies impairing physical and/or mental capacities).

In France, the Disability team, which has 14 Ambassadors, worked on the following topics: the organization of Disability Week, offering various testimonials from many employees, a daily challenge "Handi Birds" to teach people about the different forms of disability, as well as a talk/debate with Mathieu Thomas, French Parabadminton team player and sixth-best player in his category worldwide; and participation in several recruitment events dedicated to students with disabilities: Sciences Po Accessible, Open Forum ESSEC and JobDating Pépites.

Digital accessibility or e-accessibility: the Groupe has always been keen to make its work and documents, particularly corporate publications, e-accessible. Access to digital technology is now a fundamental human right. For nearly 10 years at Publicis Sapient, an expert team with W3C certified employees (among others) has been supporting projects for clients in order to anticipate, from the initial technological design, all the points of vigilance to check in order to ensure a pleasant experience for the end user. Some certified employees are authorized to carry out external audits to confirm whether the digital project corresponds to the required criteria or not. In recent years, internal training has been accelerated to ensure employees have the basic skills to master technical prerequisites, with fully dedicated teams such as at Razorfish.

4.1.1.2 Attracting and recruiting talent with different profiles

The Groupe's key jobs – Creation, Media, Data, Technology – are under great strain in most countries. The Groupe's agencies in all countries capitalize on several recruitment levers at the same time, as the challenge is to retain Groupe talent. The agility and potential gained through personal experiences are considered key, in order to create the most diverse teams. At the same time, forging close relationships with schools and universities is still an asset that agencies can leverage to keep students informed of the considerable changes in Groupe jobs, and these rely on:

1. employment forums, many of which were virtual in 2021: *Job Fairs* or *Careers Fairs* enable several agencies to act as one, promoting a well-rounded vision of the diversity of Groupe occupations, sometimes around entertaining approaches or challenges to be won together;
2. internships or work-study programs: on-the-ground learning with actual business cases is still the best way of starting out with the Groupe. The vast majority of the Groupe's agencies welcome several thousand interns per year, internships being a means to jumpstart access to employment. Despite the lockdowns, the agencies ensured that they could maintain a capacity for onboarding, albeit reduced by the force of events;

3. "open house" or "discovery" days in agencies: organized with the support of local professional organizations, in the form of talks by agency professionals on the various lines of business;
4. teaching: some Groupe managers are involved in teaching in schools or universities or, alternatively, in organizations that reach out to young people who have veered away from traditional educational paths;
5. sponsorship: several agencies have set up sponsorship policies to encourage employees to propose new recruits, an interesting approach in particular for expert lines of business.

In more than 90% of entities, agency management is, and remains, local. A key success factor of the Groupe's agency acquisition and integration policy is maintaining the local management team in place, not to mention the necessity of gaining a strong cultural foothold so as to understand the markets in which we operate. The vast majority of an entity's employees are local, which is why it is essential to create teams with diverse profiles – career path, experience, culture, language, nationality, etc.

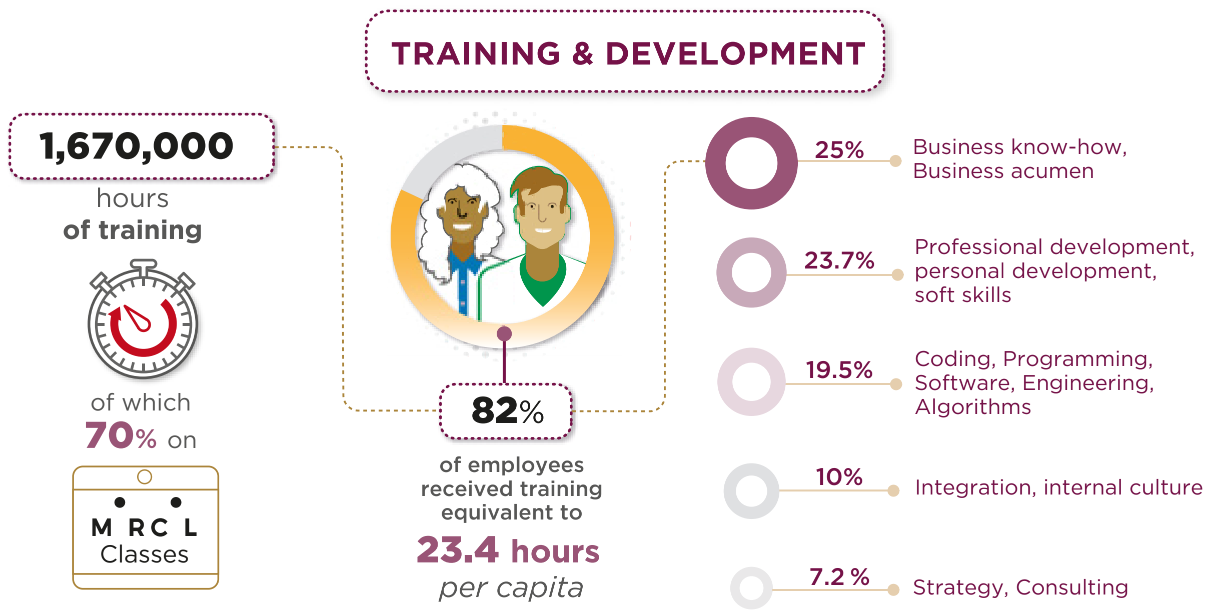
4.1.1.3 Relationships with academia, schools and universities

In 2021, many of the face-to-face programs or activities conducted in universities and schools were replaced by virtual sessions. Around 310 programs took place between the Groupe's agencies and establishments. The aim of these partnerships is to help young people, with an educational background that is far removed from the usual standards, find out about jobs in the industry and that they have a place among our teams. Technologically-oriented or academic collaborations with certain establishments were established for pilot projects. Many managers of the Groupe's agencies act as regular contacts in certain disciplines and domains, and are keen on sharing their experience with future professionals.

The Groupe has forged relationships with various schools, universities (see corporate website, CSR section) and organizations that are highly committed to diversity. Publicis Groupe is a member of All4Youth, created and run by Nestlé, bringing together several companies and aiming to offer new integration opportunities for young people in specific paths, and to work on their employability. The Groupe's agencies are committed to attracting talented young people from underprivileged backgrounds, through targeted support programs.

4.1.2 Development of skills, experience, careers

2021 was marked by enhanced content and opportunities offered on the Marcel internal platform, at Groupe level worldwide. Marcel fulfills several roles, including an essential one for training, with Marcel Classes. This training serves all employees and the business' strategic plan so as to move towards a continuous learning culture:



- **82%** of employees received training or attended a Learning & Development program in 2021;
- 1,670,395 hours of training were provided during the year - *i.e.* 23.4 hours *per capita*, (based on the number of employees trained), of which more than 70% through e-learning.

4.1.2.1 Marcel Classes at the heart of the employee training strategy

On Marcel Classes, in 2021, employee demand for training continued to increase sharply: +26% in consultation of training modules on the central Marcel Classes portal compared to 2020. The expectations formulated led to a change in the formats offered with more podcasts and micro-learning spread over several months allowing for certification. The change in content takes into account the skills to be acquired but also expectations in terms of inspiration and tools to support tailor-made professional development. In addition, **30,000 modules, on 700 different topics**, provide access to content developed by partners or third-party experts in many areas, available in seven languages, or self-produced by Groupe entities to meet very specific needs. There are three ways to use Marcel Classes:

- self-learning, motivated by the interest of individuals themselves, with almost all modules accessible 24/7, allowing to discover business innovations or to go over best practices;
- individualized career paths built according to precise professional objectives defined between the employee and the manager, by profession or level; all employees can have a personalized approach through programs tailored to the needs of employees;
- training leading to qualifications with third parties and partners, in order to learn, improve and obtain certification in certain cases.

In early 2021, Marcel Classes went further in its partnership with UN Women as part of *Unstereotype Alliance* with the creation of an *ad hoc* program to learn how to dismantle and eliminate gender stereotypes in advertising and the media. *Unstereotype Alliance 3Ps Master Classes* enable not only Groupe agency employees but also their peers within the industry to fight together against stereotypes, based on real examples in the various media and cultural contexts.

Among the Groupe's training programs, *LAB 1* for *Immersive Leadership Learning* LAB (for "Live Action Boost"), is intended for high potential and future managers in business and operational functions. This program is a career accelerator, which benefited 456 participants (50% women) worldwide in virtual mode in 2021. The aim is to inspire these future leaders through a transparent dialog with the Groupe's executives and very open discussions to help them project themselves into the future.

The *Marcel Studio Series* now include two formats: *Studio* and the *Large Studio*, which are intended for junior and mid-level employees in order to learn in more detail how the Groupe operates and the challenges of the new world of work. These are paths where everyone can move forward at their own pace, according to their needs and desire for development. These programs equip everyone with enhanced leadership abilities in the new world of work and across the Groupe in a sustainable, resilient and results-oriented way. 3,355 managers (57% women) took part in the *Marcel Studio Series* in 2021.

4.1.2.2 The future of work

Publicis Groupe will never be a "Zoom company" and face-to-face work "as before" is evolving; this is how the Chairman of the Management Board, Arthur Sadoun, has framed future changes, in his various internal and external communications. During the lockdowns in 2020, a vast internal project on The Future of Work theme was opened by inviting all employees to participate. 46% of employees actively participated in discussions and discussed future work options; workshops and focus groups were conducted in 12 countries to take into account specific cultural features. 90% of employees expressed the wish that the "return" be different from the "before", based on five expectations:

1. flexibility in all its dimensions: places, times, moments of life, opportunities;
2. physical and moral well-being, through experts, specific content or useful experiences;
3. professional and personal development, in order to consider future professional challenges;
4. connection and relationship with others;
5. experience, that provides feedback at a personalized pace and gives individual responses.

#WYW – Work Your World

In December 2021, Arthur Sadoun, Chairman of the Management Board, announced the implementation of a new internal mobility system to provide a sustainable response to several wishes formulated by employees in a post-Covid-19 world. Based on employee expectations revealed during the work of employees in 2020 on The Future of Work organization, the Groupe's management provided answers on several aspects, such as travel restrictions related to the health situation, which penalized employees seeking experience abroad and physical exchanges. At the same time, teleworking enabled to show that all of the Groupe's employees could work efficiently from different places, and in these troubled times, join their families and loved ones while continuing their professional activities serenely. Given the Company's international footprint with offices in almost every major city around the world, the Groupe's management wanted to give everyone the opportunity to work from other locations in the world in a simple and flexible way.

Work Your World allows the employee to work for up to six weeks from a destination of the employee's choice, in agreement with their direct manager with regard to their current projects, and in consultation with their HR/Talent managers. Under this program, employees pay for their transport and accommodation to spend up to six weeks working remotely from abroad or in their country of residence.

4.1.2.3 Internal mobility

723 employees benefited from international mobility in 2021, as international mobility opportunities were limited during the year.

In 2021, Marcel offered 26,156 Gigs and Jobs (5,515 in 2020). Gigs are requests made by a team in need of temporary upskilling on a specific subject. They enable people to take advantage of internal skills, thereby helping to move a project forward. The procedure for responding is simple and well-structured. For Jobs, Marcel publishes advertisements in advance of any external recruitment process in order to promote the internal development of employees.

4.1.3 Employee health and well-being

4.1.3.1 Flexibility at the heart of work-life balance

With more than two-thirds of employees working from home in 2021, particularly in North America, flexibility is at the heart of the organization of work and the Work Your World program (previous paragraph) illustrates the desire of Groupe executives to offer various options to employees. The Groupe supports working from home but considers that the Company must remain a unique dynamic place, where employees enjoy getting together and collaborating. A communication agency is above all a community of different individuals, with unique experiences and expertise, where each employee contributes to shared objectives. In addition to the general principle, each entity determines the specific conditions for implementing flexibility (based on the workload, the role in the team, the duration, the mission to be accomplished for the client, performance, etc.). The aim is for employees to be able to benefit from flexibility at different stages of their professional and personal life. Agencies have been implementing sabbatical leave for many years (eligibility conditions defined locally), thus enabling employees to take a break while remaining with the Groupe.

Parental leave

2,789 employees benefited from parental leave for the birth or adoption of their child in 2021 (65% women, 35% men). All employees are eligible for this type of leave, depending on the legal context and, above all, on internal arrangements implemented by the Company that are often far more advantageous. Agencies have strengthened their policies to support pregnancy periods and maternity leave (weeks of leave in countries with less favorable regulations) as well as from a managerial point of view, in order to enable mothers or first-time parents to better manage their return to work (with *ad hoc* meetings before, during and on return to work, flexible schedules). Different initiatives are taken to facilitate family life: several large agencies (on all continents) have made breastfeeding rooms available and, on some main campuses, daycare is available too (*e.g.* Bangalore). Social benefit programs (*via* Employee Assistance Programs or EAPs) include provisions for childcare and family support schemes for parents and co-parents to make their personal organization more simple.

4.1.3.2 Employee well-being

100% of employees (permanent and temporary contracts) have access to various local health support services in the field of healthcare, whether internal or external services or third-party experts.

The pandemic situation led the Human Resources (HR) and Talent Departments to significantly strengthen the service catalog offered to employees with local partners which continued to improve their offers to adapt to the new needs expressed. Mental health and individualized support have become a central issue. In 2021, a group-wide partnership was signed with Thrive, supplementing the offer provided to employees by Headspace, in order to provide everyone with additional support sessions in the areas of mental health and the prevention of the risks of overwork, along with programs better adapted to specific issues. In 2021, the employee experience was not the same for all depending on the local health situation. A large majority of employees have experienced long periods of work from home, such as in the United States and Canada, where employees have barely returned to the office at all for nearly two years. The usual internal awareness-raising or prevention campaigns, linked to seasonal infections, pathologies or health risks, have been designed to be effective and useful regardless of the workplace. All these systems now incorporate the specificities of recent years (difficulties related to isolation, uncomfortable working from home accommodation, personal or family constraints related to the pandemic, psychological distress, etc.).

Teams mainly work sitting in front of one or more screens and employees are sedentary, with intense visual activity. The key areas for occupational illness prevention are stress management (and/or psychosocial risks: PSR) and the prevention of musculoskeletal disorders (MSD). Visual fatigue and the prevention of risks related to a sedentary lifestyle (cardiovascular diseases) are included in the health prevention plans, which include several components: nutrition, exercising, disconnection, not to mention advice on how to create a pleasant place to work in a restricted space. For the more sporty, many agencies facilitate access to nearby gyms by offering discounts on subscriptions or have distributed online courses. Some entities are equipped with their own sports halls, with an on-site trainer or coach, like Sapient in India, or like the Bastille Campus in Paris. During lockdown or restriction periods, virtual sessions for all replaced physical sessions. Finally, for the most energetic, agencies encourage teams to take part in sports events (running, cycling, marathons or half-marathons, team sports):

- in **the United Kingdom**, local management has been involved in a vast mental health support plan since 2019, involving all employees in order to meet their needs:
  - 100 employees were trained as Mental Health First Aiders (with Mental Health First Aid England) and 15 of them received more specific training in suicide prevention. The Headline program continued in a more extensive version, always with the help of volunteers, Headline Ambassadors trained in issues related to the consequences of the pandemic;
  - the offer of health care services in terms of physical and mental health remained highly appreciated thanks to the simplified access to the EAP – Employee Assistance Program and to activities: yoga, meditation, massages, sports club (including running, cycling, etc.), supplemented by a 24/7 hotline;
  - the UK Executive Committee held plenary sessions to answer all employees' questions, and the internal communication plan has always accompanied government health announcements;
  - these collective sessions were supplemented by *Brave* Space and another individual format, Ask US Anything days, which are days organized by the Talent and DE&I teams, where each employee could meet directly with each other and ask more personal questions;
  - two internal surveys dedicated to employee well-being were repeated (one per half-year), in order to monitor changes in team morale and provide rapid responses;
  - the Marcel Mentors program began allowing mentees with a professional challenge to find a voluntary mentor within the Groupe to support them; this relationship had a very positive impact for both partners, especially during the long months of working at home;
- in **India**, the *Health & Wellness* system relies on various permanent activities: 100% of employees can access a comprehensive social services program via an Employee Assistance Program (EAP), which offers access to specialist medical consultations, a free well-being portal with a 24/7 virtual access to help manage physical health issues as well as mental health issues and stress due to lockdown. This portal also gives access to and a kind of medical concierge service for short-term solutions or assistance. This enables 100% of employees to have access to health professionals and doctors both on-site and in virtual format: from gynecologists to physiotherapists and dietitians, the last two already having practices on the premises throughout the year.
  - Covid-19 has been included in the social security coverage for employees (and members of their families), and a specific offer was put in place to provide affordable family assistance to help families facing challenges created by the pandemic.
  - the Groupe has invested in a training program for volunteers to become Mental Health Ambassadors in order to provide assistance to employees facing difficulties related to mental health and to obtain basic assistance.
  - the social welfare scheme continues to improve the coverage of specific healthcare costs due to an *ad hoc* Governance system, particularly for employees suffering from chronic diseases (diabetes, HIV, etc.), or those facing major surgery or treatments (cancer, fertility, etc.).
  - the family module continues to be the most popular module as it helps with work/life balance, offering access to child protection and childcare services, as well as services tailored to caring for elderly relatives.
  - due to the sedentary nature of the business, nutrition workshops are organized with professionals to answer any questions, including questions related to future maternity.
  - health support workshops are an opportunity to deal with other issues such as breast cancer screening or cardiovascular diseases, blood donations, eye tests and dental appointments.
  - Yoga and Zumba workshops throughout the year are still very popular, including virtual ones. Again in this yet another unusual year, with a large amount of working from home, the management of the entities demonstrated their support by leading and/or participating in various workshops organized during Global Wellness Week, showing that the subject of well-being at work is serious and important.

- in **France**, the HR & Talent teams organized their priority action plans around needs clearly expressed by employees, including:
  - the implementation of Power@Home training courses to help employees better experience working from home during lockdown periods, by sharing best practices for employees and managers as well as e-learning courses on the Marcel app to better manage working from home,
  - to complete this approach, a disconnection agreement was signed with the trade unions, particularly in order to protect the work-life balance of employees,
  - in April 2021, a special Parents-Children Under Lockdown conference was organized by Les Ateliers Durables, around three main objectives: organize professional and personal time, have effective communication and take time for oneself,
  - continuation of the Back to Basics campaign – in place since 2019 – relating to codes of good conduct at work, the themes of which are shared and displayed within the Groupe's Agencies, with variations such as: *Back to Basics* New arrivals and *Back to Basics* Team spirit,
  - the conducting by several Groupe entities in France of surveys on the psychological condition of employees after the various lockdowns and the implementation of teleworking imposed by the public authorities,
  - the scheduling of time slots in occupational health centers to vaccinate against Covid-19 in March 2021 for employees over the age of 50, in order to fight against the pandemic and preserve the health of the most vulnerable,
  - the introduction of the Basket Break in March 2021 for all Groupe employees in France: an app offering sports and wellness sessions *via* live videos and podcasts (core building and Zumba, back stretching, meditation, cross-training and yoga, pilates, relaxation therapy, etc.),
  - the continuation of the "Les Bonnes Oreilles" service – bringing together employees specifically trained to listen to employees wishing to discuss and confide. Training courses are provided on a regular basis, such as those delivered in May and October 2021 by the Fédération Nationale Solidarité Femmes as part of the 1in3Women program on domestic and intra-family violence.

Similar approaches adapted to meet employee expectations exist throughout **Europe**;

- in **the United States**, since 2020 the program has been ramped up to provide closer support to employees during these long months, with prevention and flexibility as the watchwords, in four main areas:
  - virtual access to doctors for everyone, free of charge. The Groupe has also set up a partnership with Catapult Virtual Checkup to set up an individualized prevention program from home, as well as the Teladoc program,
  - flexibility remains a key point in order to allow those in charge of family to organize their time, even to take time off to take care of their family (children and elderly parents),
  - free access to Covid-19 tests and vaccines,
  - management of mental health issues through the Employee Assistance Program, with a strengthening of medical solutions and personalized support.

The four pillars of the protection and prevention regime in the United States are as follows:

1. the Healthy Living Wellness Program set up and managed by Re:Sources US: it offers employees and their families health coverage and various services; everyone can benefit from personalized monitoring thanks to the Health Coaching, very popular because it has a strong tangible impact. The satisfaction rate is above 90%. The participants confirm the motivational impact of this online assistance which has sometimes changed their lives. This program makes a positive contribution to employee well-being,
2. Teladoc, the telemedicine service with free 24/7 year-round access to doctors for consultations from mobile phones or by video, whether the employee is at work, at home or on vacation,
3. the Employee Assistance Program (EAP), which has been in place for some years now, offers employees online preventative physical and mental healthcare support that is individually-tailored and confidential. It can be used by employees and their close family members,
4. Bright Horizons Back Up Care Program is a system that enables families to better address the challenges of finding a balance between their professional and personal lives, through care facilities (for children or elderly or sick parents) and home-help solutions, at very affordable prices, to cope with unexpected events. In 2021, a preparation and coaching offer was added to support parents and their children destabilized by the pandemic and for their future entry into University;

- in **South Africa**, AIDS-HIV prevention and screening sessions are also held every year, and during Wellness Days, workshops are open to all employees on the classic themes of well-being at work, with discovery sessions on meditation (mindfulness). With lockdown and working from home, many online programs have been made available to all employees, with particular attention to the stress caused by the pandemic due to the economic uncertainty caused across the country. Faced with the difficulties of certain families affected by the sudden cessation of certain activities, putting at risk the sometimes fragile family balance, in 2020 the Groupe set up a Solidarity Fund, a mechanism which has provided temporary financial support for 70 employees to help them get through these periods;
- in **Australia and New Zealand**, the internal flexibility program, "Publicis Liberté", is accessible to all employees and was improved in 2021 to offer more individualized solutions, which must be supported by means and tools adapted to the needs of each individual, by leadership that listens, and through trust. The program has been enhanced to give employees more leave time in the event of gender change, fertility treatment, miscarriages or the death of a loved one. The Mental Health & Well-being policy was supplemented to reinforce best practices such as encouraging total disconnection. Finally, as part of the partnership with Thrive, the agencies offered managers for the second year, a program promoting energy, which was particularly appreciated, in addition to continuing recurring actions around nutrition, sleep and mental health. Lastly, 107 employees were trained in first aid.

4.1.3.3 Disease prevention

In this pandemic context, the major health guidelines were determined by the Groupe at headquarters, with each country then putting in place a specific action plan according to local constraints. In all countries, agencies set up local and/or national plans for their employees to screen for or fight against certain diseases or health threats (*e.g.,* influenza vaccination). Regarding the fight against Covid-19, depending on the health situation in each country and local arrangements and their evolution over time, the Groupe has left its offices open to allow those who so wished to come to work, with strict prevention instructions (masks, hydroalcoholic gel, reinforced cleaning in the offices, gauges, etc.); the Groupe also facilitated access to tests and/or self-tests and vaccination.

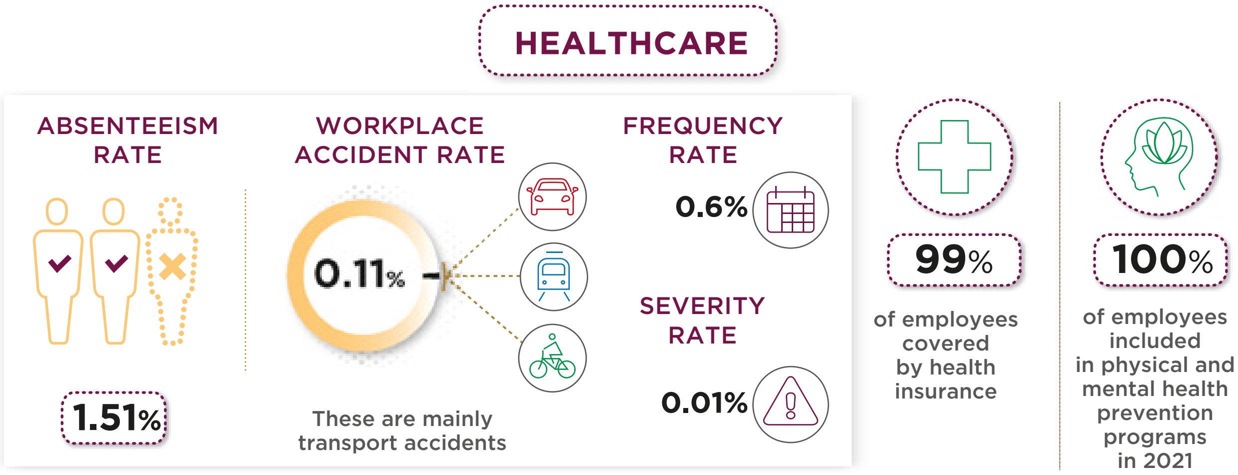
These provisions are in line with programs that have been in place for years, particularly in the area of flu vaccination in many countries. Preventative health measures are occasionally subject to specific conditions in countries with collective or occupational agreements. All employees in these countries benefit from these collective or occupational agreements where such agreements exist. Based on the local health situation, agencies decide whether to promote screening campaigns for chronic diseases (cardiovascular diseases, diabetes, cancer, etc.) in addition to traditional and annual schemes.

4.1.3.4 Health insurance

99% of employees (full and part-time permanent and temporary contracts) are covered by medical coverage (social security or health insurance), irrespective of local social security provisions (government, government-company-employee or private company-employee contribution plans or self-funded). These programs cover serious or chronic illnesses to enable employees to be properly cared for, and to receive appropriate follow-up. In several of the Groupe's regional markets, including the United States, Europe and India, employees can benefit from health insurance programs for themselves and their families.

The **workplace accident rate**(1) was 0.11. The main causes of workplace accidents were relate to transportation accidents (home-work commuting and work-related travel):

- the accident frequency(2) rate was 0.61;
- the severity rate(3) was 0.01.



4.1.3.5 Health and Safety

100% of the workforce in Groupe agencies are covered by these health and safety support plans. Most employees have sedentary jobs in offices, sitting in front of screens or working from home, and are seated behind screens. Agencies apply current local regulations on personal security in the workplace and are responsible for implementing their health support and action plans.

In the United States, federal law (Occupational Safety and Health Administration) may be supplemented by laws in each state, and possibly reinforced at the municipal level. In Europe, this mission is entrusted to dedicated local committees (Health and Safety Committee) and the CSE (Social and Economic Committee) in France. Elected or volunteer employees receive training on safety and first aid. Evacuation drills (fire, earthquake, etc.) are regularly conducted at the facilities, with support from general services safety teams (Re:Sources) and building managers. In all agencies, safety officers (fire or emergency evacuations) are trained each year; volunteers are trained in first aid. In India, Occupational Health and Safety regulations apply, and, as in many countries, small teams of employees are trained every year in all buildings and on all floors to assist others in the event of an emergency or evacuation. Given their large size, Publicis Sapient entities in India are ISO 45001 certified, thus covering 54% of the workforce of the Groupe in the country.

The "Monitoring Unit" set up for Covid-19 continued its support for country and regional departments to make specific arrangements for employees on a country-by-country basis and in conjunction with local management, such as working from home for all when necessary. The agencies remained open for employees with a need to come to the office (better working conditions, comfort and peace of mind, fight against isolation, etc.).

(1) Workplace accident rate: (Number of recordable workplace accidents/total workforce) x 100. 2021 coverage rate: 93%.
(2) Calculation of recordable workplace accident frequency rate: (Number of recordable workplace accidents/total number of hours worked) x1,000,000 (GRI 403-9 standard). 2021 coverage rate: 93%.
(3) Calculation of workplace accident severity rate: (Number of working days lost x 1,000) / Number of hours worked (GRI 403-9 standard). 2021 coverage rate: 93%.

With the easing of certain local health measures, when employees were able to return to their workplace, the same protocols were implemented everywhere in terms of distancing measures – mandatory wearing of masks, hydroalcoholic gel available everywhere, physical distance between workstations, reduction of 50% of the number of staff present on site, on-site rotations and increased cleaning of premises.

In some cities, as is the case in India or China, devices monitor air pollution and inform employees so that measures can be taken for those who may be the most vulnerable in terms of health, as well as so that teleworking can be facilitated during peak pollution periods.

In many agencies, offices are protected by external security teams who check people entering and leaving.

LionAlert is the internal tool designed to be able to contact employees in the event of an extreme emergency and ensure that they are safe; LionAlert is activated locally according to events (earthquakes, hurricanes, floods, major fires, but also acts of terrorism, political tensions, etc.). LionAlert is overseen by the Groupe's Secretary General. It was activated during the war in Ukraine to monitor the location and situation of our employees, in order to best help them.

4.1.4 Listening to and engaging with employees

The pandemic has made it possible to set up long-term local systems for regular contact with the teams, to better meet their expectations, encourage solidarity and reciprocal attention so as not to leave anybody out, and thus to better detect any signs of weakness or red flags for employees who may be in difficulty. Round tables were organized each month, or every two months, at the level of each country or region; at Groupe level, four regional Round tables were held, coordinated by Arthur Sadoun, Groupe Chairman, accompanied by the members of the Management Board and the Management Committee. Employees are invited to send all their questions in advance, and to interact live during the sessions. In the United States, for example, these quarterly sessions were attended by between 14,000 and 19,000 employees each time.

Publicis Groupe has always been committed to human rights and remains concerned about respect for fundamental freedoms, including freedom of conscience, freedom of expression, freedom of association and assembly, the right to respect and the protection of privacy. These values are included in the Janus Code of Ethics and apply everywhere; Publicis Groupe has enshrined in Janus the 10 Principles of the United Nations Global Compact, as well as the seven principles of the Women Empowerment Principles (WEPs).

Lastly, listening to employees is carried out at the highest level of corporate governance, with the Supervisory Board, which has two employee representatives (one man and one woman) from two French subsidiaries.

4.1.4.1 Employee satisfaction survey

In 2021, due to the continuation of working from home, the Groupe's agencies continued their local systems to measure the morale and well-being of employees on a frequent basis in the form of regular, short surveys, several times during the year, given the multiple constraints faced by each employee during the year. The systems made it possible to provide appropriate assistance each time, to adjust measures for those in need of help. Various internal or external tools, such as Pulse, are used. For example, the Publicis Sapient survey in December 2021 showed that 82% of employees find their work constructive and useful, 76% would recommend Publicis Sapient as an employer and 75% are proud to work there with a Happiness Index of 8/10.

4.1.4.2 Individual annual appraisal

76% of employees underwent an annual appraisal (talent review or performance review). The principle of an annual internal performance review for all employees is an internal requirement and is in line with the human resources guidance set out in the Janus Code of Ethics. The Fidello tool is used with two modules: Horizons and Time2Talk, with both having the advantage that they can be used throughout the year, a popular approach in Digital agencies. Agencies regularly use the Career Conversation tool within Career Settings, the Groupe Human Resources Information System (HRIS); the response rate is 90% in Career Conversation. These online tools enable employees and their managers to prepare for the interview, to request 360° feedback, and to put their objectives and areas for improvement in written form, including personalized training plans.

4.1.4.3 The commitment of the younger generations

For several years, the Groupe's major agencies or certain countries have set up Next Generation Boards (NGBs), enabling young talent to be involved in the operation of the entity and in the consultation and decision-making processes. In the vast majority of cases, these young employees are selected to sit on this advisory Board for one year. Their work schedule is specific to each country context, but all are involved in both internal (inclusion, culture, organization, etc.) and business (innovation, development) issues. These Next Gen Boards also make it possible to escalate the concerns of the teams to the Groupe's General Management, and are an interesting avenue for internal dialog. Young talent were involved in the "Viva la Difference" internal seminars as part of a panel enabling them to share points of view and make proposals.

4.1.4.4 Social dialog policy

Social dialog is included in the Janus Code of Ethics. The aim is to foster staff/management exchanges and ensure freedom of expression for employees as a basic human right. With regard to the Groupe's commitment to the UN Global Compact, and its adherence to the International Labor Organization (ILO) Convention, the Groupe is committed to respecting freedom of association, freedom of expression, and the right to collective bargaining in the countries where it operates. Social dialog takes place at agency level. The average size of the Groupe's agencies worldwide ranges between 120 and 160 employees, with the exception of a few large entities with a staff of over 1,000 people in the United States and India. Publicis Groupe remains very decentralized with operations in 100 or so countries. The aim in each entity is to promote direct, frequent discussions between managers and their teams regarding Company matters and current projects.

In **France**, the notion of collective agreement (which does not exist in this form in the communication industry in other countries) is a cornerstone of labor law. Agreements negotiated and signed previously are still in force, including the agreement relating to healthcare costs, including the responsible contract and to which an optional supplementary scheme has been added, as well as the collective bargaining agreement relating to the welfare plan. Negotiations are still underway with the trade union coordinators of the Publicis Groupe in France on the Quality of Life at Work, and more specifically on topics relating to working from home and the sustainable mobility package. In August 2021, a collective bargaining agreement was signed with the trade unions in France on the right to disconnect, the objective of which is to define the operating rules and terms of use of digital technologies in order to ensure the right to disconnect for everyone and guarantee a balance between personal and professional life. All of these decisions are made in consultation with employee representatives, trade union coordinators and the Social and Economic Committees (CSEs).

The Groupe continued its commitment to Zero Tolerance of any form of harassment or discrimination within the Groupe, through training and awareness-raising programs for managers and HR/Talent teams. In this context, sexual harassment officers have been appointed by the CSEs; they received specific training, with regular reminder modules.

Some agencies have set up more specific systems dedicated to listening to employees, such as the "Bonnes Oreilles" at Publicis Conseil in France, where volunteer employees who are trained in listening ensure this relationship, or in the United Kingdom and the United States, where the Safe Conversations are organized by the agencies' DE&I teams, in particular following serious events such as racist or homophobic attacks, and in support of the Black Lives Matter movement. Employees are regularly reminded through messages from the Secretary General that the Groupe's ethics hotline ethicsconcerns@publicisgroupe.com is available for them to use worldwide.

4.1.5 Compensation

Compensation and equal pay

Payroll and personnel expenses stood at euro 6,639 million in 2021. Trends are shown in Section 6.6, Note 4 of this document.

The Groupe does not have a consolidated indicator for the compensation of all employees: due to significant disparities between countries, an overall approach is of little relevance. The analysis remains local and takes into account the trends observed in our sectors. Compensation must comply with the following three principles: 1) remain competitive and attractive locally and avoid disparities within the same market; 2) be in line with the Groupe's practices, particularly in terms of gender equality and equity based on individual and collective performance in order to ensure fair and balanced compensation; 3) where appropriate, strengthen protection systems.

Almost all Groupe employees are professionals who have received long and qualifying initial training, and the compensation of men and women is well above so-called minimum-living wages in all countries. Publicis Groupe has always defended the principle of a decent wage and extends this concept to its suppliers.

All of the information pertaining to the compensation of Publicis Groupe senior executives is detailed in Section 3.2 of this document. The precise criteria are indicated for the different components of this compensation, including CSR.

The ratios between the level of compensation of the Executive corporate officers and the average employee compensation (pay ratio) are set out in Section 3.2.2.8.

The different pension schemes and other long-term benefits are presented in this document, Section 6.6, Note 22.

Publicis Groupe's different stock option plans and free share plans are detailed in this document in Section 6.6, Note 22.

The participation of employees in share capital through a range of profit-sharing and incentive plans is explained in Section 8.3.6 of this document.

2021 exceptional results

During the presentation of the annual results to the press and financial analysts on February 3, 2022, the Chairman of the Management Board, Arthur Sadoun, announced his desire to reward all Groupe employees for everyone's exceptional efforts across the globe. It was decided to pay a bonus to the 35,000 employees who have been with the Groupe for more than two years, and who have no variable compensation. They will receive an additional week's salary.

Gender pay equality: country by country "Job Grading" is applied in the new Human Resources Information System (HRIS) Groupe tool, allowing for uniform understanding of positions and functions. This project is led by the Secretary General, with support from the teams in charge of compensation (Compensation & Benefits) and the CTOs of countries. The Groupe is very vigilant about gender equality issues. The local management of the agencies is responsible for resolving pay gaps:

- in the United Kingdom, due to the pandemic, the British authorities have exempted companies from public declarations on this matter. However, the five entities with more than 250 employees maintained their close monitoring of the comparative situation of the Gender Pay Gap Reporting (measuring the pay gap between men and women, not equal pay). Despite the efforts made in three subsidiaries, the data must continue to improve. The issue is monitored by the UK Executive Committee;
- in France, in accordance with legal obligations, 12 Publicis Groupe companies with more than 50 employees published their gender equality index on March 1, 2021. The objective remains to achieve 95/100 for all entities. The Executive Committee in France monitors this index on a monthly basis;
- in Australia, where the law also requires companies to report annually on gender equality, Groupe agencies have circulated reports on the actions put in place to improve the conditions for women in these organizations.

Employee profit-sharing: despite the optional nature of this system, in France, *via* the employee profit-sharing agreement (in force for three years), the Groupe has continued its economic performance-related employee profit-sharing policy, which is dependent on the Groupe's annual organic growth in France. This is part of the Groupe's long-standing commitments for its French employees in terms of employee savings, with many advantages for them in terms of availability of the sums deposited and in terms of tax.

Employee savings plan: in France, in addition to the Company Savings Plans (PEE) implemented in the majority of its companies in France, the Groupe rolled out a Groupe Collective Retirement Savings Plan (PERECO) in 2021, thanks to a quality social dialog with all trade union coordinators. The system is optional and applies to all employees in France. It allows the vesting throughout the employee professional career, of either lifetime annuity rights or the payment of a lump sum no earlier than the legal retirement age, except in the event of early release. This system is funded by one-off or scheduled voluntary payments as well as payments in connection with incentive and/or profit-sharing plans. The PERECO system set up at Groupe level in France benefits from an annual contribution of up to 200% of the voluntary payment made by the employee (contribution capped at euro 450).

Publicis Groupe did not use State aid aimed at supporting companies during the pandemic.

4.1.6 Commitments given by the Groupe, agencies and employees to local communities: Create & Impact *2021*

For over 15 years, Create & Impact has been the umbrella program that brings together the Groupe's actions undertaken with communities and society in general, including *pro bono* campaigns, as well as volunteering and charitable activities. Create & Impact 2021 is the combination of all Groupe commitments having a societal impact, representing an estimated total of euro **41.4 million in 2021**. Despite the context of the crisis, employees were very active, in particular by helping many associations such as those providing food aid to underprivileged people, for which the number of beneficiaries has surged with the crisis in all major cities.

To help their Ukrainian colleagues, Publicis Groupe employees took part in a specific internal fundraising campaign, to support several associations locally. The Groupe financially matches the amount raised for this fundraising. The nature of the contributions made by agencies has moved towards conducting an increasing number of charitable activities involving more volunteer employees but with a lower financial value than the *pro bono* campaigns. All activities carried out within the context of Create & Impact have a direct impact on populations, on local and neighboring communities, and on regional economic, social and environmental development since there is a strong proximity between the agencies and the causes they support. All of the activities included in Create & Impact have been monitored for the last five years, in line with United Nations Sustainable Development Goals (SDGs), in order to better assess their direct impact (see the CSR section of the Groupe's website).

Groupe agencies took part in **440 projects** in 2021.

The value of these contributions has remained stable in recent years. This is due to two reasons: some entities have limited their commitments, reducing the number of organizations to which aid is given and the total value of that aid; and the number of projects supported by volunteering or skills-based sponsorship is growing, but their financial value is more modest.

The **290 *pro bono* campaigns** were carried out free of charge by the Groupe's various agencies, in addition to all the skills-based sponsorship provided. Agencies concentrate on a limited number of causes. The teams are very proud of the actual efficacy of the campaigns, and of the awards that they have won in recognition of their creative freedom.

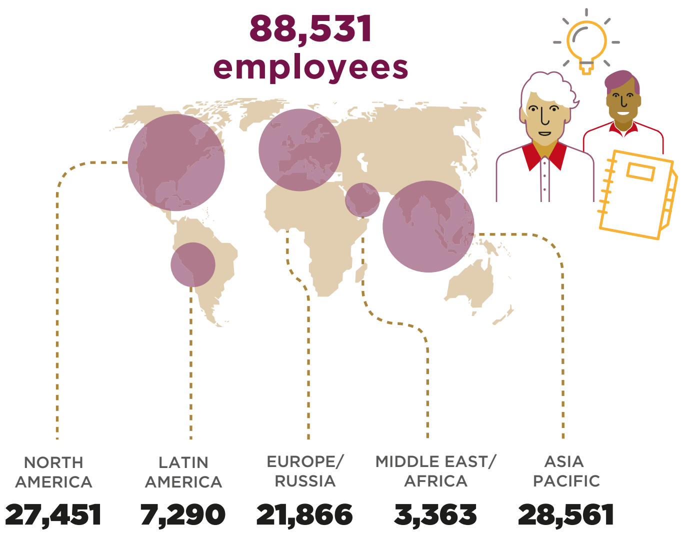
The **150 volunteer initiatives** involved making one or more teams available for a limited period of time to provide operational support for specific initiatives run by non-profit organizations in the name of general interest causes. In some countries, this may also be regarded as skills-based sponsorship.

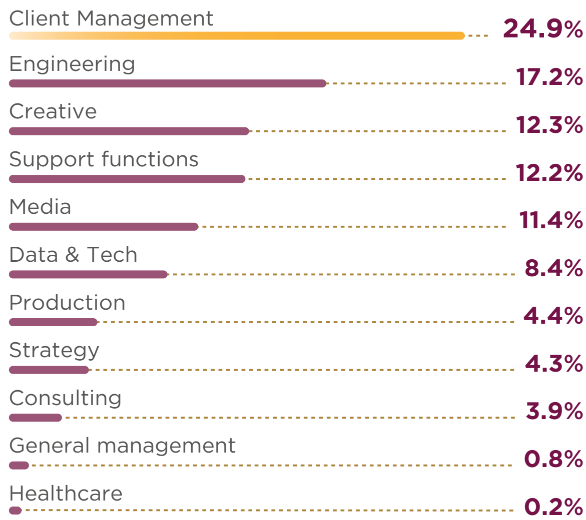
You will find a presentation of select projects in the CSR, social aspects, section of our website.

Donations and charity work: emergency aid is ongoing. To a greater or lesser extent, natural disasters and tragic accidents can prompt spontaneous acts of generosity that bring employees and management together. Under these extraordinary circumstances, local presence is a key factor for success. This is why the Groupe gives priority to a decentralized approach and local initiatives.

Outside of exceptional circumstances, the Groupe regularly provides financial support to some charities. The identification of these charities may be made by the Chairman of the Supervisory Board, up to an amount set by the Supervisory Board; others may be chosen by the Chairman and members of the Management Board.

4.1.7 Social and demographic indicators





a) Total workforce in 2021: **88,531 employees** *(impact of changes in scope – acquisitions/disposals: 204 employees)*

The net variation of employees is broken down as follows:

- arrivals: 33,796 in 2021;
- departures: 26,327 in 2021;
- 2021 turnover: 27.7%.

  The staff turnover rate is equal to the cumulative number of voluntary departures of employees with permanent contracts during the year, divided by the average annual number of employees with permanent contracts.

Due to a very active labor market in several countries resulting in increased turnover in 2021, Publicis Groupe has demonstrated its ability to attract talent with more than 10% growth in its workforce in 2021. Publicis Groupe is a company whose entities and agencies carry out regular adjustments and which always prioritizes internal solutions.

During the exit interviews with employees leaving the Groupe in 2021, 80% were proud to have worked at Publicis Groupe, and 81% said they were ready to return to the Groupe at a later date. This tool is used in different countries and in very different company businesses.

b) The Groupe's employment **contracts** are drawn up in compliance with the local legal and regulatory framework, for both permanent contracts and temporary contracts. Depending on the local context and the temporary needs of certain projects, freelance service contracts are drawn up for independent workers, although the use of freelancers in 2021 was strictly limited in order to allow temporarily unoccupied Groupe employees to help other teams.

The Great Resignation: these two years of the pandemic have caused a phenomenon unprecedented in the American history of labor called "The Great Resignation", which impacted all business sectors and all hierarchical levels; other countries have seen a similar mechanism. This is a massive phenomenon of employee resignations that has affected Publicis Groupe like other large companies. Significant recruitment efforts were carried out in parallel, with a net flow of more than 10% of the workforce in 2021.

Employee contracts are broken down as follows:

- permanent contracts: 98.6% of total workforce; 98.4% of women and 98.6% of men are employed under a permanent contract;
- temporary contracts: 1.4% of total workforce; 1.6% of women and 1.4% of men are employed under a temporary, fixed-term contract.

Work is organized around project management requirements and is tailored to meet client needs and the expectations of the employees themselves. Working hours are governed locally by laws and regulations. These two years of intense working from home have not only made it possible to rethink the work of the future, but also to reinforce the rules to be respected by all in order to facilitate the disconnection of employees.

The completion of projects for clients often requires flexibility on the part of employees; in return for this flexibility, the local management of the agencies implements measures to compensate for their efforts and to enable them to have more time during the summer periods (*e.g.,* in summer, Friday afternoons are not worked in several American agencies) or during major holidays, such as in China (Chinese New Year, etc.), India (Diwali, etc.) or the United States (Thanksgiving, etc.). At the height of the epidemic and lockdowns, 95% of the Groupe's workforce had switched to teleworking; for less than 5% of the workforce, on-site presence may be required, particularly in support functions, such as the continuity of service of IT teams, or for general service teams in charge of building maintenance and security.

c) The absenteeism rate within the Groupe is estimated at 1.51%[1].

(1) Definition: the absenteeism rate is equal to the total number of lost days, for absences other than paid leave or maternity/paternity leave, divided by the number of business days in the year.

/ Consolidated figures

Changes in data over more than 10 years are available on the Groupe website, CSR section, CSR Smart data.

Indicators	*Unit*	2019	2020	2021	2025 Objectives
Groupe headcount	*number*	83,235	79,051	88,531	
% Women	%	49.8	50.1	51.5	
% Men	%	50.2	49.9	48.5	
Employees on permanent contracts	%	92.7	93.9	98.6	
% Women	%	91.1	92.9	98.4	
% Men	%	94.3	94.9	98.6	
Employees on fixed-term contracts or temporary contracts	%	7.3	6.1	1.4	
% Women	%	8.9	7.1	1.6	
% Men	%	5.7	5.1	1.4	
Leavers*	*number*	31,077	15,893	26,327	
Joiners*	*number*	31,245	12,080	33,796	
Turnover	%	24	17.1	27.7	
Average age of Women	*years*	34	35	33	
Average age of Men	*years*	36	36	35	
Average age of Women-Men	*years*	35	36	34	
% Women in key management positions(6)	%	38.3	40.4	41.1	**45**
% Men in key management positions(6)	%	61.7	59.6	58.9	
% Women agency CEOs(1)	%	32.8	33.5	40	
% Women on agency Executive Committees(2)	%	43.3	43.6	45	
% Population in Senior Positions	%	-	5.7	4.9	
% Women in Senior Positions	%	-	40.8	40.2	
% Men in Senior Positions	%	-	59.2	59.7	
Average length of service in years - Senior Position	*number*	-	-	8.61	
% Population in Mid-Level Positions	%	-	60.3	60.6	
% Women in Mid-level Positions(4)	%	-	47.8	49.3	
% Men in Mid-level Positions	%	-	52.2	50.7	
Average length of service in years - Mid-Level Position	*number*	-	-	4.47	
% Population in Entry Level Positions	%	-	34.0	34.4	
% Women in Entry level Positions(5)	%	-	57.4	56.9	
% Men in Entry level Positions	%	-	42.6	43.1	
Average length of service in years - Entry Level Position	*number*	-	-	2.63	
Interns and work-study students	*number*	2,837	2,068	* (7)	
% Women	%	62.5	64	* (7)	
Workforce trained (% of employees)	%	69.8	74	82	**100**
% Women	%	50	50.1	51	
Number of training hours – total	*hours*	1,112,600	1,640,540	1,670,395	
Number of training hours *per capita* (divided by the number of employees trained)	*hours*	21.6	28.1	23.4	
Number of face-to-face hours	*hours*	750,940	-	499,969	
Number of hours in e-learning	*hours*	361,660	-	1,170,426	

(1) Women holding executive positions in the agency or entity
(2) Women members of the Executive Committees of agencies or entities
(3) Women holding senior management positions within the agency or entity, country or region
(4) Women holding middle management positions within the agency or entity, country or region
(5) Women holding entry management positions within the agency or entity, country or region
(6) Women holding a key Groupe executive management position,
(7) Data to be expanded following a change of system in 2021. For example, in 2021, France welcomed 321 work-study students and 734 interns.
* From 2020, use of data from the Human Resources Career Settings reporting system

Indicators	Unit	2019	2020	2021	Objectives for 2025
Training fees (external)	€M	15.6	10.5	15.8	
Number of employees benefiting from parental leave[1]	number	3,094	3,260	2,789	
% Women	%	60	56	65	
Employee assessments (% of employees)	%	67	76.3	76	
% Women	%	50.5	51	57	
Employees with international mobility	number	8,218	920	723	
Absenteeism rate (% of employees)	%	2.02	1.77	1.51	
Number of nationalities among Groupe employees	number	-	-	152	
Employees benefiting from health cover	%	99	99	99	
Employees with access to local health prevention plans	%	100	100	100	
Workplace accidents[2]	number	0.33	0.19	0.11	
Workplace accident frequency rate[3]	%	1.80	0.99	0.60	
Workplace accident severity rate[4]	%	0.03	0.02	0.01	

(1) Parental leave including maternity leave, paternity leave and parental leave.
(2) Calculation of workplace accident rate: (Number of recordable workplace accidents/total number of employees) X 100. Coverage rate in 2021: 93%
(3) Calculation of recordable workplace accident frequency rate: (Number of recordable workplace accidents/Number of hours worked) x 1,000,000 (GRI 403-9 Standard). Coverage rate in 2021: 93%
(4) Calculation of workplace accident severity rate: (Number of days of work lost x 1,000)/Number of hours worked (GRI 403-9 Standard). Coverage rate in 2021: 93%

4.2 PRIORITY #2: RESPONSIBLE MARKETING AND BUSINESS ETHICS

4.2.1 Client satisfaction

Client satisfaction is a core value of the Groupe. In recent years, Publicis Groupe and its agencies have set up various systems to closely monitor client satisfaction. At the end of a project and/or during the quarterly or half-yearly face-to-face review, the satisfaction assessment makes it possible to assess at least five main themes:

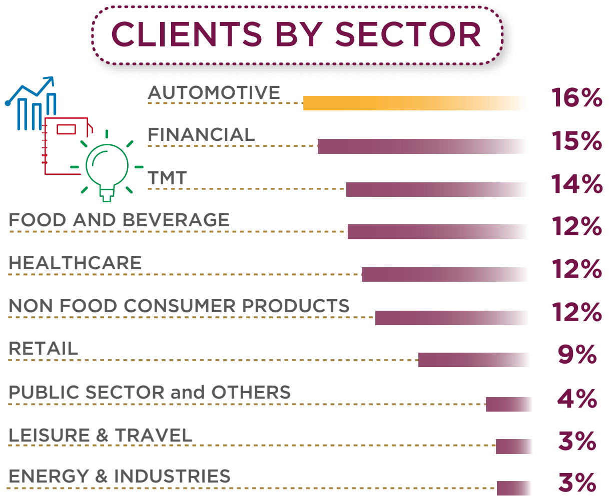
1. the performance of the campaigns or digital systems put in place;
2. the creativity/innovation provided;
3. teams' skills;
4. the effectiveness of the service offered;
5. the quality of the relationship.

Several hundred clients are interviewed in this way every year, at least once a year. In addition to this qualitative approach, there are questionnaires administered by the agencies or by the clients themselves for annual performance reviews based on quantified indicators to assess the objectives and results achieved; more than 12,000 clients responded in 2021.

Given the speed and the multitude of projects, the relationship between the client and the agency is central. In recent years, the Groupe has been using an independent service provider, TRR (The Referral Rating) which administers a flash survey to clients three times a year, which takes less than a minute to complete, in order to capture the "emotional temperature" of the moment. The main advantage is to immediately detect any points of weakness and implement a corrective action plan. More than 9,600 people were questioned with 5,000 responses from more than 320 of the Groupe's major customers. This external tool also enables agencies to compare themselves with their competitors in their market. These surveys covered 65 countries.

/ Benchmarks on the Groupe's clients

Based on **3,574 clients representing 91% of the Groupe's total net revenue** (see Section 1.3.4 of this document), the breakdown of client business sectors/industries was well balanced, as has been so for several years now.



The top 100 clients represent 56% of annual revenue (see chapter 6, note 29 in this document).

In 2021, 150 clients asked Publicis Groupe to produce an external CSR assessment (Ecovadis or other).

Responsible consumption: listening to our clients' customers

Social and environmental justice issues are at the heart of citizens' concerns, and the pandemic context has sharply highlighted the imbalances in society in all countries. More than ever, the expectations of citizen-consumers highlight aspirations in favor of more responsible (concrete commitments of brands and companies in social and environmental matters), transparent (on raw materials, origins, manufacturing processes, etc.), sustainable (repairability, exchange, rental, etc.) and affordable consumption. The issue of price remains central in a context of economic and social crisis. With the accelerated digitization of the last two years, purchasing behavior has changed very quickly in all sectors.

Attentive social and societal listening to the needs and expectations expressed is central to the Groupe's business lines. This is also what determines the commitment of the Groupe's agencies to the principle of free will and free choice, which must be respected in the design and production of communications, in order to avoid the intrusive nature of advertising.

Regarding education Publicis Groupe has, for over 10 years now, participated in MediaSmart, a European program (PubMalin in France, www.pubmalin.fr) designed to help primary school teachers teach 8-11 years old critical thinking skills relative to advertising, as part of a joint initiative with media representatives, teachers, consumer associations and regulatory authorities. The Groupe also participates in the MediaSmart Plus program aimed at high-school students and their teachers.

4.2.2 Responsible Marketing: Publicis Groupe's unique approach

4.2.2.1 Groupe policy

Responsible Marketing is based on key principles to be applied in any communication project: **truth, decency, respect, honesty, societal responsibility**. This must be translated into the form and the substance of the messages, while preserving a maximum amount of creativity. Publicis Groupe's professional standards in terms of responsible marketing are based on a set of voluntary rules, some of which are specific to the Company and others are defined by professionals in forums open to stakeholders, in a logic of co-operation. Since 2009, Publicis Groupe has taken a position, formalized in an internal note from the CEO, on the fight against greenwashing, in the name of honesty and respect for clients, and to avoid any damage to the brands entrusted to us. With a view to constant improvement, the Groupe reviews its general responsible marketing policy each year, which is a public document accessible in the CSR Smart data section on www.publicisgroupe.com. It is important to Groupe agencies, in their recommendations formulated to clients, that citizen-consumers are always able to exercise their free will and make informed choices, thanks to transparent communication that is not intrusive.

In this digital world, another principle is essential: the possibility for everyone to have control of their data and to be able to exercise the rights granted by the applicable regulations. This principle guides the technological choices and solutions offered to clients, so that the end user, client or visitor, has real control over their data. All end-users must be able to access, rectify or delete their own data, and even easily exercise their right to be forgotten.

In 2021, Publicis Groupe began structuring work around a proprietary program entitled **P.R.I.S.M.S.** (Publicis Groupe Program for Responsible, Inclusive and Sustainable Marketing Standards) intended to develop more accurate indicators to more accurately measure the approaches put in place in the various business lines to promote responsible marketing. These areas of work include:

- for all business lines and therefore **all teams**, the need for **training**, to put practices into perspective and find solutions to make all activities the least impactful. There are different ways to make progress: France's approach sets the example with the We are Positivers program, which is a training plan for all employees to adopt new eco-design reflexes in all areas, or that of Publicis Sapient, which adapts its approach and innovation paths according to its sectoral business practices;
- for **creative** business lines: eco-creation and eco-design are at the heart of the work carried out by the teams. This is based on a voluntary approach aimed at being fairer and more efficient while limiting the amount of resources to be deployed. An *ad hoc* training program which is was introduced in France with sessions of the Make it Positive LAB, as part of the NIBI (No Impact for Big Impact) action plan;
- for **production** business lines, eco-production is a requirement and is spreading in particular in the subsidiaries directly concerned such as Prodigious. This means, from the start of the project, a rigorous approach to each stage of production (including pre-production and post-production) in order to identify the least impacting options;
- for **digital campaigns**, whatever the country, creative teams use best practices when choosing, optimizing and/or compressing images – their weight being a critical factor when it comes energy consumption – and even select ink-saving fonts. For their part, technical teams find low-energy solutions in terms of the languages used *i.e.* Java, JavaScript or C++ so that the website and application built uses less energy, but offers users the same service quality. As a result of the Low-Tech Web by Design approach taken by engineers and developers, it is possible to cut energy consumption by a factor of five, in the knowledge that consumption always depends on the final medium (screen type, age of computer, tablet, smartphone, etc.) and the generation of electronic processors that it contains;
- for **press relations and influencers**: thanks to its proprietary platform MSL Fluency, MSL conducted two studies in 2020 and 2021 highlighting the pay gap between influencers based on gender and/or ethnic origins. The agency has established a Influencer Pay Index in order to better manage the remuneration of influencers and ensure equal treatment. MSL has established a partnership with The Influencer League, to build a training course enabling influencers to improve their content and their negotiation abilities;
- for **media** business lines:
  - Publicis Verified: this involves checking in a medium the environment in terms of content (brand safety), where the advertising is placed due to the involvement of automated processes (programmatic). For over 10 years, with Publicis Verified, Publicis Groupe has set up an internal Groupe team whose role is to verify the environments in which the advertisements will appear and whether the traffic figures are accurate. This is a question of quality, responsibility and operates as a certification. This team operates 24/7 and works with local, specialized and certified third-party companies that carry out the same type of control in order to have a precise market-by-market approach (see press release of January 13, 2020);
  - NewsGuard: this exclusive partnership gives all Publicis Groupe clients access to the "Responsible advertising in the media" tool ("RANS" Responsible Advertising for New Segments), which allows to include or exclude sites, in order to prevent their ads from unintentionally funding infox or misinformation/disinformation sites. The *NewsGuard* team performs constant manual checks without using algorithms, in a transparent manner based on its nine journalistic criteria;
  - TAAG: Technology And Activation Group groups together employees digital advertising experts, working 24/7, duly trained throughout the year on the latest innovations from partner platforms and able to intervene quickly according to standardized processes;
  - Once and for All Coalition*:* launched in 2021 at the initiative of Publicis Media, this coalition is a consortium of many partners in the sector including customers, media, experts and professional organizations, with the common objective of building long-term relationships with the media targeting minorities or groups of under-represented populations. The challenge is to support these media partners, whose voice must be heard more widely, thanks to open source tools and best practices, enabling them to strengthen their economic strength. At the same time, Publicis Media announced that it was committing USD 25 million through various support projects led by APX Content Ventures;
  - for two years, Publicis Media has set up a *Global Standards Council*, in the form of monthly sessions open to employees and clients, to take stock of current industry topics in terms of Brand Safety and media quality, with internal and external experts, to promote general acculturation and sharing of best practices;

- for **data** activities:
  - the Epsilon database, which includes 260 million American profiles (TSP – Total Source Plus), with more than 40 different sources, is refreshed every six weeks, to ensure the success of targeted actions or the activation of certain consumer groups. This mechanism eliminates the risk of duplication and ensures both quality and efficiency;
  - Truthset: Epsilon regularly calls on this external and independent data certification company to have the quality and validity of the data used in its databases assessed by an independent third party. This provides additional security for clients;
- for jobs related to **DBT** (Digital Business Transformation), two aspects are subject to a close review for projects that use algorithms and deep learning or artificial intelligence (AI): on the one hand, the principle "Inclusion by design", requiring different possible biases to be taken into account from the start of the project in order to design a platform or application that works well for all users and that does not hurt anyone *(*Never Harm Anyone*)*; on the other hand, the double principle of transparency and responsibility, in relation to any difficulties encountered in order to learn from mistakes.

P.R.I.S.M.S (Publicis Groupe Program for Responsible, Inclusive and Sustainable Marketing Standards) addresses the material and operational challenges of business lines and goes beyond the first stages of legal compliance. On this point, for all work product, regardless of the client's sector of activity, a compliance review is conducted upstream with the legal teams, in order to validate a set of prerequisites, whether these are the various legal local compliance issues, as well as the compliance with charters and/or codes of best practice issued by the client's sector and/or by the client itself.

Some entities may have specific compliance issues, such as the health agencies. Communication in this sector is regulated in many countries. This means that our teams receive training in the local regulatory framework and sometimes training from their clients in a complementary manner, as they may themselves have a more demanding communication framework. The agency must ensure high compliance with different levels of joint validation between the operational and legal teams.

4.2.2.2 Ethics within the agencies

1) Confidentiality

Respect for the confidentiality of client data and projects is a fundamental value. It is required from 100% of employees, in addition to the obligations undertaken by employees in their employment contract with the Groupe. Teams may have access to sensitive information; they are always frequently asked to sign specific confidentiality agreements (NDA – non-disclosure agreement). Intellectual property, whatever the type of creation or output, is also protected. Experts in trademark law or copyright or database law (data base), within the legal teams, are involved well upstream of projects. Data protection and security specialists are also involved in all projects to ensure that these issues are addressed strictly.

2) Intellectual property

As a creative company, Publicis Groupe has always been committed to respecting and protecting intellectual property, an increasingly complex topic to manage in a digital and ultra-connected world. It is in this spirit that the PMX Digital team has set up an exclusive contract with WIPO (World Intellectual Property Organization) to identify and exclude sites that violate intellectual property.

3) Lobbying practices

Some assignments may involve lobbying and strategies to influence decision-makers on behalf of clients. Lobbying teams must comply with transparency criteria in relation to their clients, in such a way that their work, the objectives targeted, and the actions carried out are done so with integrity, in accordance with best practices in this area and in keeping with the Groupe's internal procedures. The lobbying teams comply with the laws and the Groupe's rules, particularly in terms of combating conflicts of interest and corruption. In accordance with legal obligations and best practices, the teams involved are clearly identified, both in terms of the Transparency Register of the European Parliament and the European Commission, or on a country-wide basis, listed in the digital repertoire of representatives of interests managed by the High Authority for the Transparency of Public Life in France (HATVP), and in the United States where the rules of the Lobbying Disclosure Act apply, or where this relates to the FARA (Foreign Agent Registration Act), with registration in compliance with the subjects and organizations concerned.

Publicis Groupe did not do any lobbying on its own behalf in 2021. Publicis has the intangible and historical principle of refusing to work for partisan campaigns (political parties, sects or ideological organizations) and as such, does not support organizations of this type financially or in any other form.

4) Commitment to professional organizations

Publicis Groupe plays an active role within professional organizations in all countries and its commitment is always publicly identifiable on the websites of these organizations: for example, the IAB (Interactive Advertising Bureau) and its representations in several countries, as well as in the United States, with the 4As (American Association for Advertising Agencies); in France within the AACC (Association of Communication Consulting Agencies), UDECAM (Union of Consulting Companies and Media Purchasing). Outside the United States, including the United Kingdom, where the Groupe's participation in the industry initiative Actions not Words in favor of the fight against racism and inequalities, or in France the Groupe's active participation in the General Communications Meetings inviting the entire sector to get involved in the ecological and social transition, and to put tools and indicators in place to move the sector.

5) Position with regard to vulnerable audiences

With regard to vulnerable audiences: the Groupe defends and promotes the rules set out in the guide Marketing & Advertising to Children of the ICC on the specific responsibilities that brands and agencies must have with regard to children and adolescents, whether in terms of product categories to be promoted or communication techniques used. This code provides a framework for communication intended for children (under 12 years old) and adolescents (between 13 and 18 years old).

6) Digital accessibility challenges

Digital accessibility or e-accessibility: for almost 10 years now, teams of digital accessibility experts have been mobilized upstream of projects, particularly within Razorfish and Publicis Sapient whose dedictated team is based between Toronto and Gurgaon (India). Digital platforms designed for clients must meet the universal criteria issued by the W3C (World Wide Web Consortium) in order to allow equal access to content, including for people with disabilities (visually impaired, blind, deaf, hearing-impaired, other types of physical difficulties, etc.) or with access difficulties. The key issue is the quality of the lines of code in order to simplify the indexing of pages, to facilitate reading of all elements of content (video, images, texts, links, navigation, etc.) for the end user, and to facilitate technical maintenance or content changes. In addition to compliance issues, these best practices also make the user experience simpler and more enjoyable. These expert teams may also be called upon for certification issues, as several employees are themselves duly qualified to do so.

In France, creative agencies such as Publicis Conseil, Leo Burnett and Saatchi & Saatchi have chosen to systematically subtitle films or videos for all media with Prodigious. This approach is an extension of the French Advertising initiative – AACC – to promote the universal subtitling of advertising films, www.soustitronsnospublicites.aacc.fr. This voluntary approach is applied by other teams around the world, particularly in Europe.

4.2.2.3 The proprietary tool: A.L.I.C.E (Advertising Limiting Impacts & Carbon Emissions)

To determine the carbon emissions of goods and services, the first and simplest option is to apply emission factors to the total amount of purchases made, these emissions factors being public and international, by category of products and services. The second option is to measure the impact of the components of a product or service as closely as possible. This has been Publicis Groupe's commitment since 2017 with the creation of A.L.I.C.E. Since the end of 2019, agencies in several countries have started using this calculation tool, developed and monitored by Bureau Veritas for its calculation methodologies, in order to ensure compliance with the GHG Protocol, to apply up-to-date emission factors (emission factors from DEFRA - Department for Environment, Food and Rural Affairs -, ADEME - "Agence de la transition écologique" -, IEA - International Energy Agency -) and to align itself with the Groupe's targets for 2030 (see Section 4.3). A.L.I.C.E covers all major Groupe business lines: creation, production, media, events, data, DBT (Digital Business Transformation) and makes it possible to respond to a request from clients on the calculation of the carbon impact of their marketing and communication activities. A.L.I.C.E makes it possible to analyze the impacts on a project-by-project basis, identify reduction levers and increase the positive impacts through new, more frugal solutions, selected by the agency and offered to clients. The tool also has an educational purpose in order to train employees for a better understanding of environmental impacts by giving them free rein to find the best local solutions and decide on the choices with their clients.

A.L.I.C.E has already made it possible to significantly reduce the impacts of the campaigns and projects that have been assessed, thanks to the upstream reflection that is undertaken well before measuring the impacts of a project. In 2021, Prodigious carried out more than 200 assessments of different productions shared with clients in France. This exercise allows the agency to now have an impact framework enabling it to better anticipate certain aspects of production. These first measures enabled to reduce the impacts by 20% on average, and the measurements made on the weight of visuals and/or video formats can lead to a 50% reduction in electrical consumption. The agency has therefore defined new production standards to maintain visual quality and minimize these impacts.

A.L.I.C.E has an important educational role for all the teams who use it: the tool enables them to understand and materialize the impacts of our projects and make the environmental impact and our levers tangible, in order to design less impactful solutions very early on; the objective is to strengthen internal culture and sharpen everyone's reflexes to reduce all environmental impacts. 500 key users were trained in 2021 and the effort continues in 2022.

A.L.I.C.E was presented in 2021 to clients from very different sectors; everyone showed a keen interest in this fairly simple impact measurement, which is much more accurate and precise than impact measurements based on expenditure amounts alone.

A.L.I.C.E's governance is managed by the Groupe's CSR Department with a cross-functional project group of around twenty employees from different business lines and countries, actively participating in ALICE's improvements and developments. Bureau Veritas acts as a trusted third party and ensures compliance with the methodological framework; a critical review is underway with an external third party (Green-IT / Resilio) in order to measure the digital impacts of the servers and data centers in particular.

4.2.2.4 Active participation in initiatives of the industry

At the international or national level and covering all Company businesses:

- for more than 80 years, the communications sector has been governed internationally by the **Marketing Code of the ICC** (International Chamber of Commerce – www.iccwbo.org). This code is the benchmark in self-regulation and best practices for advertising and marketing (Advertising and Marketing Communication Practice – ICC Code). The 2018 version reiterates the founding principles: all communication must be legal, decent, honest, truthful and socially responsible. This code is intended to be neutral in terms of technology and media, so no player can derogate from it and it obviously includes digital communication and mobile applications, the Internet of Things. This code also incorporates issues related to data collection and protection and the right to privacy and takes into account the different needs of different types of audiences, including vulnerable people.

  In 2021, in-depth work focused on advertising claims related to climate change and environmental issues, in order to clarify the proliferation of arguments and enable consumers to betternavigate. The ICC Framework for Responsible Environmental Marketing Communication reports on this collective work with the collaboration of several countries and world regions, and recommended standards. report. The objective of this guide designed for industry-professionals is to ban all forms of "greenwashing". Part of this work focused on a detailed analysis of the words to be used and under which circumstances in order to avoid confusion. It includes an Environmental checklist intended to facilitate the teams' work, to have clear arguments;
- Groupe agencies play an active role in **national and international professional organizations**. Worthy of note is the work carried out with the IAB (Interactive Advertising Bureau) and the MRC (Media Rating Council) on the visibility of digital advertising, and how this can be quantified (viewability). Publicis Media was the first agency to be Gold Standard certified in the last four years. This work is done in close cooperation with other professional organizations such as the 4As (American Association for Advertising Agencies), particularly the 4As Privacy Committee, the ASRC (Advertising Self-Regulatory Council) in the United States, as well as the EASA (European Advertising Standards Alliance).
- The Groupe took part in the launch of the **GARM** (Global Alliance for Responsible Media) in Cannes in 2019, at the behest of clients belonging to the World Federation of Advertisers (WFA). Since 2020, Publicis Groupe is one of the founding members of PRAM (Partnership for Reasonable Addressable Media) with consumer protection as a priority: it is a consortium positioned on inclusion by developing principles and standards to properly address the various consumer groups. These projects require the Groupe's commitment, in the same way as the work done collectively for many years on Online Behavioral Advertising and Native Advertising, both in the United States and in Europe;
- **the Trustworthy Accountability Groupe** (TAG) is the first cross-industry initiative of its kind dedicated to the fight against criminality in the digital advertising supply chain. Its work focuses on four areas: eradicating illicit trafficking, combating malware, fighting against online piracy and promoting transparency (TAG Anti-Piracy Pledge). The goal is to apply brand safety; that is to say to ensure against brands appearing on inappropriate sites or environments. The TAG Registry was the second part of the "Verified by TAG" program, whose two-fold aim is to combat fraud and crime related to the online advertising sector, and to promote best practice. Publicis Groupe is one of the companies integrated in the TAG Registry. Publicis Media was the first group to be awarded "TAG Platinum" status in 2019; in 2020 and 2021, the following topics were validated by this level of compliance: *TAG Certified Against Fraud*, *TAG Certified Against Piracy*, *TAG Certified Against Malware*, and being fully compliant with the *TAG Brand Safety Guidelines*;
- **Digital Ad Trust:** this French initiative, launched in 2017, has been fully operational for two years now and brings together all ecosystem players, including the Media agencies. The goal of this approach coordinated by IAB France (International Advertising Bureau) is to assess and promote responsible sites based on the quality of their content and the advertising practices used (cookie and browsing preference policies);
- Publicis Groupe has for several years been a member of the **Coalition for Better Ads**, which brings together all key players in the ecosystem (companies and trade organizations) around the common goal of improving online advertising standards. While it is clear that this finances many digital activities, it also has to better meet the expectations of consumers. One of the areas of work concerns the non-intrusive nature of advertising and the technical standards to be respected, notably regarding data protection.

4.2.2.5 Responsible Marketing in action in agencies and with clients

Publicis France

Within the France Executive Committee, an Engagement Department was created in 2019, as well as the CSR function and department at country level. A community of 40 CSR ambassadors was set up, meeting every month to share, learn and disseminate common actions within the agencies. In 2020, Publicis France became the leading network by number of agencies with the *RSE Agences Actives* (Active CSR Agencies) in partnership with Afnor Certification and, at the end of 2021, 12 out of 13 agencies eligible for the label obtained it, including eight with a three star level. Publicis France is also the leading communication group in France in terms of employees trained and certified in digital eco-design by the Green-IT collective.

In 2021, Publicis France continued to make CSR transformation a major strategic challenge, both with its responsible communication program *No Impact for Big Impact* (#NIBI), including the Positive Media Project think tank, the Positive by Publicis CSR content platform, the Positive for You internal conferences or the inspiring Positive Talks. Around fifteen brands have adopted the #NIBI approach.

The number of eco-socio-produced productions has accelerated sharply thanks to Prodigious processes and tools. More than 60 client meetings were held in 2021 to present #NIBI, A.L.I.C.E and set up KPIs and responsible communication objectives. 2021 was also a rich year for innovation and new commitments, particularly around climate issues: eight entities became members of the French Business Climate Pledge.

In February, Publicis France launched in partnership with MySezame ("impact business" training expert) and WeDemain (media) the *Make it Positive LAB*, a tailor-made support programme to help companies in their positive transformation move from purpose to action by relying on their employees. At the request of one of the Groupe's long-standing clients, a specific responsible communication training course was created for their 1,600 communicators.

Publicis France continued to pay particular attention to the fight against sexism and moral and sexual harassment, with the implementation of a more comprehensive process: training employees on a reporting platform, appointment of harassment officers (duly trained), a 24/7 crisis line. 2021 is the year in which the role of Head of D&I France was created, who successfully launched new initiatives such as Publicis Track, raising awareness of violence against women via *1in3 Women* on November 25, participation in the Talent Handicap Forum, at Inclusiv'day… For the 4th consecutive year, the debate on the fight against stereotypes was held, with the ARPP and the Chiennes de Garde, by opening it more broadly to the representation of diversity in communication with the place of disability and origins in advertising. A Commitment Charter for Diversity in Communication co-developed with employees and external stakeholders (ARPP, France Télévisions and the Collectif 50:50). Employees received training on unconscious bias and were invited to watch the "But why do they hate us?" documentary series.

In November 2021, Publicis France launched its internal business transformation program: *We Are Positivers* for all its 4,500 employees. Organized in two stages, it is based on an e-learning phase to learn about responsible communication and workshops to move from theory to practice, with the development of a roadmap for each employee.

Lastly, Publicis France continued to actively participate in the industry's collective actions with the AACC, Udecam, the CPP, the UDM and also by getting involved in the discussions initiated by the government to change the sector (see Bousquet-Leroy report under the Climate & Resilience Act). Lastly, the Groupe is a member of organizations such as EpE ("Entreprises pour l'Environnement") that works to mobilize stakeholders to transform lifestyles and consumption.

Publicis Conseil has published its 2nd CSR report and set up an Expert Stakeholder Committee (including four clients, one representative of the ARPP, two representatives of NGOs, one representative of an Inclusion & Diversité association, one representative of Responsible Digital Services, two representatives of Media and a representative of a student association) which meets twice a year.

Publicis Health in the United States

The CSR and DEI program (Diversity, Equity, Inclusion) of Publicis Health is built holistically and aligned with the United Nations Sustainable Development Goals. The agency has adopted strong positions to defend the right of access to health for all, particularly for women, by encouraging each employee to take care of themselves and their loved ones. The Growth & Development of Women initiative is intended to strengthen the place of women in agencies, to support their professional development, an approach extended to all employees from "diverse" groups, so that everyone can fully benefit from all professional opportunities.

As part of partnerships with the National Alliance on Mental Illness (NAMI), the Skin Care Foundation (SCF) or with the Multiple Sclerosis Association of America (MSAA), the agency's commitment covers a wide range of activities: responsible marketing, pro bono information campaigns for the general public, volunteering, fundraising – and involves key stakeholders: employees, clients, NGOs, ongoing efforts widely recognized by NAMI with the "Outstanding Leader in Workplace Mental Health" award.

In 2021, the internal support program for interns welcomed 60 young people, whose common project was to build an internal campaign on well-being. In terms of recruitment, the partnership with Year Up and MAIP allows Publicis Health agencies to welcome more diversified profiles and to help young people from less privileged backgrounds to access programs that can help them discover our professions. Publicis Health's affinity groups (BRGs) were very active and participation in conferences such as AdColor, Black Enterprise Women of Power, Out & Equal, 4As Vanguard or 3% Conference were continued and are beneficial opportunities for the employees concerned to contribute to the inclusive internal culture.

The BRGs have an important role in the agency as internal game changers in terms of action, organization and policies to update; Publicis Parents has been a driving force in the development of actions supporting young parents, whether in terms of paid parental leave or childcare leave, which after a pilot phase is now available to all Groupe employees in the United States.

Publicis Health is at the heart of the medical and paramedical ecosystem, in permanent contact with doctors and medical experts or health practitioners. The role of the Chief Patient Officer is key within the agency: to ensure the direction of the marketing strategy and the choice of messages and arguments. As the health sector is highly regulated, teams work with compliance officers on a daily basis.

Publicis Health Media (PHM) has established a partnership with *NewsGuard* for the launch of its HealthGuard browser extension, as part of a public service campaign, “VaxFacts”, following the sharp increase in infox related to the Covid-19 health crisis and the development of vaccines. Assessments of HealthGuard have been integrated into PHM processes to ensure that clients' media partners meet the highest standards related to their content, in order to work with trusted publishers.

Publicis UK

In January 2021, Publicis UK launched its internal Green Council, to facilitate sharing between the agencies' internal projects, which are accelerating on the environmental front; it meets every month and adjusts the plan for shared or joint actions between agencies. The Green Council makes it possible to liaise with ongoing projects within the profession, which was particularly active in this year, which hosted the COP 26 in Glasgow. The British inter-professional organization has been very active with several projects to better measure the environmental impacts of its activities and to steer actions, in particular with the creation of the AdNetZero association and the definition of ambitious objectives.

In 2021, the Groupe:

- committed all its agencies to apply the best production practices recommended by AdGreen of which Publicis UK is a founding member and to commit to using carbon measurement tools and calculators; the production teams have been specifically trained. Work is also underway on the selection of *ad hoc* environmental criteria at the time of the creative brief;
- participated with the media agencies which are founding members of the IPA Climate Charter aiming for 100% of media plans to be carbon neutral by 2030; each agency organized workshops with their clients so that they could each shape a roadmap to meet this objective and the operational options to explore;
- submitted its data for scopes 1 & 2 at industry level for collective action, and to work on scope 3 with the main suppliers, with a view to achieving carbon neutrality by 2030 set by the Groupe;
- supported the creation of an internal BRG (Business / Employee Resource Groupe) dedicated to the environmental impacts of our activities in order to bring together internal goodwill to act and accelerate.

Salterbaxter

The big lesson of 2021 is the pre-eminence of climate-related issues and the absolute necessity to profoundly and quickly transform economies, companies and civil societies. The better understanding of these issues has not yet translated into sufficiently concrete actions.

The objectives of COP26 in Glasgow will be achieved if companies play the central role they must take on. This is a tremendous opportunity in terms of business given the radical changes to be made, and new solutions to be invented (products and services). Few companies in the world have made climate commitments equal to the challenges to be faced, and even though they are ambitious, few have a clear vision of the need to carry out disruptive projects on a large scale and quickly. This is the major challenge.

With offices in London and New York, Salterbaxter is one of the leading firms in its field, whose expertise in ESG consulting combines technical know-how in line with the complexity of the issues to be faced, and effective creativity skills. These teams are the first to regularly call themselves into question in order to see how communication and marketing can participate more actively in the changes to implement (ways of thinking, behavior, innovations, etc.) and support clients in their development projects. The support offered by the Salterbaxter teams involves a detailed analysis of the levers that are specific to each company in order to compare them with the United Nations Sustainable Development Goals (SDGs), and to set a timetable for the transition to action.

With ProgressPoint, Salterbaxter has a relevant analysis tool that takes into account the multiple dimensions and distinctive factors, the existing performance levers or those to be considered, the weight of the managers' commitments, and the actions already underway in order to draw up an accurate roadmap with different milestones. This tool was developed in 2021 with the World Benchmarking Alliance which monitors more than 2,000 companies to help them achieve the SDGs. The Salterbaxter Progress Framework, which includes many indicators, makes it possible to match the action plan to specific criteria.

Salterbaxter is the creator of the Innovation Day, the agency's annual day dedicated to supporting social entrepreneurs. In 2021, this was turned into Innovation Month: around 10 entrepreneurs were offered advice and recommendations by all the teams made available to them, in order to help them achieve more impactful communication. The program was extended from one day to one month in order to have a stronger and faster impact for these social entrepreneurs.

4.2.3 Fundamental ethics rules

4.2.3.1 Janus: Ethical principles in the Code of conduct

Janus is the Groupe's Code of Ethics and applies to all managers and their teams. It consists of a code of conduct and detailed operating rules. The code of conduct applies to all employees (see Section 3.1.7 of this document). 61% of the Groupe's workforce has received training in the Janus Code and its contents. A majority of new employees follow an induction program comprising a presentation of the Groupe and its businesses and a presentation on Janus and its key principles. This includes elements related to team and manager standards of behavior, and the operating rules to be respected in terms of fair trade. One of these elements is the "Zero Tolerance" principle in terms of discrimination, harassment, and violence at work, rules regarding conflicts of interest, fraud, prevention and combating of corruption, data protection, key points of the HR policy, and a reminder of the major principles adhered to by the Groupe, such as the United Nations Global Compact.

In terms of business, one of the Groupe's historical principles is its refusal to take part in partisan communications campaigns of any kind. The Groupe refuses to work for political parties, cults or ideological propaganda organizations, and refuses any request for funding, contribution or free support.

Several Janus excerpts are available on the Groupe's website, in the CSR section.

4.2.3.2 Data protection: Role of the Global Data Privacy Office (GDPO)

1) Governance, organization and mission

GDPO (Global Data Privacy Office) is a team of specialized lawyers, legal experts and experienced professionals, experts in data protection issues, working under the supervision of the Chief Data Protection Officer (CDPO). The GDPO is part of the Groupe's Legal Department, which reports to the Secretary General. Its role is to oversee the data protection program, advise agencies on protection issues and help them with risk management. It also participates in various professional bodies or joint initiatives such as IAB EU's Transparency & Consent Framework, and the IAB, US' CCPA Framework. From an operational point of view, the GDPO relies on its Global Data Privacy Operations Team (GDPOps) including Privacy Leads and Data Privacy Stewards in the various countries, in charge of implementing and monitoring the compliance program. The GDPO and GDPOps teams work closely with the GSO, the Global Security Office (see below).

The data protection policy is based on the principle Privacy-by-Design and must ensure compliance with applicable laws and best practices. This very early stage approach facilitates cooperation with all teams from the earliest stages of a project, so that data protection is well integrated into systems and solutions, and in close contact with client-side teams. The following principles are applied: i) ensure that each claimant can exercise his or her rights; ii) review data protection policies and procedures; iii) carry out regular assessments to identify any problems and, if necessary, implement rectification plans.

Even if the field of data protection requires a certain expertise, all Publicis Groupe employees must understand and apply the fundamental principles of data protection, and thus have a vision of each person's obligations and role in the project. Training for all employees takes place every year with reminders on the European GDPR (General Data Protection Regulation) and on other regulations such as the CCPA (California Consumer Privacy Act) as well as on data security. Specific training was delivered also and as needed.

2) Certification

In 2021, for the second year, Publicis Groupe was assessed by Cybervadis and remained in the top 1% of companies in terms of security and protection (score for 2021: 961/1000, an improvement from 2020), thanks to the joint work between the GDPO and the GSO.

The Groupe's data protection policy is publicly available on the Groupe's website, in the CSR library. Data protection issues are centralized and each employee can directly contact the GDPO and its teams: privacyofficer@publicisgroupe.com.

3) With suppliers and partners

Suppliers are subject to an initial due diligence whose purpose is to assess their processes and policies in terms of data protection and security, to verify their compliance and to understand their practices. The various GDPO, GDPOps and GSO teams work together for these initial reviews. Suppliers and partners must also complete a self-assessment of compliance with laws and regulations or best practices. The contracts contain strict contractual obligations, in particular data protection declarations and guarantees. A Data Processing Addendum (DPA) is systematically distributed to suppliers, partners and publishers. When it comes to sensitive data (HR, financial, health, etc.), in-depth analyzes are conducted to verify protection, security and compliance issues.

This work is carried out in cooperation with the Purchasing Department (see Section 4.2.7 of this document).

4.2.3.3 Data security: Role of the Global Security Office (GSO)

1) Governance, role and mission

At Publicis Groupe, information security is everybody's responsibility. This involves protecting sensitive information, particularly that of clients. The entire security program is led by a dedicated team from the Global Security Office (GSO), which brings together highly experienced professionals whose expertise is certified in CISSP, CISA, CISM, CRISC, etc. The GSO is responsible for policies, guidelines and standards applied everywhere. The entire program is based on a logic of continuous improvement, with an ongoing assessment of security risks and monitoring of the application of Groupe rules. The work of the GSO is managed and monitored by the Groupe's top management.

The GSO oversees a number of programs such as compliance, risk management, security or vulnerability testing, technical reviews, service continuity plans and educating employees about these risks. Particular attention is paid to training all teams using different methods (blogs, articles, videos, etc.) in six languages (French, English, Spanish, Chinese, Portuguese, German) to build a culture of security across the entire Groupe. All employees must complete a mandatory module on data and information security each year, in addition to on-demand training, such as code security or best practices for creating a highly secure application. The GSO team organizes a quarterly communication recalling best security practices, including regular warnings about dishonest practices.

A team is dedicated to monitoring cybercrime risks (ransom malware, phishing, etc.), and the SOC – Security Operations Center – is operational 24/7 and ready to intervene to protect infrastructures, systems, information and data and, if necessary, activate business continuity and disaster recovery plans.

In 2020 and 2021, the GSO teams were heavily involved in the rapid deployment of and support for working from home, ensuring smooth continuity of systems and services, and remained mobilized in the face of cyberattacks.

2) Certifications and compliance

Throughout the year, the GSO program is subject to multiple independent external audits conducted by third parties, for obvious compliance reasons, but also at the request of our clients and partners, in order to maintain the highest level of assurance and continue to improve systems from year to year. GSO teams work closely with agency project teams to ensure compliance with client expectations. This means following external certifications such as ISO 27001 or ISO 22301, as well as more specific standards such as Payment Card Industry Data Security Standard (PCIDSS) or Health Insurance Portability Accounting Act (HIPAA) or Service Organization Control (SOC) Trust Criteria. The Groupe's Information Securities Policies are aligned with ISO 27001 standards and several Groupe entities in the United States, India and the United Kingdom are ISO 27001 certified. The GSO monitors these certifications; it works closely with the GDPO and GDPOps teams (see previous paragraph). Epsilon's activities also have ISO 22301 certification for business continuity plans.

Data security issues are centralized and each employee can contact the GSO and its teams directly at: askgso@publicisgroupe.com.

3) With suppliers and partners

One of the key principles is to extend internal security requirements to suppliers and partners. The GSO manages the Security Risk Management program, in cooperation with the Procurement Department (see Section 4.2.7 of this document). This involves carrying out formal security risk assessments and reviewing various administrative, technical and physical security controls that go beyond the principles set out in the general policy publicly available in the CSR section of the Groupe's website. These due diligences also take place during the term of the contract with the relevant suppliers.

4.2.4 Duty of Care Plan

In accordance with Act no. 2017-399 of March 27, 2017 on the duty of care required for parent companies and contracting companies, transposed in Article L. 225-102-4 of the French Commercial Code, Publicis Groupe has drafted and implemented a plan comprising duty of care measures for the identification of risks and prevention of serious infringements in the areas of human rights and fundamental freedoms, health, personal safety and the environment, resulting from the Company's activities and those of the companies it directly or indirectly controls, as well as the activities of sub-contractors or suppliers.

This plan includes:

- a mapping of risks for their identification, analysis and prioritization;
- procedures for regular assessment of the situation of subsidiaries, subcontractors or suppliers with which the Groupe has a business relationship, with regard to risk mapping;
- appropriate actions to mitigate risks or prevent serious harm;
- a mechanism for alerting and collecting alerts relating to the existence or occurrence of risks with the employee representative organizations;
- a system for monitoring the measures implemented and assessing their effectiveness.

An update of the duty of care risk mapping was presented to the Supervisory Board by the Strategy and Risk Committee at the Board meeting of March 3, 2021. This mapping was established in 2017, and likewise, this update did not detect any risk related to or serious violation of human rights and fundamental freedoms, the health and safety of people or the environment.

Every year since 2003, the Groupe has committed to the 10 principles of the United Nations Global Compact – principles which apply to the Groupe's employees and those of its subsidiaries, as well as to its suppliers. These principles are based on:

- the Universal Declaration of Human Rights, endorsing its article 1: all human beings are born free and equal in dignity and rights. This fundamental principle is incorporated into the Diversity, Inclusion and Anti-discrimination policy, as well as in the policy for suppliers on responsible purchasing, CSR for Business Guidelines;
- the International Labor Organization (ILO) Declaration on fundamental principles and rights at work – with scrupulous concern for freedom of expression, freedom of association, and combating child and forced labor. These principles are incorporated into Talent and Human Resources, Health and Safety at work and data protection policies;
- the Rio Declaration on Environment and Development, always aiming, since 2009, to reduce the impacts of the Groupe and its subsidiaries on the environment, and offset irreducible impacts. The Net Zero Climate Policy has the same objective and is in line with the Paris Agreement;
- the United Nations Convention against corruption, with the Groupe-wide application over the last few years of the requirements of the French Sapin 2 Law, aimed at combating corruption as described in the Anti-corruption policy.

United Nations Global Compact are incorporated into several sections of the Janus Code of Ethics, in particular, HR & General Policies, CSR Framework and CSR Guidelines for Business. Governance and scope

4.2.4.1 Governance and scope

The dedicated Steering Committee on Duty of Care, set up in 2017, is made up of members of the Internal Audit and Risk Management Department, as well as the CSR, Procurement, Human Resources and Legal Departments. Reporting to the Groupe's Secretary General, which is a member of the Management Board, this Committee is tasked with ensuring the implementation of a Duty of Care Plan in relation to the Company's activities and those of all its subsidiaries or companies that it controls. Internal Audit covers labor-related issues during its regular reviews (HR procedures, employee protection and information, whistleblowing system, etc.) and the CSR reporting enables to monitor indicators, particularly environmental indicators, for both subsidiaries and suppliers.

The findings of its work are presented to the Supervisory Board's Strategy and Risk Committee.

4.2.4.2 Systems in place for the application and monitoring of the Duty of Care Plan

The Groupe's Duty of Care Plan is forwarded to all subsidiaries. It is incorporated into the Groupe's Janus Code of Ethics. Agency CEOs are responsible for implementing local measures and the indicators are monitored at Groupe level.

Measures are implemented with the involvement of Shared Service Centers (Re:Sources). Procedures for the regular assessment of subsidiaries, subcontractors or suppliers with which the Company has an established business relationship, are regularly put in place.

All other aspects relating to the Groupe's employees are monitored by agency and country HR/Talent teams *via* the indicators mentioned, supplemented, where necessary.

Aspects relating to the Groupe's suppliers are monitored by the Groupe's Procurement Department, in conjunction with the Groupe's CSR Department. The document *CSR for Business Guidelines* presents 12 key topics with increased requirements on several criteria. This document (accessible on the Groupe's website) is a mandatory appendix to any contract signed between the Groupe and a supplier. Publicis Groupe uses the EcoVadis platform and invites its suppliers to be assessed on this platform; other assessments by neutral and independent third parties, dating from 12 to 18 months, are recognized by the Procurement Department. For local suppliers, mainly small and medium-sized companies, they can conduct a CSR self-assessment on the proprietary "PASS" platform (see Section 4.2.7 Responsible Procurement).

The whistleblowing system (see Section 4.2.6 below) in place within the Groupe was expanded to cover alerts relating to the duty of care and was consolidated around a single address, ethicsconcerns@publicisgroupe.com. It is designed to receive and handle internal or external alerts.

4.2.4.3 Risks monitored as part of the duty of care plan

The specific mapping of risks and serious breaches related to the duty of care is updated by the Internal Audit and Risk Department. It was presented to the Strategy and Risk Committee of the Supervisory Board on March 1, 2021. Despite the exceptional context of the year, no risk of serious harm to the three pillars of the Duty of Care Plan was identified. The Groupe's intellectual services activities do not expose the Company to serious risks such as those related to manufacturing activities. However, three types of risks require special attention. The first relates to mental health, an increased risk in the pandemic context in which the GSO's teams have mobilized very actively to provide employees with solutions to help them. The second concerns potential risks related to the management of personal data, whether of employees or clients, in a context of increased cyberattacks. In view of the strengthened controls, the risks of exposure were very limited and well prepared. The guidelines of the Global Data Protection Office (GDPO) in terms of data protection were closely monitored by the operational teams, and the Global Security Office (GSO) has strengthened its controls at all levels. Lastly, in view of the news over the past three years and the intensity of extreme weather events that can occur simultaneously and affect some of the teams and IT infrastructures, in 2021 the Steering Committee supported a project aimed at analyzing environmental and climate risks further (see Section 4.3).

4.2.4.4 Human rights and fundamental freedoms

Human rights and fundamental freedoms must never be violated. They must be protected and respected whether in relation to employees, clients and partners, or suppliers:

- on the abolition of child labor: Publicis Groupe only hires adult employees. Short-term job shadowing (lasting a maximum of one to three weeks) may, however, be offered to minors as part of their school career or professional apprenticeship, subject to obtaining authorization from parents and in agreement with the educational institution;
- on the elimination of all forms of forced labor or modern slavery, and the fight against discrimination: the Groupe applies a Zero Tolerance policy with regard to forced labor or modern slavery, and discrimination in all its forms, against all persons. The Groupe's employees may receive legal support in the performance of their duties, in countries with low levels of legal protection;
- on freedom of expression and freedom of association: freedom of movement, association and expression are some of the key principles recognized and protected by the Groupe. The only possible restrictions are associated with confidentiality and the safety of people, data and property, and legal requirements;
- on combating physical, sexual or moral harassment: the Groupe has a Zero Tolerance policy with regard to all forms of harassment. Behaviors or actions that may be contrary to our policy result in disciplinary measures for employees that include termination of their employment contract or potential legal action;
- in 2018, Publicis Groupe signed the Women Empowerment Principles (WEP), seven fundamental principles listed by the United Nations to act tangibly to promote women's rights worldwide and at all levels. This commitment, along with the United Nations Global Compact, requires signatories to be transparent in their actions and results;
- on the protection of personal data: as these data are specific to each individual, this data must be protected over time and be protected from any risk of theft, intrusion or falsification.

On these five points, the Groupe asks its suppliers to comply with these standards, which are part of the CSR for Business Guidelines and are appended to the contracts signed between the Groupe and its suppliers.

Pro bono campaigns, like volunteering (see Section 4.2.9) in support of organizations or general interest causes promoting human rights (of women, men and children) and opposing all forms of exclusion and discrimination, demonstrate the long-term commitment of the Groupe, as well as its agencies and employees, to defending human rights.

4.2.4.5 Personal health and safety

Publicis Groupe is a people business: the Company's women and men are our main asset. Almost all the Groupe's operations require employees to work in front of screens and, as with all service activities led by client satisfaction, projects may sometimes be carried out under tight time constraints:

- stress prevention and mental health: the agencies are responsible for taking measures to prevent psychosocial risks (RPS) whether relating to work organization or team management. The Groupe acknowledges that it is necessary to compensate for times when the workload is very heavy. The agencies have put *ad hoc* support systems in place to support employees who feel that they are experiencing difficulties, whether using internal medical services, where these exist, or with the help of external healthcare partners. With the pandemic, the systems have been strengthened and made accessible to all employees (100%) such as telemedicine, physical and psychological support – with dedicated applications, psychological hotlines, sports sessions adapted to lockdown constraints;
- prevention of MSDs (Musculoskeletal Disorders): employees are encouraged to make known their needs in terms of work equipment, in order to have the tools adapted to their job. The agencies have put activities in place to combat sedentary behavior and encourage good posture. Specialist interventions (ergonomists, occupational therapists, etc.) in the workplace and for employees are organized, and since 2020, virtual counseling sessions and sports sessions at home have been provided;
- safety at work: all employees are trained, on an annual basis, in office evacuation *via* simulations and are informed of what to do in the event of extraordinary events (earthquakes in at-risk locations). Volunteer employees are trained in first aid. The same protocols were implemented everywhere in terms of barrier gestures – mandatory wearing of masks, hydroalcoholic gel available everywhere, physical distance between workstations, 50% capacity restriction for staff present on site, increased cleaning of premises.

The Groupe has introduced a very strict travel policy, under which countries are classified into three risk categories. Some high-risk countries are simply banned while other countries are only permitted after assessment and verification of travel conditions and, when appropriate, the implementation of additional security measures. All travelers are provided with advance information and advice on the situation in the country to which they are traveling. In the context of the pandemic, most business travel has been limited or drastically reduced, including in areas or countries that allow travel.

Publicis Groupe applies to its suppliers the same level of care as it provides to its own employees. These three topics are part of the CSR for Business Guidelines appended to contracts signed by the Groupe with its suppliers.

4.2.4.6 Environmental impacts

For the last 15 years or so, Publicis Groupe has implemented its "Consume less and better" environmental policy, now known as Zero Impact Climate Policy, which is based on eight pillars – each backed by a performance indicator (see Section 4.5 Environment):

1. Reduction in transport;
2. Reduction in energy consumption and switch to 100% direct-source renewable energy;
3. Reduction in the consumption of natural resources and raw materials;
4. Reduction in waste volume;
5. Reduction in the impact of campaigns and projects carried out for clients: A.L.I.C.E. *(Advertising Limiting Impacts & Carbon Emissions)*. See Section 4.3.2;
6. Innovation in terms of products and services for clients;
7. Reduction in the impacts related to goods and services purchased: CSR self-assessment and environmental P.A.S.S. (Publicis Groupe Providers' Platform for a self-Assessment for a Sustainable Supply chain). See Section 4.2.7;
8. Carbon neutrality for the entire Groupe by 2030, with the ambition to be Net Zero by 2040.

Employees in all entities have come together to reach these targets, to find local solutions enabling them to better manage "unavoidable" impacts.

The Groupe joined the Science Based Targets initiative (SBTi) to raise its requirements and commitment to alignment with the Paris Agreement, based on the 1.5°C scenario for 2030 (see Section 4.3.1).

Publicis Groupe expects its suppliers to make a serious commitment to combating climate change and alignment with the objectives of the Paris Agreement.

4.2.5 Anti-Bribery & Anti-Corruption Plan

The Groupe complies with the provisions of the French law known as "Sapin II", Article 17 II.1°. The Groupe has set up a prevention plan as provided for by law, including the code of conduct (Janus), and the anti-corruption policy, illustrating acts and behaviors relating to corruption or influence peddling that are prohibited. The Groupe is also in compliance with the other anti-corruption laws applicable where we operate. The anti-corruption compliance program includes:

1. an Anti-Bribery & Anti-Corruption Policy, including a guide on employee behavior in various circumstances;
2. a whistleblowing system that can be used if violations of the Groupe's policies are found (Reporting Concerns policy, also known as "Whistleblowing");
3. regular review of risk mapping including risks of exposure for corruption purposes;
4. reviews of third parties (clients, suppliers and partners);
5. accounting procedures and controls to prevent and detect corruption;
6. employee training both online and in person;
7. monitoring of the effectiveness and implementation of the Groupe's anti-corruption compliance program;
8. sanctions for violation of the anti-corruption policy.

The Groupe's legal experts play an important role in terms of awareness and the application of anti-corruption laws and regulations. They are part of the Shared Service Centers (Re:Sources) and report to the Groupe's Legal Department, which constantly monitors this issue. Their mission is to conduct prevention, to ensure that the processes and procedures are in place and applied, and adapted to the local market. The objective is to have the same high standards in accordance with local regulations and with Groupe ethics rules. A Chief Compliance Officer (CCO) was appointed in early 2022. Reporting to the Secretary General, the CCO will oversee the Groupe's compliance programs.

4.2.5.1 Policy

The Anti-Bribery & Anti-Corruption policy is rolled out at all levels of the organization and is based on the principle of Zero Tolerance of any form of corruption or bribery. All employees must comply with this policy, as well as local laws or regulations. This policy includes:

- the formal prohibition of any form of bribery or corruption, or influence peddling;
- major risks requiring a high degree of vigilance;
- rules relating to gifts or entertainment with third parties, or other forms of lobbying;
- the system for reporting any violation of this policy or applicable anti-corruption laws.

This policy is updated regularly. The last update, in 2019, included helpful guidance for employees to illustrate how Groupe employees should behave and what risks to avoid. It can be accessed by the general public in the CSR Smart data section of the Groupe's website. It provides for the principle of Zero Tolerance of any form of corruption or bribery, specifying contexts or at-risk areas and any prohibitions with which Publicis Groupe individual employees and managers must comply. It is an integral part of the Janus Code of Ethics.

In France, the anti-corruption policy is incorporated into the internal rules and, for this reason, has been the subject of the employee representative consultation procedure provided for in article L. 1321-4 of the French Labor Code.

4.2.5.2 Employee training and monitoring

Publicis Groupe has made an online anti-bribery & anti-corruption training program available to all employees, which everyone must complete, in order to assist them in applying the Zero Tolerance principle to any form of corruption. This training also covers how the whistleblowing system works. In 2020, an Anti-corruption Training Refresher program completed the training, reminding employees of the behavior to be adopted with third parties, on the issue of gifts and entertainment, and what to do if an employee witnesses any unethical behavior. The legal teams, at country and regional level, provide additional training to employees considered to be most exposed to this type of risk, in order to raise awareness about the Groupe's anti-corruption compliance program and ensure their proper understanding and control of compliance rules in terms of combating corruption. Employees must also complete training on Janus, the code of conduct which contains several policies on gifts, conflicts of interest, inappropriate or unethical conduct (whether with suppliers or with clients), competition issues, and unfair practices.

All employees joining the Groupe must complete an online training course during their first month in the Company. Employees are expected to complete Refresher training at least one year later.

4.2.5.3 Third-party assessment

Publicis Groupe carries out an assessment of its third parties, and carries out a specific anti-corruption review using a risk-based approach (country, business sector, track record, etc.). Publicis Groupe will not work with any third party that presents a risk of corruption or that does not agree to comply with anti-corruption laws and the Groupe's policy in this area.

Suppliers are assessed and verified on this subject before the contract is signed. More details are provided in Section 4.2.7 of this document.

4.2.5.4 Accounting rules and controls

Janus also includes accounting policies and procedures, applicable to the entire Groupe and all subsidiaries. This system is intended to ensure that the books, accounting documents and records are not used to conceal acts of corruption. Control tests are carried out by dedicated teams, the FMCs (Financial Monitoring Controls teams) which, during their regular reviews, also verify compliance with the Groupe's accounting rules.

4.2.5.5 Audits and control tests

The Groupe's anti-corruption compliance plan includes ongoing monitoring of the program by the Legal Department, and the Internal Audit teams complete audits throughout the year.

Audits are carried out by the internal audit teams or by external auditors as part of the certification audits of the financial statements provided for in article L. 823-9 of the French Commercial Code.

The Internal Audit team reports on its work to senior management and a report is presented to the Supervisory Board's Audit Committee. The Internal Audit Department also shares its work with the Legal Department and the newly appointed Chief Compliance Officer, in order to influence decisions aimed at updating the policies, processes and procedures of the anti-corruption program.

4.2.5.6 Whistleblowing

Employees, suppliers and third parties can report violations of the anti-corruption policy, by using the ethicsconcerns@publicisgroupe.com centralized whistleblowing system described in the Reporting Concerns policy. All alerts are treated confidentially and anyone who reports a problem is protected from the risk of retaliation. All alerts are dealt with by the teams of the Internal Audit Department, or under their supervision, reporting to the Secretary General (see Section 4.2.6).

4.2.5.7 Sanctions

Any employee who violates the anti-bribery & anti-corruption policy may be subject to disciplinary action, the result of which may be severe penalties up to and including dismissal. Immediate measures may be taken should suppliers contravene this policy.

4.2.6 Whistleblowing system

Employees, suppliers and third parties may report a violation of the law or company policies on fraud, corruption, harassment, discrimination or any other ethics concerns, as stated in the Janus Code of Ethics and the Reporting Concerns or so-called "Whistleblowing" policy. This system is accessible to all employees and third parties and is publicly available in the CSR Smart data section of the Groupe's corporate website.

The ethicsconcerns@publicisgroupe.com system makes it possible to respond to all alerts, whether internal or external. All alerts received are dealt with, whether they come from employees, clients, partners, suppliers or any other stakeholders, or if raised anonymously. Investigations are carried out by the Internal Audit Department using the appropriate means in relation to the subject in question and ensuring strict confidentiality. Whistleblower communications are protected by confidentiality and any form of retaliation is prohibited.

In 2021, 38 reports were handled, 45% of which were reported from within the Company. 42% of cases concerned HR issues. 100% of reports were processed and went on to be investigated by internal audit with the support of internal legal experts. The Internal Audit Director reports the findings of the investigations carried out to senior management and a report is presented at each meeting of the Supervisory Board's Audit Committee.

4.2.7 Responsible procurement

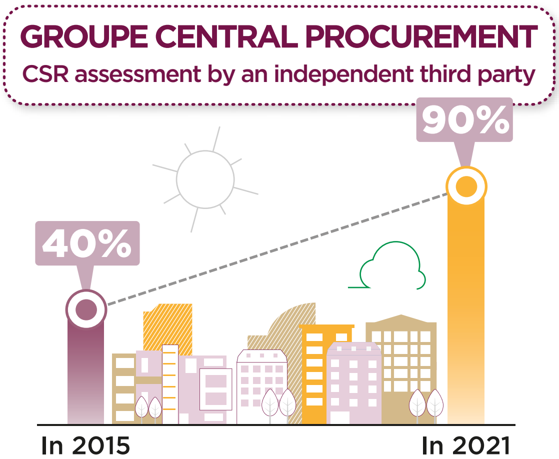
4.2.7.1 Due diligence

Standardization of the various internal processes over the last two years has enabled the Groupe's Procurement Department to systematize its compliance programme, based on five steps, intended to assess the business relationship with the supplier:

1. **risk analysis**: the Procurement Department teams carry out this part, which covers a wide range of subjects, such as the financial health of the Company or supplier reputation issues;
2. **anti-bribery and corruption**: the Groupe's legal teams apply the risk assessment grid, in order to assess whether suppliers are in compliance with local laws and the Groupe standards set out in the anti-corruption policy, and with which they must comply without exception;
3. **data protection**: under the application of the GDPR (General Data Protection Regulation) and other regulations, suppliers are required to comply with the Groupe's DPA (Data Processing Addendum). Critical reviews are carried out by the Global Data Privacy Office (GDPO) on data protection and the processes put in place;

4. **security of IT systems**: Groupe Security Office (GSO) teams conduct a technical review combined with tests (due diligence) on the security of suppliers' systems in order to verify their compliance and their security. They validate the service continuity plans proposed by suppliers;
5. **CSR, social and environmental impacts**: the CSR component is addressed either by external assessments for the Groupe's strategic suppliers, or for critical suppliers, by a CSR self-assessment on the Groupe's P.A.S.S (Publicis Groupe Providers' Platform for a self-Assessment for a Sustainable Supply-chain) platform. The CSR assessments count for 20% of the final score awarded to the supplier's proposal.

   Two dimensions are treated in specific ways: suppliers' diversity, in order to better identify them and work with a greater number of them, and the climate commitments that are subject to specific monitoring.



In terms of subcontracting, the agencies endeavor to anticipate as best they can their clients' major constraints, notably concerning the time needed to carry out certain projects during peak activity periods. In all countries, the Groupe ensures that all suppliers are treated fairly and paid promptly. All employees negotiating with suppliers must respect the rules of the Janus Code of Ethics and act in a professional and rigorous manner, free from any conflicts of interest.

The policy ***CSR for Business Guidelines*** is explicit and demanding on the three aspects related to the application of the law on the duty of care: human rights and fundamental freedoms, health and safety of people, environmental impacts. This policy reflects the continuous work carried out between the Groupe's Procurement CSR Departments, supported by regular training sessions on regulatory issues, market developments to be anticipated, the sharing of best practices and discussions on indicators. The Groupe's Procurement team is based in the Groupe's three main regions: Americas, Europe and APAC. The Groupe and agencies' procurement policy is proactive in terms of eco-responsible, eco-designed products from the circular economy or that have been responsibly sourced or have a recognized environmental certification. This policy is subject to an annual review.

This CSR For Business Guidelines policy is included as an appendix to all calls for tenders and is part of the contractual clauses signed between Publicis Groupe and its suppliers. This document is publicly available in CSR Smart data and is communicated to suppliers when contracts are renewed. Non-compliance with any one of these 12 guidelines is a non-selection criterion.

For certain activities, such as security and cleaning, which are carried out by very small local businesses, the Groupe makes sure that it regularly assesses its local suppliers regarding their respect of human rights, and all social and societal criteria. In several countries, the Groupe has signed specific commitments, such as the Modern Slavery Act as in the United Kingdom or Australia; or has certifications such as the BBBEE – level 1 (Broad-Based Black Economic Empowerment) in South Africa, which requires specific local compliance on certain human rights issues such as the fight against human trafficking, or related to labor law such as the fight against all forms of discrimination.

4.2.7.2 CSR assessment

This is structured as follows:

- CSR assessment by an external third party (EcoVadis, Refinitiv, Sedex, CDP or others): this approach is the preferred approach. Since 2015, the Groupe Procurement Department has introduced a systematic CSR assessment for all its strategic suppliers. Publicis Groupe works with the EcoVadis platform and invites its strategic partners to be assessed by an external third party. In 2015, these assessments represented 40% of the volume of expenditures from strategic suppliers, reaching 90% in 2021; the objective is to cover 100% of the volume of central purchases by 2025. In 2021, Publicis Groupe had 250 suppliers assessed by Ecovadis (average score: 52/100);

- CSR self-assessment *via* P.A.S.S (Publicis Groupe Platform for Providers' Assessment for a Sustainable Supply-chain). This Groupe proprietary platform was created for SMEs (small and medium-size companies) which are less familiar with CSR assessment processes by third parties. It allows the Groupe's local buyers and agencies to ask their critical suppliers to carry out a free self-assessment that commits them. This self-assessment is then validated on the basis of documented compliance criteria by the Groupe CSR Department, thus acting as a trusted and neutral third-party expert. This transparent self-assessment based on around 50 key questions makes it possible to confirm whether the supplier meets the criteria and priorities set by the Groupe regarding human rights, ethics (anticorruption, data protection and security) and environmental impacts. Nearly 180 new suppliers (China, India, Vietnam, Hong Kong, United States, France, United Kingdom, Germany, etc.) were assessed on P.A.S.S in 2021, each of whom received individualized support (average score: 42/100);
- complementary sectoral CSR self-assessment via P.A.S.S: the Groupe's production and events activities can assess their suppliers on appropriate complementary aspects in relation to the characteristics of certain sectors. Additional question modules in P.A.S.S are enabled for these suppliers.

4.2.7.3 Supplier Diversity

Publicis Groupe works with a large number of local SMEs and VSEs, and recognizes that diversity among suppliers is essential because it is a source of innovation and agility. As such, and in compliance with the legislation in force in each country, the Groupe encourages so-called diverse suppliers (led by an ethnic minority, women, LGBT people, disabled people, etc.) to participate in tenders, as well as suppliers from the social and solidarity economy or social entrepreneurs. This proactive approach is conducted in many countries such as the United States or Canada (companies run by minorities), the United Kingdom or India (companies managed by women or with disabled employees) or in South Africa. In France, the Groupe works with companies in the Social and Solidarity Economy, or sheltered-workshop organizations and companies (ESAT and EA). In 2021, the Groupe continued its project to increase the share of purchases made from this type of supplier.

The Groupe has made specific commitments on the inclusion of companies headed by women, as part of the Women's Forum and Women & Business Daring Circle, in partnership with WEConnect International, and UN Women through the "We Empower" program in the G7 countries in order to increase the number of women-led suppliers.

In the United States, Publicis Groupe has had its own unique ecosystem for several decades, with various agencies certified as diverse suppliers such as *Burrell* specializing in African-American consumers. Based in Chicago, it is minority-owned & women-owned. Rauxa was also founded and is managed by a woman. Conill and "La Communidad" are two agencies with Latin American managers and teams. Finally, in 2021, Publicis Groupe announced a joint-venture between its agency The Trick in New York and Retrospect, an experimental design and technology studio that focuses on the cultural differences among various African-American communities.

The Groupe has been active for several decades in the following areas:

- direct management of a portfolio of suppliers which are "Diverse Supplier" certified, with which relationships of trust have existed for many years. This is the case of Leo Burnett in Chicago, which has been working for decades with a portfolio of around 1,100 accredited diverse suppliers of which 30% are women-owned and 21% minority-owned;
- calling on an expert partner specializing in Supplier Diversity, providing access to a greater number of certified, qualified suppliers in relation to the needs of the agencies, and accessible in the cities where the Groupe operates;
- partnerships with dedicated organizations such as the NMSDC (National Minority Supplier Diversity Council) or the WBENC (Women Business Enterprise National Council) for their support programs for suppliers in the process of certification;
- in 2021, the Groupe invested in a new, more ambitious program with an independent technological partner supplier.io, providing access to a database of more than 12,000 diverse suppliers enabling buyers and operational teams in the agencies to identify new suppliers, in addition to the 1,100 with whom the Groupe is currently working.

These supplier diversity issues are processed within an Ad hoc Steering Committee, which meets monthly, chaired by the Secretary General, and coordinated by the Groupe's Chief Procurement Officer.

4.2.8 Technological innovations and partnerships

As the preferred partner of major digital platforms, Publicis Groupe has also formed technological partnerships with numerous businesses whether established companies or promising start-ups. The aim is to better understand the technical possibilities and work together to find new, intelligent solutions, and to meet client and consumer expectations.

On the basis of their expertise, Groupe entities have also developed different analysis and research methodologies, in particular for consumer behavior and sociological developments, and have developed software tools and specific systems to assist in serving clients.

Relationships with start-ups

- **VivaTech** (created by Publicis Groupe and Les Échos group).

  In five years, VivaTech has become the leading startup and tech event in Europe, and is recognized worldwide as a powerful catalyst for business transformation, startup growth and innovation for the common good. Every year, VivaTech brings together the top business leaders, start-ups, investors, researchers and thinkers from all over the world in Paris for a unique experience combining inspiration, networking and the discovery of innovations. Since 2021, VivaTech has been enhanced with a digital platform that brings together an even wider community of innovators. The last edition in June 2021 reached 112 million people in 149 countries, and attracted 140,000 visitors on site in Paris and online, including more than 1,300 journalists. The 2021 edition placed a special focus on women with the creation of the Female Founder Challenge. The objective of this program is to develop financing opportunities for women entrepreneurs and to facilitate their access to Venture Capitalists (VCs). The participants all receive an online training and the five finalists are offered meetings with VCs. The 6th edition of VivaTech will take place from June 15 to 18, 2022, in Paris and online (www.vivatechnology.com):
- some of the Groupe's digital agencies have an internal Lab which aims to create the optimal testing conditions for multi-disciplinary teams, particularly with regard to augmented reality, virtual reality, artificial intelligence and everything relating to the Internet of Things (IoT) or Metavers. Technical partners and academics have joined forces for projects to co-develop innovative solutions,
- since 2012, Publicis Groupe has been a partner of the Iris Capital fund. This fund supports 40 or so companies with an overall revenue totaling euro 1.4 billion and a total headcount of 7,300 people. Iris Capital focuses on firms with strong potential to radically transform their sector, specializing in Industry 5.0, the Internet of Things, Cyber Security, 5G networks, as well as Artificial Intelligence, Big data and the Cloud (see www.iriscapital.com).

4.2.9 Relations with other stakeholders

These include stakeholders other than employees, customers and citizen-consumers. All stakeholders are invited to send their comments or questions to the Groupe's CSR Department: csr@publicisgroupe.com.

4.2.9.1 With shareholders and investors

The Company has been listed on the Paris Stock Exchange since 1970. It is one of the companies selected for the CAC 40 index. Detailed information on shareholders is provided in Section 8.2 of this document.

The Investor Relations Department (see Section 8.4.2 of this document) oversees everyday relations with investors and shareholders *via* numerous meetings and exchanges in various countries. The Investor Relations Department and the CSR Department work closely together with respect to ESG (Environmental-Social-Governance) or SRI (Socially Responsible Investments) requests from shareholders, investors, management companies or ratings agencies.

The press releases and presentations circulated throughout the year are accessible on the Groupe's corporate website, in the Investor Relations' section.

4.2.9.2 With the media

The media and the platforms are key Groupe partners: they are the suppliers that agencies deal with on a daily basis in different countries. Publicis Groupe has always been very committed to media pluralism and is often engaged in supporting media diversity and respect for media neutrality. The Once and for All Coalition is an illustration of this (see Section 4.2.2.1).

In a completely separate manner, the Groupe Communication Department supports the Company's official corporate publication schedule. Agency communication focuses on projects that they have completed for clients and on campaigns and awards. The Groupe's Communication Department also keeps all stakeholders informed. Employees, shareholders, the general public and institutional investors are informed *via* different communication tools (media, website, social networks, newsletter, etc.).

4.2.9.3 With consumer and environmental protection associations

In every country where the Groupe operates, these associations are key stakeholders in the local ecosystem. The agencies are called upon to work with a large number of these on communication projects. Particular attention remains focused on organizations fighting against social and racial injustices. The climate emergency has favored more regular discussions with environmental or biodiversity (fauna and flora) protection associations so as to reach agreements to cooperate with certain clients and industrial or service companies (see section 4.2.2 with examples in France or the United Kingdom)

4.2.9.4 With regulatory authorities, self-regulated authorities and trade organizations

In the majority of countries where the Groupe operates, regular cooperation takes place with the different industry regulatory bodies and/or industry self-regulation is organized, through professional networks, and work carried out within the industry on common issues. The challenges surrounding the protection of personal data are an illustration of this: advertising is one player among many others. Permanent collective work with all stakeholders is therefore essential (see Section 4.2.2).

Although the communications industry has a framework of rules and sometimes laws too, the profession has always promoted professional self-regulatory mechanisms to ensure that the ethics of advertising content are respected. The Groupe and its agencies work hand in hand with various national bodies such as ASRC (Advertising and Self-Regulation Council) in the United States, ASA (Advertising Standards Authority) in the United Kingdom, ARPP (Autorité de régulation professionnelle de la publicité) in France, EASA (European Advertising Standards Alliance) in Europe, and the ASC (Advertising Standards Council) in India.

4.2.9.5 With States and administrations

Publicis Groupe is a responsible taxpayer that complies with its tax obligations (payment of taxes). This means:

- comply with the tax laws applicable in each country;
- prepare and file tax returns in an accurate and timely manner, in accordance with applicable regulations;
- understand how and where value is created and ensure that transfer pricing reflects this;
- employ appropriately qualified and trained tax professionals with the right levels of tax expertise and understanding of the business.

The Groupe's fiscal policy is based on these four principles:

1. Compliance: the Groupe always acts in compliance with applicable laws and international rules; Publicis Groupe does not practice tax evasion and does not use any practices contrary to regulations;
2. Transparency: the Groupe complies with all relevant legal disclosure and approval requirements and all information is clearly presented to the tax authorities. Openness and honesty are paramount in all dealings with the tax authorities;
3. Tax risk management strategy: to the extent the Groupe undertakes tax planning, it takes place where there is a business purpose or commercial rationale. The Groupe manages tax risks on the back of an analysis of the risks;
4. Accountability & Governance: the Groupe ensures that, as a business, it has the mechanisms in place to adhere to the above principles. The tax strategy is monitored by the Finance Department, in tandem with senior management (see Section 6.6, notes 1 and 9 in this document).

4.2.10 Compliance

Compliance matters are monitored by the Groupe's Legal Department under the responsibility of the Secretary General, with the support of the local teams in all countries.

In relation to the GRI (Global Reporting Initiative) guidelines:

- Publicis Groupe, whose core activities involve the provision of intellectual services, has not recorded any incidents involving child labor or forced or compulsory labor, nor incidents relating to the violation of the rights of native populations, nor human rights grievances;
- Publicis Groupe has not experienced any incidents of non-compliance with voluntary rules and codes concerning the following: impacts on consumer health and safety; information about its products and services; the provision and use of its services;
- Publicis Groupe has had no complaints filed against it for invasion of privacy or loss of client-related data;
- as happens every year, a very small number of agencies (fewer than ten) recorded incidents of non-compliance with regulations and voluntary codes relating to communications, more often than not in the form of notices or notifications issued by regulatory or self-regulated bodies, on each occasion giving rise to immediate modifications;
- Publicis Groupe has not had to fight any legal actions for infringement of anti-trust laws, anti-competitive behavior or monopolistic practices, or corruption.

Regarding Article R. 225-105 and supplementary information required by other French legal texts, the environmental impacts are dealt with in the section below. However, some indicators do not apply to Publicis Groupe, given the nature of the service-based and intellectual activities, namely:

- the resources dedicated to preventing environmental risks and pollution. Given the insignificant level of these types of risk, the Groupe does not envisage writing any provisions and guarantees for environmental risks or risks associated with climate change;
- the consideration of noise pollution and other forms of activity-specific pollution;
- measures taken to prevent, reduce or repair air, water and soil pollution (including land use) affecting the environment.

Audits and Certifications

Communications industries are subject to different formal frameworks. The Groupe's agencies are sometimes audited by clients on different issues. In the United States, in response to a request from the Association of National Advertisers (ANA) focusing on issues of audience reliability, all the audits conducted at Publicis Media failed to show any anomalies, thus making the media solutions offered to clients even more credible.

The main certifications in place in agencies are: ISO certifications; 25.8% of headcount is covered by the various ISO certifications; the majority of these cover agencies in India and the United States:

ISO Certification	Number of branches
ISO 9001	10
ISO 14001	4
ISO 27001	5
ISO 17100	4
ISO 20121	4

ISO Certification	Number of branches
ISO 45001	2
ISO 18587	4
ISO 37001	10
ISO 22301	1

- professional certifications: in some countries, these are required for certain activities, for example, with the CENP in Brazil or the CAANR in New Zealand;
- technological certifications, which are widespread and cover different types of technical standards.

As well as:

- Industry qualifications related to certain tightly controlled business sectors, such as healthcare for Publicis Health agencies, in the United States, France and the United Kingdom: employees are trained in local regulatory frameworks and every campaign undergoes a Compliance review.

4.2.11 Quantitative indicators

Indicators	Unit	2019	2020	2021	2025 Objectives*
Employees trained in internal Janus Code of Ethics	%	85.5	81	61[(1)]	**100**
Including ABAC (Anti-Bribery & Anti-Corruption)	%	-	-	55	
Including GDPR (Data Protection)	%	-	-	67.7	
Including GSO (Data Security)	%	-	-	70	
Number of customer surveys conducted by agencies	*number*	-	12,000	12,000	
Number of Clients which responded to TRR surveys	*number*	-	330	320	
Number of Clients requiring a third party CSR assessment	*number*	-	-	150	
Whistleblowing reports and alerts	*number*	66	56	38	
Supplier Diversity : certified suppliers (in the United States only)	*number*	800	800	1,100	
Strategic or Groupe suppliers or assessed by a third party in terms of CSR, compared to total purchases in this category	%	69	85	90	**100**
Groupe suppliers assessed by Ecovadis (and other third parties)	*number*	-	-	250	
Critical suppliers self-assessed in terms of CSR *via* P.A.S.S	*number*	-	100	180	
Total number of *pro bono* campaigns and volunteering initiatives	*number*	561	420	440	
of which *pro bono* campaigns/projects	*number*	223	255	290	
of which volunteering initiatives	*number*	338	165	150	
Financial valuation of *pro bono* campaigns, volunteering and charities	€M	45.4	45	41.4	
Employees covered by certifications	%	-	26.3	25.8	

(1) Janus training: Number of employees who completed the Marcel virtual program only, hence a limited figure in 2021 because it does not take into account other types of Janus training. Monitoring will be improved in 2022 in order to better assess the reality of the training effort carried out.

4.3 PRIORITY #3: FIGHT AGAINST CLIMATE CHANGE

4.3.1 Implementation of the European Taxonomy

As part of the implementation of the European Commission's program to achieve carbon neutrality by 2050 in the European Union and the financing plan for the ecological transition, with the application from 2022 of the new European regulation known as the Green Taxonomy (EU Regulation 2020/852) and in accordance with Article 8, Publicis Groupe has carried out an analysis of its activities that may meet the expected eligibility criteria defined in the Climate Taxonomy Delegated Act (EU 2021/21393). The Groupe is required to publish the three required indicators on the description of eligible activities and for those ineligible: revenue, CapEx (capital expenditure) and OpEx (operational expenditure). Simplified provisions have been made for the first year of application, for the 2021 financial year, for so-called eligible activities. For the 2022 financial year, companies will have to publish the same indicators for sustainable activities said to be aligned with the Taxonomy, and their contribution to the achievement of the first two objectives.

The taxonomy provides for four criteria that an economic activity must meet to qualify as "ecologically viable" or sustainable:

- make a substantial contribution to at least one of the environmental objectives;
- comply with the technical selection criteria to be adopted under the regulations;
- "Do not cause significant harm" DNSH to any of the other environmental objectives;
- be carried out in compliance with minimum social and governance guarantees (reference to the OECD Guidelines for Multinationals and the United Nations Guidelines on Business and Human Rights, including the Declaration of the International Labor Organization (ILO) on fundamental principles and rights at work, the eight fundamental conventions of the ILO and the International Bill of Human Rights).

The European taxonomy has set a framework around six quantitative and qualitative objectives – at present only the first two have been clarified through the public technical documentation:

1. climate change mitigation;
2. adaptation to climate change:
3. sustainable use and protection of aquatic and marine resources;
4. transition to a circular economy, including waste recycling;
5. pollution prevention and reduction;
6. protection and restoration of biodiversity and healthy ecosystems.

The working method was as follows: a tandem team composed of the Finance Department for financial reporting, and the General Secretariat for non-financial reporting, steers this work. With the support of operational managers, the analysis of the Company's activities was carried out on the basis of NACE codes and a more qualitative analysis of certain activities, with checks at local and central level.

Among the activities listed in the taxonomy, category J63.11 "Data processing, hosting and related activities" was selected as eligible. Other categories of activities were examined, but their operational reality did not allow them to be retained.

Epsilon's activities were identified, representing 13.4% of Publicis Groupe's 2021 revenue, with 41.2% of eligible CapEx. OpEx were not considered to be significant.

In millions of euros	Total	Eligible activities	Non-eligible activities
Revenue	11,738	1,575	10,163
% total revenue		13.4%	86.6%
Capex	136	56	80
% total capex		**41.2%**	**58.8.%**

Calculation method: the share of revenue used is aligned with the Groupe's financial structure and with the Company's accounting data at December 31, 2021. Publicis Groupe does not publish its data by business line; the data are therefore taken from an approach based on the NACE code of the activities concerned to define the numerators.

4.3.1.1 Publicis Groupe's commitments to climate

Publicis Groupe, as a member of the United Nations Global Compact and a company committed to SBTI, is a signatory of the Business Ambition for 1.5° in support of the efforts of the Intergovernmental Panel on Climate Change (IPCC) calling on companies to accelerate the transition to a decarbonized economy and world, and in favor of a fairer society.

Publicis Groupe has voluntarily chosen to follow the recommendations of the TCFD (Task Force on Climate-related Financial Disclosure) and its environmental policy is structured according to the recommended principles in order to allow a clearer understanding of the objectives and means implemented. Additional information can be found on the Groupe's website, in the CSR section, or in public responses to external questionnaires such as the one issued by the CDP Climate Change.

Publicis Groupe also participates in other inter-company initiatives, as a member of economic organizations such as in France through the MEDEF and the French Business Climate Pledge, in which several French subsidiaries also participate. This plea reaffirms the determination of French companies in favor of the objectives of the Paris Agreement, the energy transition and the fight against global warming in a scenario of 1.5°C.

The sectoral professional organizations to which the Groupe and its agencies belong, particularly in Europe, have made strong commitments to reduce the impact of communication and advertising in all their forms. The Groupe is a voluntary player in this area in order to quickly take all the measures necessary for the essential collective effort. In France, AACC with UDECAM, IAB France and ARPP, alongside advertisers, have begun to draw up a trajectory, with best practices and tools to be deployed in order to achieve carbon neutrality. In the United Kingdom, spearheaded by the Advertising Association, which brings together the industry, from advertisers to agencies and media to platforms, has created AdGreen, a sectoral initiative with the objective to achieve *Zero Waste – Zero Carbon* in 2030.

4.3.1.2 Risks associated with climate issues

As indicated in the Duty of Care Plan (see Section 4.2.4), more in-depth work began in 2021, with the help of an external firm, to better determine the risks of climate change, by alalyzing several scenarios. An *ad hoc* working group was created, managed by the Groupe's CSR Department with the assistance of the Risk Management, IT and GSO (infrastructure and information systems security), Legal and operational departments and teams. The work initially consists of mapping risks and opportunities with regard to various scenarios, aligned with those of the IPCC, including in particular,

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

The work therefore aims to identify and prioritize the various risks and opportunities associated with these scenarios based on the typology established by the TCFD, which distinguishes between:

1. the physical risks associated with the impacts of climate change, due to the geographical location of the offices, employees and data centers, which may impact employees and their working environment, alter the continuity of service for clients and the normal operation of the Company;
2. the transition risks arising from changes in the market, regulations or technology that limit global warming to 1.5°C. These may include investments in new technologies, in particular those that reduce electricity consumption (some of which are still unknown); or in terms of regulatory changes, such as the end of certain product categories for the Groupe's clients, the ban on communicating on certain products or the possible occurrence of additional taxes (carbon tax or other).

This work aims to develop an action plan to strengthen the anticipation, monitoring and management of the risks identified.

4.3.1.3 Opportunities for the fight against global warming

In addition to proprietary tools such as A.L.I.C.E. (see Section 4.2.2.3), climate issues are also an opportunity for innovation in terms of new services to be offered to clients. Several activities have begun this shift in recent years and this is reflected in various initiatives, including the following examples:

- in France, since 2019, the #NIBI program (No Impact for Big Impact) is a global approach with the training of employees as a prerequisite, starting from the client brief until the final implementation of communication actions, all measured with A.L.I.C.E., by associating suppliers and partners in order to achieve the expected objectives together but with the lowest possible environmental impact. #NIBI invites each business to rethink its processes, invent new, more sober approaches and think outside the box;

- in the United States, in 2021, Publicis Sapient launched its eMission software which enables industrial companies to accurately monitor their energy consumption and impacts in real time as part of their own carbon neutrality plan. Tested for 18 months with a few customers, eMission makes it possible to achieve immediate energy efficiency gains of 5 to 10% in real time, to reduce the OpEx concerned by 10 to 15% and to manage overall emissions more precisely, which is valuable in high-impact sectors;
- for two years, Publicis Sapient has been running its Digital Life Index, which is a kind of international panel of more than 10,000 citizen-consumer respondents (external to the Groupe), who can be consulted on the various digital projects of customers. It is also a tool for monitoring digital behavior and its very rapid change. The Digital Life Indexprovides decision-making support at various stages of a project and is appreciated by decision-makers because the insights collected are very useful. The third edition launched in November 2021 solicited contacts in many countries: United States, Canada, Australia, United Kingdom, France, Germany, Sweden, Denmark, Hong Kong, Thailand, Singapore and in the United Arab Emirates, on issues related to distribution and purchasing behavior and health;
- in France, Razorfish (digital agency) announced at the very start of 2022 the launch of a solution called Razoscan in partnership with Green IT and their EcoIndex algorithm to generate an eco-score of the key journeys of a website with a score ranging from A to G. The aim is for the agency's sites to obtain the best ratings, guaranteeing an optimized user experience that consumes less energy.

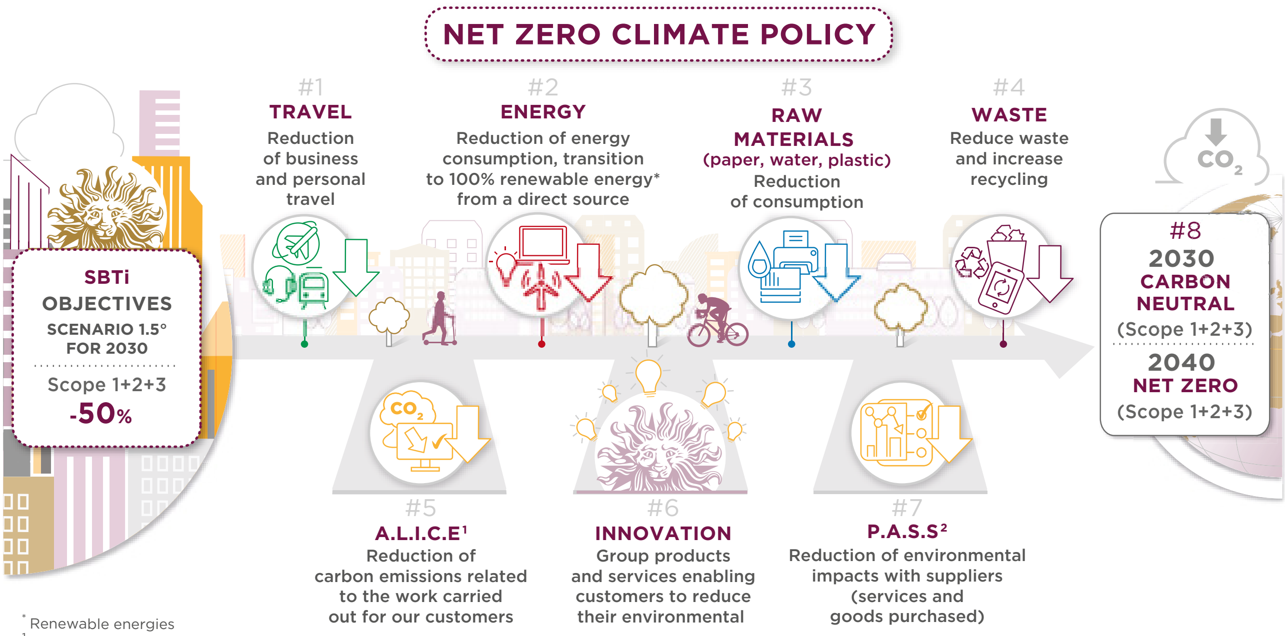
4.3.2 Environmental policy

Since 2019, Publicis Groupe has accelerated its environmental program in order to be more effective in terms of carbon emissions reductions after having regularly reduced its main environmental impacts for 15 years, and achieved its initial objectives for 2020 and 2030. Publicis Groupe has launched a new cycle of actions, by increasing its ambitions and voluntarily committing to an approach verified by the SBTi (Science Based Targets Initiative) for 2030. The trajectory adopted is that of the Paris Agreement and a 1.5°C scenario.

At the end of COP26 and the methodological review of SBTI, in January 2022 Publicis Groupe resubmitted its objectives for 2030 (Near Term) by incorporating the new expected elements, moving them towards the objective of reducing the impacts of scopes 1 +2 +3 by 50%. At the same time, targets for 2040 (Long Term) were submitted and relate to the reduction of 90% of impacts. This projection incorporates the fact that disruptive technological and operational innovations – still unknown on the market – will be implemented in the coming year.

Taking into account this acceleration and the determination of the Company, the environmental policy "Consume less and better" evolved and is now called "Zero Impact Climate Policy" in order to integrate the new objectives.

The environmental policy relies on an EMS (Environmental Management System) which has been in place these past few years and aligned with voluntary standard ISO 14001, with precise objectives, annual reporting with quantitative and qualitative data (*via* HFMCSRGRI, NAXOS, etc.), proprietary tools (A.L.I.C.E., PASS, etc.) designed to constantly improve the measures in place and innovate both in terms of business lines and suppliers. This EMS applies to all subsidiaries; it is managed by the Groupe's CSR Department, under the supervision of the Secretary General, who is a member of the Management Board, and is subject to continuous improvements.



* Renewable energies
1 A.L.I.C.E : Advertising Limiting Impacts & Carbon Emissions
2 P.A.S.S : Publicis Groupe Providers Platform for a self-Assessment for a Sustainable Supply-chain

The "Zero Impact Climate Policy" is structured around the following eight points:

1. **Reduction in transport** (particularly air travel) and its impacts through working from home and the use of teleconferencing tools; encouraging lower-emission modes of transport (such as public transport, Green cabs, electric, hybrid or smaller company cars, etc.) or alternative mobility solutions (bicycles);
2. **Reduction in energy consumption and switch to 100% direct-source renewable energy** and improvements in energy efficiency (by seeking to limit the impacts of electricity, heating and air conditioning);
3. **Reduction in consumption of natural resources and raw materials** (mainly paper, water, plastics). The global plan launched at the beginning of 2020, to eliminate single-use plastics *(Zero Single Use Plastic)* from all agencies in order to rapidly comply with the ambitious objectives of the plan voted by the European Parliament, remains a priority;
4. **Waste volume reduction**: systematic use of recycling channels, in particular for electronic and IT products (WEEE), and organized management of non-hazardous waste (the Groupe does not have hazardous waste);
5. **Reduction in the impact of campaigns and projects carried out for clients**: the Groupe has created an internal impact assessment platform called **A.L.I.C.E** (Advertising Limiting Impacts & Carbon Emissions), which makes it possible to measure and find less impactful options (see Section 4.2.2);
6. **Product and service innovation** at branch and even country level, with new solutions offered to clients to support their energy and environmental transition. In 2021, Publicis Sapient rolled out its eMission solution, enabling its clients in the energy sector to monitor their emissions in real time and manage them much effectively;
7. **Reduction of impacts related to goods and services purchased**: this is reflected in the increased commitment of suppliers to the Paris Agreement and the 1.5°C scenario, thanks to a self-assessment of their CSR and environmental approach using the **P.A.S.S.** (Publicis Groupe Providers' Platform for a self-Assessment for a Sustainability Supply chain) internal platform or through an external CSR assessment validated by an independent third party (EcoVadis or other) covering the actions taken to combat climate change, see Section 4.2.7;
8. **Carbon neutrality for the entire Groupe as soon as possible and by 2030**, options to obtain RECs (Renewable Energy Certificates) or VCCs (voluntary carbon credits) to compensate for the irreducible impacts, being those of last resort, or to deal with a local shortfall in the renewable energy market, for example. The **Net Zero target set for 2040** involves a 90% reduction in carbon emissions and a decarbonization plan.

The summary table of key data can be found at the end of this section.

4.3.3 Eco-design: Training of employees in environmental issues

Employees are regularly informed locally in each agency of the progress made. Joint actions between the general services teams and volunteers mobilized within the agencies are carried out throughout the year. Depending on the issue, internal notifications make it possible to keep awareness high and monitor progress (in terms of reductions in electricity and paper consumption, improved waste-recovery management, partnerships for recycling or giving a second life to objects. For nearly 15 years, "Green Teams" have been in place in a large number of agencies: they are at the heart of local actions to raise awareness about their daily activities.

The deployment of A.L.I.C.E was the occasion of multiple working sessions with many teams according to their business challenges and the customers with whom they work, conducted by the Groupe's CSR department. Each country then set up workshops and working groups to familiarize employees in depth and to integrate specific contextual or legal elements. The We are Positivers program rolled out by France, which enabled the training of 4,500 employees in eco/socio-design, as part of the #NIBI (No Impact for Big Impact) program, reflects the determination of Management to deeply transform business.

In 2021, Prodigious France was named the No. 1 Agency in the 10th annual PAP50 survey, on the corporate paper policy barometer thanks to a responsible approach developed in recent years, which includes the sourcing of paper (NFC, PEFC, eco-label, etc.) up to the recycling of all paper with specialized partners.

Eco-friendly design is now at the heart of client campaigns in many Groupe agencies. Teams are looking for partnerships to make projects more sustainable using new approaches such as the circular economy or sharing economy. Eco-friendly design and assessment approaches have been trialed and the results These voluntary initiatives make it possible to involve clients, suppliers and partners and to give employees the ability to take concrete action. For instance, the mobilization of Publicis UK at the time of the COP26 in Glasgow had a knock-on effect among British employees throughout the year, increasing their awareness and understanding of the environmental challenges of our business lines, thus contributing to the development of operational solutions.

4.3.4 Consumption and impacts

The negative impacts of the Groupe that are taken into consideration when calculating greenhouse gas emissions come, in order of importance, from:

1. travel estimated at 168,564,000 km (calculation of business trips + employee commutes). Due to the multiple travel restrictions, 2021 has shown a sharp decrease in business flights and a general shift towards collaborative remote work tools (video & voice). Commuting journeys have also been greatly reduced due to teleworking.

   For its company car fleet, the Groupe has adopted European objectives, *i.e.,* CO_2 emissions lower than 95 g by 2021. Finally, individual habits are starting to shift significantly with requests for hybrid and even electric vehicles;
2. energy consumption is estimated at 108,136,700 kWh. **Renewable energy accounts for 38.8%** of total consumption (based on the certifications given by electricity suppliers). Electricity consumption was significantly reduced in some entities due to the number of teams working from home. Efforts continue to improve energy efficiency and best practices (switch-off policy for computers and machines such as printers, as well as night and weekend lighting):
   a. **data centers**: work to optimize and rationalize servers is ongoing, as well as the consolidation of applications, including digital products and services created for clients. This work is being conducted with the Groupe's partners so that the results can be uniformly monitored. Efforts have been ongoing in all countries since 2016. Energy savings of 10% to 12% are made annually on server consumption in North America and Europe,
   b. **energy audits**: pursuant to directive 2012/27/EU, the agencies in Europe carried out energy audits enabling progress plans to be drafted for the coming years (for example, improvements to systems or the strengthening of individual and collective eco-friendly practices). Savings of 15% were recorded on electricity and heating at the head office in Paris;
3. fixed assets (buildings, office materials such as IT equipment and servers, etc.). The Groupe seeks to use Green IT solutions in order to be able to work on more energy-saving computers and use more virtuous software packages and programs;

4. **paper consumption**: 232 metric tons were consumed, of which 75% were certified or standard-compliant paper (FSC, PEFC or other labels), as were consumables (ink cartridges, office supplies, etc.). For several years now, the "zero paper" policy has been encouraged everywhere. The rollout of applications such as "Follow Me" makes it possible to select printers according to the type of document to be printed and to use a badge;
5. **water consumption** is estimated at 407,169 m^3 – approximately 4.68 m^3 per capita. Agencies rent premises in serviced buildings which include local water supplies. The main improvements concern washroom facilities (sensors) and prompt response once a water leak is detected. Water is supplied from municipal distribution systems or private operators, under long-term contracts with the managers of the buildings. The aim is to reduce water consumption in all agencies;
6. the volume of **non-hazardous waste recycled** is estimated at 1,331 metric tons. Most of this waste is paper and cardboard. It is recycled with traceability (some agencies have had traceability in place for 100% of these volumes for several years now). Given that the Groupe provides services, it does not manage any hazardous or toxic waste. In early 2020, the Groupe launched a global plan for single-use plastic, with the aim of achieving its elimination in all entities. Although the pandemic has led to an increased use of single-use personal protective equipment, most plastic office equipment have been phased out. Electronic waste is collected in local WEEE channels, or as part of IT equipment take-back contracts, also allowing a second life for these still usable equipment;
   a. concerning the **circular economy**, for more than a decade now agencies have been voluntarily committed to promoting documents from recycled paper, plastic, fabric and other materials for paper publications or regular and one-time events, by working with suppliers who guarantee these recycled raw materials (see the example of Publicis Live through its Sustainability Guidelines shared with suppliers involved in various events);
   b. the issue of **food waste** has been monitored for a number of years now. In all agencies, employees must reduce waste day-to-day and support sharing initiatives to tackle food insecurity. For example, in the late afternoon, employees can go to the cafeteria (or kitchen or coffee room) to collect untouched food left over from meetings. In France, Sodexo, which is the Groupe's partner, including for the Champs-Élysées and Bastille sites, is extremely proactive both in its own production chain (from upstream to downstream) and in its communication campaigns designed to raise the awareness of its employees and clients on food waste issues in corporate canteens. In 2021, the canteens were opened for a few weeks or months, depending on changes in health constraints and the number of people authorized in the establishments.

The Groupe defends responsible, fair and sustainable food that is sourced locally whenever possible, mindful of animal welfare, as evidenced by several projects carried out with various clients (see www. publicisgroupe.com, CSR section).

Focus on real estate

Environmental issues are taken into consideration by the Groupe's Real Estate Department right from the early stages of a project, whether in the course of refurbishment work for the agencies or when looking for new premises. The objective is to favor functional spaces that meet energy and environmental performance criteria, bearing in mind that the total surface area of offices has been reduced by 35% since 2018. Every year, examples of good practice are exchanged by real estate managers in different countries so as to anticipate requirements for the future premises:

- building certification (LEED, BREEAM, HQE, Energy Star, etc.); such as in Boston, New York, Chicago, Los Angeles, Gurgaon, Bangalore, Shanghai, Paris and London;
- selection of energy supplier and energy mixes that include renewable energies. A number of agencies have already reached 100% renewable energies;
- energy-saving electrical installations and regulated management of heating and air conditioning;
- monitoring of the consumption of water and other fluids used (air conditioning);
- biosourced materials for interiors and decoration;
- effective (tracked and proven) waste sorting and recycling systems.

For two years, with the new work organization and the importance of teleworking (WFH) and the flexibility that this gives in terms of physical occupancy of spaces, the Groupe reviewed the real estate occupied in a very large number of cities in order to pursue its optimization objectives under the plan *All in One* grouping several agencies in the same building.

Four agencies are ISO 14001 certified (United Kingdom, India, etc.)

Protection of biodiversity

The protection of biodiversity is approached locally, depending on the immediate environment of each agency and its actual capacity for influence and action. In France, the Groupe continued to install several beehives on the roofs of three of its buildings in Paris, including the Champs-Élysées, Bastille and Gambetta. Employees are trained each year to support the care of the beehives. In addition to supporting the French bee-keeping sector, a partnership has been entered into with the Apiflordev association which fights against poverty in Africa. The whole sale of honey from Paris beehives is now financing the installation of beehives in Senegal, which are crucial for local biodiversity as well as from a social perspective. In Costa Rica, Re:Sources is a model of the volunteer approach with an action plan involving employees in a carbon offsetting program designed to promote local biodiversity by preserving tropical flora and fauna in protected forests.

Pro bono campaigns and volunteering focused on protecting nature and the planet were carried out for associations that protect the environment and natural resources (namely flora and fauna) in many countries.

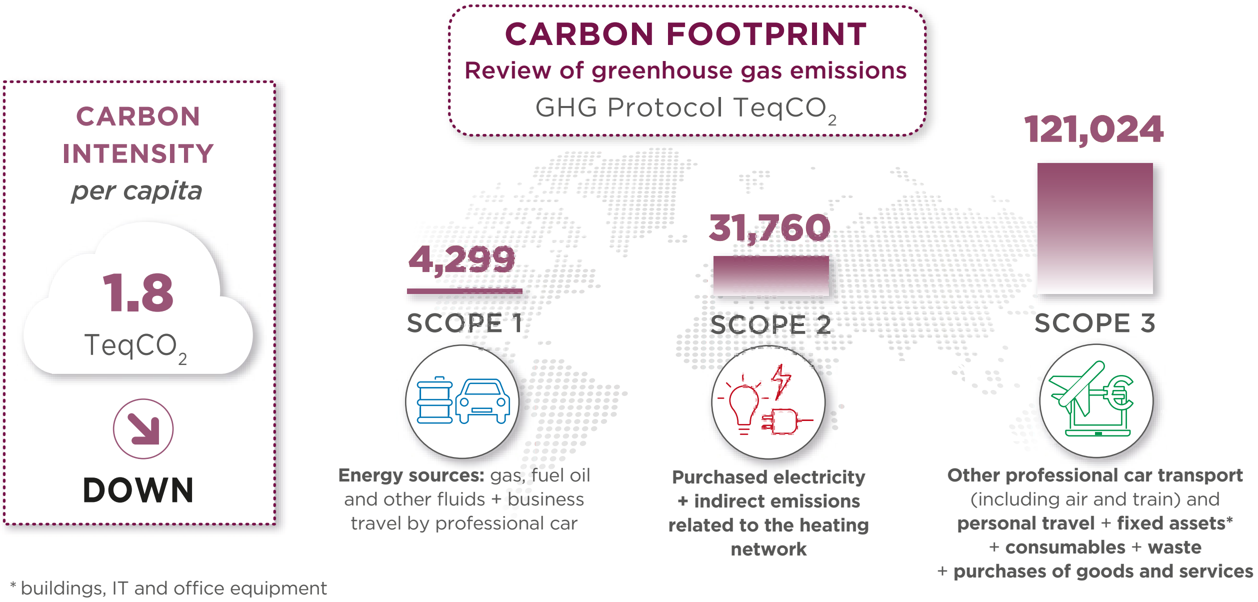
4.3.5 Review of greenhouse gas (GHG) emissions

For the 13th edition, the greenhouse gas (GHG) emissions review based on the GHG protocol method was calculated with the assistance of Bureau Veritas based on data collected by all Groupe entities, *i.e.*, 99% of headcount (maximum margin of error of 20%).

2021 data take into account new emission factors updated from the Base Carbone® database managed by the French Environment & Energy Management Agency (ADEME, accessible at www.basecarbone.fr); these emission factors are required by the French Ministry for the Ecological and Inclusive Transition for the GHG emissions assessment.

The total of scopes 1 +2 +3 in 2021 was 157,083 TeqCO_2, *i.e.* a carbon intensity of 1.8 TeqCO_2 *per capita.*

This assessment of 2021 emissions does not yet take into account any emissions related to remote working, which are methodological points that still require internal work.



* buildings, IT and office equipment

4.3.6 Reduction and offsetting actions

Investments enabling reduction and offsetting operations are managed by the Groupe's CSR Department, in order to focus efforts on projects audited by third parties and with recognized certifications such as: Gold Standards for the UN SDGs, VCS - Verified Carbon Standard and CCBA - Climate, Community & Biodiversity Alliance. Publicis Groupe is supported in these projects by the external firm, in order to validate the robustness of the projects selected and to monitor their evolution over time. This centralized and rigorous approach also makes it possible to work on a future internal carbon price.

4.3.6.1 Reduction

In terms of renewable energy, the Groupe's objective is to achieve 100% of renewable energy from direct sources. However, some markets are not yet sufficiently mature or sometimes the local regulations do not yet allow to change energy supplier.. In order to accelerate this transformation, once the increase in renewable energies from direct sources is known, the Groupe purchases RECs each year (Renewables Energy Certificates) or GOs (Guarantees of Origin) in order to reduce the impact of the volume of energy consumed from non-renewable sources, and in its top countries in terms of workforce: the United States, India, the United Kingdom, France, Canada and China.

With regard to the reduction of scope 3 impacts, the project began in early 2021 with a selection of major suppliers already actively reducing their own impacts. In 2021, Publicis Groupe chose not to take into account the first encouraging elements collected in order to deepen the analysis and traceability method, as suppliers are not at the same stage of progress.

4.3.6.2 Carbon Offsetting

In 2020, Publicis Groupe committed to a five-year multi-year project to offset its carbon emissions which includes:

- 90% of the Gandhi program, by purchasing Voluntary Carbon Credits (VCCs) financing the deployment of wind farms in three Indian regions: Gujarat, Karnataka, Maharashtra, with a strong social impact, around the education of children and economic empowerment of women. This project is aligned with the United Nations Sustainable Development Goals (SDGs) 7, 8 and 13;
- 10% of VCCs from the forestry project in *Madre de Dios*, Peru, protecting the primary forest and its biodiversity.

These various reduction and offsetting actions enable Publicis Groupe to achieve **carbon neutrality for scopes 1 + 2 in 2021** (as in 2020), in accordance with the requirements of the Paris Agreement.

Publicis Groupe also follows the evolution of the first forests in which it participated in 2008, located in Cameroon in particular, with, at the time, the financing of the planting of 6,000 trees to preserve the Sanaga Forest, between Douala and Yaoundé.

4.3.7 Consolidated indicators

Multi-year data trends are available on the Groupe website, in the CSR section of the CSR Smart data page.

Indicators	Unit	2019	2020	2021	Objectives by 2030[1]
Groupe headcount	*Number*	83,235	79,051	88,531	
Scope 1	*$TeqCO_2$*	9,895	7,531	4,299	**-50%**
Scope 2 Location Based	*$TeqCO_2$*	56,018	48,883	41,185	**-50%**
Scope 2 Market based	*$TeqCO_2$*	55,885	40,743	30,808	
Scope 2 related to steam consumption, heat	*$TeqCO_2$*	1,660	1,135	952	
Scope 3 total	*$TeqCO_2$*	250,236	140,622	121,024	**-50%**
Scope 3 by GHG Protocol categories[2]	*$TeqCO_2$*				
Products and services purchased	*$TeqCO_2$*	53,655	52,418	52,859	
Capitalized assets	*$TeqCO_2$*	3,357	6,634	5,838	
Fuel and energy emissions (not included in scope 1 or scope 2)	*$TeqCO_2$*	18,599	11,099	8,889	
Waste generated	*$TeqCO_2$*	868	82	153	
Business travel	*$TeqCO_2$*	71,992	20,730	13,237	
Commuting	*$TeqCO_2$*	53,860	15,786	5,023	
Upstream leased assets	*$TeqCO_2$*	33,906	33,871	35,026	
Scope 1+2 (market based)+3	*$TeqCO_2$*	316,149	188,299	157,083	
Electricity consumption	*MWh*	158,522	125,655	108,137	
Energy intensity *per capita*	*MWh*	1.9	1.6	1.2	
Renewable electricity consumed (not RECs)	*MWh*	49,506	42,081	41,965	
Renewables as a percentage of direct sources	*%*	31.3	33.5	38.8	**100%**
Renewables with RECs Purchased	*%*	-	83.6	86.1	
RECs Purchased (MWh)	*MWh*	-	71,379	51,188	
Emissions Compensated by Carbon Credits	*$TeqCO_2$*	-	28,878	22,176	
% absolute emissions reduced S1&2[3]	*%*	-	26.7	46.6	
% absolute emissions reduced S3[3]	*%*	-	43.8	51.6	
Carbon intensity *per capita*	*$TeqCO_2$*	3.45	2.4	1.8	
Carbon intensity to revenue	*$TeqCO_2$/euro million*	32.2	19.3	14.8	
Water consumption	*m^3*	727,200	506,374	407,169	
Of which water *per capita*	*m^3*	8.8	6.4	4.7	
Total volume of non-recycled waste	*metric tons*	2,617	907	1,467	
Total volume of waste recycled	*metric tons*	2,211	891	1,331	
Recycled waste *per capita*	*metric tons*	0.02	0.01	0.01	
Paper consumption	*metric tons*	610	257	232	
Of which paper *per capita*	*metric tons*	80	68	75	
Of which FSC-certified, PEFC-certified paper, eco-labels	*%*	0.007	0.003	0.002	
Total kilometers traveled (business trips and commuting between home and work)	*thousand km*	990,000	288,965	168,564	
Travel *per capita*	*thousand km*	11.9	3.65	1.94	
Business trips	*thousand km*	507,780	112,535	72,022	
Daily commute	*thousand km*	482,220	176,430	96,542	

(1) SBTI: following the methodological change of November 2021, the Groupe's objectives have been resubmitted: -50% reduction in scopes 1 + 2 + 3 & Carbon Neutrality objective for 2030. A Net Zero target has been set for 2040.
(2) GHG Protocol for Green House Gas Protocol
(3) Compared to 2019 (base year)

4.4 SUSTAINABLE DEVELOPMENT GOALS

The Groupe measures its contribution against nine of the United Nations' Sustainable Development Goals (in solid color) that are aligned with the Company's strategy.

SDG	Among the targets monitored	Actions implemented and mechanisms	Change in indicators
SDG 3 - Good health and well-being	• Provide medical protection to employees • Ensure the well-being of teams at their workplace in the agency	After a two-year pandemic, all Groupe agencies have a local protection and support plan in place for mental health, to help employees. Healthcare coverage has been enhanced, as has free access to new online services and various personalized support packages.	100% of employees have access to healthcare prevention plan.
SDG 4 - Quality education	• Facilitate equitable access to training • Ensure the employability of employees • Improve the level of skills and expertise	Echoing the Black Lives Matter movement in the United States in 2020, several countries have launched proactive action plans to support less privileged populations or communities. The objective is to recruit more diversified profiles in terms of origins and career paths, and to better retain talent in the Company. With Marcel Classes accessible 24/7 in 13 languages, all employees have access to training.	82% of employees trained. More than 1,670,000 hours of programs took place (23.4 hours *per capita*).
SDG 5 - Gender equality	• Proactive approach to promote team diversity • Commitment to gender equality • Continue the fight against all forms of discrimination	The "Zero Tolerance" policy is constantly being reaffirmed with regard to all forms of discrimination, moral or sexual harassment and inappropriate behavior. Widespread unconscious bias training becomes mandatory. With Career Settings, the Groupe has a more precise management tool to monitor its demographic and social changes. Diversity, equity and inclusion are at the heart of the Talent/HR and DE&I teams.	41.1% women key executives (2020 target achieved) 2025 target: 45% women in key leadership positions.
SDG 8 - Decent work and economic growth	• Participate in the creation of direct jobs • Ensure real equality of opportunity	The Groupe directly employs **88,531 employees** worldwide, representing a personnel expense of euro 6,639 million. The principle of equal opportunities (or Rooney Rule) has been strengthened in the diversity action plans (recruitment, promotion, succession, etc.). Proprietary actions such as the 12th MCTP *(Multicultural Talent Pipeline)* in the United States, *Publicis Tracks* and *Open Apprenticeship in Europe*, were extended.	Sustained equal opportunity efforts to recruit and promote more diverse profiles.

SDG	Among the targets monitored	Actions implemented and mechanisms	Change in indicators
SDG 10 - Reduced inequalities	• Combat forced labor, child labor and human trafficking, by involving suppliers	Publicis Groupe was the first communication group to sign the United Nations Global Compact in 2003, and signed the UN Women's seven WEPs. Reaffirmation of a commitment to the fight against forced labor, child labor, human trafficking and modern slavery. The duty of care plan makes it possible to monitor these issues internally and externally with suppliers. Strengthen CSR monitoring of local suppliers with the use of P.A.S.S.	90% of strategic suppliers assessed by an expert third party. +170 local suppliers self-assessed *via* P.A.S.S.
SDG 12 - Responsible consumption and production	• Contribute to raising awareness of sustainable development issues • Change behavior towards more sustainable consumption	Supporting our clients in their sustainable development projects is an integral part of the service offering, in order encourage changes in the behavior of consumers, client-citizens who are increasingly demanding regarding these issues. Increased internal awareness-raising among employees in many countries, on best practices and eco-gestures to reduce all our direct impacts. 500 employees trained on A.L.I.C.E.	Launch of the A.L.I.C.E. platform with a dozen clients. 2030 objectives validated by SBTi (1.5°C scenario)
SDG 13 - Measures to combat climate change	• Reduce consumption and direct impacts • Help to preserve natural resources	The Groupe's "Net Zero Climate Policy" is evolving and takes into account the new impact reduction targets for 2030 and 2040. By joining SBTi (Science Based Targets Initiative), the Groupe has defined its objectives for 2030, following the 1.5°C scenario to achieve carbon neutrality for scopes 1 +2 +3 as soon as possible before 2030, and the objective of achieving 100% direct renewable energies sources before 2030.	2030 target: 50% reduction in scopes 1 +2 +3, and Carbon Neutrality. Objectives by 2040: 90% reduction in scopes 1 +2 +3, and Net Zero
SDG 16 - Peace, justice and strong institutions	• Promote the rule of law • Fight against corruption	The Groupe is a defender of human rights and fundamental individual freedoms. Among the Groupe's ethical principles, the fight against corruption, fraud and conflicts of interest have always been central, as has the "Zero Tolerance" principle with regard to all forms of discrimination, harassment or violence. Training teams in legal changes is key. The Duty of Care Plan extends CSR monitoring to Groupe and agency suppliers.	Report and manifesto by the *Women's Forum* in May 2021 for the G20: A *She-Covery for All: Towards the Zero Gender Gap*.
SDG 17 - Partnerships to achieve the SDGs	• Continue cooperation with the various organizations by putting our skills at their service • Promote projects with positive impacts	Every year, Publicis Groupe monitors which SDGs correspond to the projects that it supports in one way or another, in all countries. The Groupe takes part in various multi-company initiatives such as the Daring Circles of the Women's Forum that act in favor of the SDGs (4, 7, 8, 10, 12, 13, 15, 16 and 17), or Alliance4Youth initiated by Nestlé (SDGs 4, 5, 8 and 10).	440 pro bono campaigns and volunteering supporting the SDGs.

4.5 ASSESSMENTS AND NON-FINANCIAL PERFORMANCE

Publicis Groupe's non-financial performance is improving each year, illustrating the progress made in the various registers, as evidenced by the ratings obtained at the end of 2021 with 10 non-financial rating agencies (see www.publicisgroupe.com) and among which the Groupe ranks first in its sector in eight of them.

Publicis Groupe is included in several ESG indices, including: FTSE4Good, Euronext Vigeo-Eiris, Ethibel Sustainability Index Excellence Europe, ECPI Index, and is subject to annual assessments by many other organizations such as the Bloomberg GEI Index, Equileap, Ethics & Boards... Details are on the Groupe's website, www.publicisgroupe.com, section CSR Smart Data.

4.6 ESG REPORTING METHODOLOGY

Scope and process

CSR/ESG reporting is based on social, societal and environmental indicators collected in 772 entities of the Groupe, and since 2009, with a coverage rate of 99% of the workforce of the Groupe. The scope of CSR and non-financial reporting is aligned with that of consolidated financial reporting, including all subsidiaries more than 50% owned by the Groupe, and entities over which the Groupe has operational control. Three indicators are subject to lower coverage rates, and exclusions are due to the lack of data on these topics from our subsidiaries:

- Absenteeism: coverage rate of 93% of headcount;
- Assessments: coverage rate of 82% of headcount;
- Electricity: coverage rate of 96% of headcount;
- Janus: coverage rate of 98% of headcount;
- Water: coverage rate of 90% of headcount;
- Waste: coverage rate of 82% of headcount;
- Paper: coverage rate of 97% of headcount;
- Training: coverage rate of 97% of headcount.

2021 CSR reporting focuses on the period from January 1 to December 31, 2021 and is carried out annually.

Quantitative, social, societal and environmental data is collected in accordance with financial reporting control rules and processes *via* a dedicated module (HFMCSRGRI) incorporated into the financial information system and specific verification, control and validation processes. This data is under the responsibility of the agency and country Financial Directors.

Quantitative social information is now collected *via Career Settings*, the human resources reporting system (HRIS – Human Resource Information System). This system is under the responsibility of the Chief Talent Officers (CTOs or Human Resources Managers) of the agencies and countries, in charge of data verification.

Qualitative, social, societal and environmental information is collected *via* a dedicated internal platform (NAXOS) which is accessible to all agencies. Qualitative information is placed under the responsibility of the agency and country Chief Talent Officers, who sign off on the content shared.

HFMCSRGRI and NAXOS are linked in order to ensure consistency and run materiality tests. The definitions and calculation methods are aligned with the GRI and are presented in the CSR Smart data section.

The scope of impacts includes the Company and all its subsidiaries (100%), as well as some third-parties associated with digital activities for clients (*e.g.,* servers) and those relating to employee personal travel, outside of lockdown periods, and includes most of the direct suppliers.

Exclusions: as every year, subsidiaries acquired on or after July 1, 2021 are not included in the 2021 CSR/ESG reporting; they will be included in the 2022 reporting.

CSR governance and reporting process

Since May 2021, the Supervisory Board has set up an ESG Committee. Chaired by Ms. Suzan LeVine, it met twice in 2021 (see Sections 3.1.2.4 and 3.1.2.9 of this document). CSR is under the responsibility of the Secretary General, who sits on the Management Board. CSR topics are examined by the Management Board through the quarterly monitoring of demographic, social and diversity indicators. Certain topics related to talent and diversity are regularly discussed during Supervisory Board meetings.

A summary of CSR or ESG key indicators is presented to the General Shareholders' Meeting annually.

The CSR Department coordinates an internal CSR Steering Committee that brings together the Groupe's main corporate functions (finances, HR, audit, legal, procurement, risk management, etc.). The CSR Steering Committee plays a role in the detailed work done on integrated reporting. The CSR Department works in project mode with various teams worldwide, using a dual approach: "push" to help with the roll out of internal initiatives and to push forward certain issues, and "pull", with the comprehensive steering of non-financial reporting.

The Internal Control and Internal Audit teams verify, during the course of their work carried out throughout the year, that the agencies correctly implement the CSR reporting processes and have access to historical tracking of data and information.

CSR reporting is done within each Groupe entity with the assistance of the CSR Champions in the agency and the support of the teams in the shared services centers (Re:Sources) who are closely involved from the earliest stages of the reporting. The internal guide, entitled 2021 CSR Guidelines, is updated annually; it defines the required collection and validation processes at the different levels, as well as the content and definitions of the various indicators (over 90 quantitative and qualitative indicators). This manual was distributed to a cross-functional working group of roughly 100 people and 1,000 contributors during preparatory online sessions held from October 2021 to January 2022. In the course of its data checking and verification process (of each indicator per agency), the Groupe's CSR Department was in direct contact with all the local teams during the final consolidation phase.

All of the quantitative data and qualitative information is checked and analyzed by the Groupe CSR Department, who compiles the consolidated reporting for the whole Groupe. Bureau Veritas auditors carried out **108** so-called "on-site" **audits** in the branches, but were carried out remotely due to local health measures: United States, Colombia, Costa Rica, Germany, United Kingdom, France, India and China, as well as: Australia, Brazil, Canada, Spain, Italy, Poland, Russia, Mexico, Singapore, *i.e.* 17 countries representing **55.68% of the total workforce.** The whole CSR report is checked by the external auditors (see "Opinion" in Section 4.9) in accordance with regulatory requirements: they check the consolidated quantitative and qualitative data, by conducting random checks in all Groupe entities. They also analyze the processes and explanations provided, as well as the consistency of the exercise as a whole.

Guidelines

Non-financial reporting was prepared in accordance with article L. 225-102-1 of the French Commercial Code and with reference to articles L. 205-101-1, R. 225-105 and R. 225-105-1 on corporate social and environmental transparency obligations and auditing methods. The reporting takes into consideration several European directives *(European Climate Taxonomy, Non-Financial Reporting Directive & Corporate Sustainability Reporting Directive, Sustainable Finance Disclosure Regulation)* as well as the French laws on the energy transition and green growth, non-financial reporting, but also on the fight against food waste, as well as on the modernization of social dialog and the securing of career paths. This also integrates the law regarding Duty of Care and the Sapin 2 Law (anti-corruption), as well as the European General Data Protection Regulation (GDPR).

The other guidelines that the Groupe voluntarily follows are:

1. **GRI standards** (Global Reporting Initiative); this is the main structure followed by the Groupe since 2009, including its standards and indicators, as well as its 10 principles (GRI 101). The 2021 reporting was prepared in accordance with GRI standards: *Core option*. A GRI content index provides an overview of important information related to sustainable development and is available at: https://publicisgroupe -csr-smart-data. com/en/;
2. the **10 Principles of the UN Global Compact,** to which Publicis Groupe has been a signatory since 2003, now supplemented by the UN Women's seven Women Empowerment Principles (**WEPs**);
3. the **17 United Nations Sustainable Development Goals** (SDGs). The Groupe has chosen to report on nine of the 17 SDGs (see Section 4.8);
4. the **ISO 26000** guidelines, which the Groupe has followed since 2011 in order to better accommodate the views of stakeholders;
5. the **American SASB** (Sustainability Accounting Standards Board) guidelines, drafted in 2014 for the technology and communications sector;
6. the **OECD guidelines** for multinational enterprises (Recommendations for responsible business conduct in a global context);
7. the United Nations **Caring for Climate** pledge signed by Publicis Groupe in 2007, as well as the pledges signed by the companies at the COP 21 in 2015 (Paris Agreement) under the **French business Climate Pledge;**
8. the **Carbon Disclosure Project** (CDP) endorsed by the Groupe on a voluntary basis since 2009 in order to contribute to the general effort to achieve transparency concerning the reduction in greenhouse gas emissions. Environmental data are published using the location-based rule for scope 2;
9. the **Task Force on Climate-related Financial Disclosure** (TCFD) which defines environmental governance and disclosure rules in order to reduce greenhouse gas emissions;
10. the **Science Based Targets initiative (SBTi)**, which validates companies' objectives in terms of reporting environmental impacts and carbon emissions, an approach which is in line with the Paris Agreement 1.5°C scenario;
11. **WEF & IBC** Core ESG Metrics proposed by the World Economic Forum International Business Council Index.

The summary and ESG indicators, including the cross-reference table with all the selected benchmarks is public in CSR Smart data https://publicisgroupe-csr-smart-data.com/en/.

4.7 VERIFICATION REPORT ON THE DECLARATION OF NON-FINANCIAL PERFORMANCE

The declaration of non-financial performance examined relates to the financial year ended December 31, 2021.

Request, responsibilities and independence

Following the request made to us by Publicis Groupe and pursuant to the provisions of article L. 225-102-1 of the French Commercial Code, we have verified the declaration of non-financial performance (DNFP) relating to the financial year ended December 31, 2021 published in the Universal Registration Document of Publicis Groupe, as an independent third party accredited by the Cofrac under no. 3-1341 (list of locations and scope available on www.cofrac.fr).

It is the responsibility of the Management Board of Publicis Groupe to prepare and publish a DNFP with reference to articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code. The DNFP was prepared in accordance with Publicis Groupe's reporting procedures, hereinafter referred to as "the reporting procedures." The DNFP will be available on the Company's website together with a summary of the "reporting procedures."

It is our responsibility to audit the DNFP so that we can formulate a reasoned opinion regarding:

- compliance of the DNFP with the provisions of article R. 225-105 of the French Commercial Code;
- the true nature of the information provided in accordance with paragraph 3° of I and II of article R. 225-105.

We conducted the DNFP audit work in an impartial and independent manner, in accordance with the professional practices of the independent third party, based notably on the principles of AA1000 and in application of the Code of Ethics applied by all parties involved in Bureau Veritas' work.

Nature and scope of the audit work

In order to issue a reasoned opinion on the compliance of the DNFP and a reasoned opinion on the fairness of the information provided, we performed our audit work in accordance with articles A. 225-1 to A. 225-4 of the French Commercial Code and with our internal methodology, for the verification of the DNFP, in particular:

- we have taken note of the scope of consolidation to be considered for the preparation of the DNFP, as specified in article L. 233-16 of the French Commercial Code. We checked that the DNFP covers all the companies included in the scope of consolidation specified in the DNFP;
- we have gathered the information required for an understanding of the Company's activities, the context in which the Company operates, and the social and environmental consequences of its activities and the effects of these activities on respect for human rights and the fight against corruption and tax evasion.

We have read the content of the DNFP and verified that it incorporates the elements of article R. 225-105 of the French Commercial Code:

- presentation of the Company's business model;
- the description of the main risks related to the Company's activity, for each category of information mentioned in Part III of article L. 225-102-1, including, where relevant and proportionate, the risks created by its business relationships, products or services, as well as the policies applied by the Company, where applicable, the due diligence procedures implemented to prevent, identify and mitigate the occurrence of the risks identified;
- the outcome of these policies, including key performance indicators.

In detail, our audit work was as follows:

- we examined the Company's system for reviewing the consequences of its activities as listed in III of article L. 225-102-1, identifying and prioritizing the related risks;
- we ensured that the DNFP covers all the categories of information provided for in this article or includes a clear and reasoned explanation of the reasons justifying the absence of a policy concerning one or more of these risks;
- we verified that the DNFP presents, where relevant with regard to the main risks or policies presented, the information provided for in II of article R. 225-105;
- we ensured that the Company has put in place collection processes aimed at ensuring the comprehensiveness and consistency of the information mentioned in the DNFP. We examined the "reporting procedures" with regard to their relevance, reliability, understandability, completeness and neutrality and, where applicable, taking into account good professional practices derived from industry guidelines;
- we identified the persons within the Company who are in charge of all or part of the reporting process and we conducted interviews with some of these persons;
- we inquired about the existence of internal control and risk management procedures set up by the Company;
- we assessed, on a sample basis, the implementation of the "reporting procedures," in particular the processes for collecting, compiling, processing and auditing information;
- for the quantitative data(1) that we considered to be the most important, we:
  - selected a sample of contributing entities within the scope of consolidation, based on their activity, their contribution to the Company's consolidated data, their location and the results of work carried out in previous years;
  - performed remote audits, audits conducted by local auditors, of 71 agencies;(2)
  - this sample was supplemented by the verification, conducted off-site from the Company's head office, of the same data for 37 agencies;
  - the sample thus formed for our audit work represents 55.68% of the total workforce for all the agencies selected for remote and head office audits;
  - carried out detailed tests on a sample basis checking the correct application of "reporting procedures," reconciling data with supporting documents, checking calculations and the consistency of results;
- we completed our work by carrying out consistency checks, accompanied by requests that the agencies send evidence in the event of any inconsistency identified, on a panel(3) of additional indicators, for 48 agencies in total (one to five agencies per indicator);

(1) **Employee-related information:** Total workforce - diversity: % of women members of an agency Executive Committee, % of women agency CEOs, % of women in senior positions (by activity: client management, creative, data & tech, engineers, media), number of employees trained during the year, number of hours of e-learning training (DE&I - Diversity, Equity and Inclusion - and non-DE&I topics), number of hours of face-to-face training (DE&I and non-DE&I topics); and qualitative information on well-being at work. Environmental information: Electricity consumption, Ration of renewables as a percentage of total consumption. Societal information: number of employees trained on Janus, number of employees participating in Pro Bono campaigns, total financial value of Pro Bono campaigns, financial value of working time donation (broken down by cause), financial value of donated media space (broken down by cause), financial value of volunteer projects (broken down by cause) and qualitative information on responsible marketing.

(2) **Brazil** (Publicis Brazil Communication - Leo Burnett Sao Paulo - DPZ & T); **Canada** (PS CA Shared Capabilities - Publicis Canada - Starcom Toronto - Leo Burnett Canada); China (Zenith China - Starcom China - China HQ - P&G One China - RE:Sources China BS; **United States** (PS US Shared Capabilities - Marketing Services US - SC USA Division - Digitas Agencies - Zenith USA - LB USA Brand Advertising - Publicis Health Media - Digitas Health - Mediavest USA - Spark Communications - PS HQ US - PS US GS Public Sector - Martin Retail Groupe - Publicis New York agency - Epsilon Auto - Epsilon CRM - NVMED-CRM - Epsilon other); **France** (Prodigious France - Publicis Media France - Publicis Conseil - Soft Computing - PS FR Shared Capabilities - ETO - Publicis Luxe); **India** (PGD India - PS HQ India - Performics.Convonix - Re:Sources India Gurgaon Sapient IT - Re:Sources India Gurgaon Sapient BS - Digitas Mumbai - India Hanmer MSL - LB Bombay - Epsilon Practices : 7 entitles); **Mexico** (SC Mexico - LB Mexico - Lion Communications Mexico); **United Kingdom** (PS GB Shared Capabilities - Starcom UK - Zenith UK - Publicis Health UK - DigitasLBi Limited - Zenith International Ltd - Spark Foundry - S&S UK - Leo Burnett London - Prodigious UK TFG - PS HQ UK - Publicis.Poke); **Russia** (Publicis Media Russia - Publicis Communications Russia - Re:Sources Russia BS)

(3) **Additional employee-related information:** number of employees benefiting from parental leave (split between women and men); Training costs; number of employees with medical coverage; Absenteeism rate ; Frequency rate and severity rate of workplace accidents.
Additional environmental information: Surface area, Water consumption, Consumption of refrigerants, Amount of non-recycled waste, Business travel by air and road (km), Business trip commuting by road and public transport (km), Type and number of certifications; Review of greenhouse gas emissions.
Societal information: client satisfaction surveys.

- we also tested the robustness of the data verification process carried out by the team in charge of consolidation, in particular by performing sample checks on the verification of various data, by ensuring the proper application of the verification process in place and the traceability of these internal verifications, and the action taken if any discrepancies were identified;
- performed an analytical review of the data and verified, on a sample basis, the calculations and compilation of this information at the head office and entity levels;
- for the qualitative information that we considered most important, we consulted documentary sources and conducted interviews with the people in charge of writing them;
- we examined the consistency of the information mentioned in the DNFP;
- our work was carried out between September 28, 2021 and the signing of our report over a period of approximately 14 weeks. The assignment was carried out by a team of 10 auditors supervised by a project manager. A dozen interviews were conducted and at least two interviews per agency with the people in charge of reporting at each of the agencies audited.

Observations on reporting procedures or the content of certain information

Without calling into question the conclusions below, we make the following observations:

During our audits, we noted disparities in the traceability of the data relating to the training on the Janus Code of Ethics by the agencies. In 2021, the published data comes only from the Marcel platform, considered as reliable, but which does not aggregate the Janus training courses delivered differently.

During the audits, we identified a few errors in the electricity consumption data, mostly due to internal restatements and the allocation by entity or agency. This verification remains complex because the source data are heterogeneous and uneven in quality.

Conclusion on DNFP compliance and fairness of data

On the basis of our work, we have not identified any significant anomaly likely to call into question the compliance of the declaration with the provisions of article R. 225-105 and the fairness of the information provided.

Reasonable assurance report on published data

Following the request made to us by Publicis Groupe and in our capacity as an independent third party, we believe that the work performed enables us to express reasonable assurance on the non-financial information relating to the financial year ended December 31, 2021 published in the management report of Publicis Groupe.

Conclusion

In our opinion, the information selected by the Company has, in all material respects, been prepared in accordance with the guidelines.

For Bureau Veritas, Puteaux, March 30, 2022

Laurent Mallet – Agency Manager

CHAPTER

5 COMMENTARY OF THE FINANCIAL YEAR

The following developments are the main elements of the management report mentioned at I of article L. 451-1-2 of the French Monetary and Financial Code and in article 222-3 of the General Regulation of the AMF, which must include the information mentioned in articles L. 225-100, L. 225-100-2, L. 225-100-3 and in the second paragraph of article L. 225-211 of the French Commercial Code. Other information corresponding to elements required in the management report is to be found in Section 10.6 “Cross-reference table for the management report”.

The following should be read in conjunction with the consolidated financial statements and related notes. They contain information concerning the Groupe’s future objectives which imply risks and uncertainties, including, in particular, those described in Section 2 “Risks and risk management”.

5.1 INTRODUCTION

In 2021, the global economy posted solid growth of 6.1% due to the reopening of economies and the still very favorable fiscal and monetary policies to support business. This increase arrived after the sudden slowdown in 2020 of -3.8%. Overall, the economic effects of the unprecedented global health crisis are no longer visible. Country situations varied considerably. Although China appears to be the big winner with an increase of +8% in its GDP after +2.3% in 2020, the structural slowdown of its economy is nevertheless underway. It could be overtaken by the health crisis and the authoritarian management that was favorable to it until now. The United States (+5.6% in 2021) managed to offset the decline in activity in 2020 (-3.4%), but inflation close to +7% and the tightening of monetary and budgetary policies are not a good sign. The euro zone appears to be lagging far behind in its recovery. Its economy remains sluggish despite an appreciable 2021 level (+6.7% for France, but only +2.7% for Germany): the effects of Covid-19 variants are all the more damaging to the economy with governments rapidly implementing total or partial lockdown measures to protect their citizens. The British economy, which was most affected in 2020 by the health crisis (-9.4%), also recovered well (+6.9%), but without returning to its pre-crisis level, in particular due to the effects of Brexit. As in 2020, the effects of the resurgence of the health crisis depended on multiple factors. While monetary policies were highly favorable to growth overall, a new risk developed due to price increases, starting with those relating to the energy sector, then industrial and agricultural commodities. The potential return of inflation has prompted the main central banks to consider normalizing their monetary policies from the fourth quarter of 2021 by ending quantitative easing (QE) and, in some cases, increasing interest rates.

In the United States, GDP in 2021 enjoyed a particularly early and marked recovery. According to the latest estimates from the Factset consensus, activity grew by +5.6% after a decline of -3.4% in 2020. The pre-crisis GDP was met and surpassed at the beginning of the second-half of 2021, illustrating the dynamism of the economy and the success of the government support measures renewed in 2021 by the Biden administration. Growth would probably have been stronger if the Covid-19 variants had not disrupted the economy during the second half of the year, particularly during the fourth quarter. Indeed, some indicators, especially employment and productivity, continue to show signs of the 2020 crisis. Total non-agricultural private sector employment in the U.S., which peaked at 152.5 million before the health crisis, plummeted to 130.2 million in 2020 before climbing back to 148.9 million at the end of 2021: despite the creation of 18.7 million new jobs, the shortfall still stands at 3.3 million jobs. Labor productivity, measured in terms of output per employee, fell 30% during the fourth quarter. However, U.S. unemployment fell sharply to 3.9% after peaking at 14.7% in April 2020. The new phenomenon that marked the 2021 economic climate in the U.S. was the emergence of inflation. Goods and services prices rose just under 7% in 2021, the biggest year-on-year increase since 1982. Capital goods prices soared, particularly in the real estate sector, where home prices rose around 20% in 2021. Originally stemming from supply issues (shortage of electronic components and industrial inputs in general), price rises were accentuated by the Federal Reserve’s monetary policy. The Fed continued to pump huge amounts of money into the economy through its QE (Quantitative Easing) program, at a rate of dollar 120 billion per month for almost all of 2021, which kept interest rates at record low levels and prompted a surge on Wall Street by creating a “wealth effect”.

In the euro zone, GDP recovery, albeit vigorous as well, failed to fully offset the 2020 slump: France +6.7% versus -8%, Germany +2.7% versus -4.9%, Italy +6.3% versus -9%, Spain +4.5% versus -10.8%, etc. Germany, the region’s strongest economy, posted the worst performance in terms of GDP. Government support measures were gradually withdrawn as economies reopened, and the European Central Bank continued to stimulate activity through a highly expansionary monetary policy (creation of over euro 100 billion per month through asset purchases on financial markets). The impact of Covid-19 variants (Delta and Omicron) was stronger than in the U.S. Governments introduced partial lockdown measures that slowed the recovery in the fourth quarter of 2021. The year was marked by rising prices, as in the U.S. Although inflation was less pronounced than in America, it peaked at +5% in the euro zone, a level not seen since the 1980s. In particular, energy prices exceeding pre-crisis levels affected household purchasing power and growth throughout the region.

The United Kingdom achieved a recovery as bold as its (-9.4%) decline in 2020 by posting +6.9% GDP growth, the best performance in Europe. The recovery was curbed by the fallout from Brexit, which hampered trade with the euro zone, and the impact of the worldwide year-end resurgence of the health crisis on economic activity, which impacted the UK perhaps a little more than elsewhere. The Bank of England implemented a highly expansionary monetary policy before contemplating a rate hike, prompted by rising prices (+5.1% at year-end) without completing its Quantitative Easing program.

China, the only major country not to see its economy shrink in 2020 (+2.3%), posted +8% GDP growth in 2021. However, the average growth rate of over +5% for these two years is in sharp contrast to the underlying slowdown in growth seen over recent years. Despite the impressive growth rate, economic momentum slowed throughout 2021. An incipient property development crisis resulting from credit restrictions and the development of new viral infection clusters explain the economic slowdown in the second half of the year.

In this buoyant environment, the advertising market grew strongly in 2021. According to Zenith's December 2021 forecasts, global advertising spend grew 15.6% in the year, to reach 705 million dollars, above pre-crisis 2019 levels, driven by the development of new digital channels and of ecommerce, which were accelerated by the pandemic. Digital ad spend is expected to represent over 60% of total ad spend in 2022, after exceeding 50% for the first time in 2020.

Consumer habits were significantly impacted by the Covid-19 pandemic, and advertisers adapted by increasing their spend in technology, infrastructure and advertising. This included brand spend promoting ecommerce websites, targeted advertising to increase traffic and drive performance, and retail media. While the pandemic accelerated the shift to digital, Zenith sees this trend as structural and expects it to persist during the next few years, with global ad spend forecasted to grow by +9.1%, +5.7%, and +7.4% respectively in 2022, 2023 and 2024, with an ever-growing share of digital.

Publicis Groupe is uniquely positioned to help its clients navigate these marketing revolutions and win in a platform world.

After demonstrating remarkable resilience and adaptability in 2020, 2021 was a record year for the Groupe, exceeding 2019 levels on all indicators.

In 2021, net revenue came in at euro 10,487 million compared to euro 9,712 million in 2020, growing by +8.0% on a reported basis and +10.0% organically.

Operating margin was euro 1,840 million, an increase of +18.1% year-on-year, implying an operating margin rate of 17.5%, 150 basis points higher than in 2020.

The Groupe's net income in 2021 was euro 1,027 million, almost double compared to the euro 576 million recorded in 2020.

Headline net income (as defined in Note 10 of the consolidated financial statements) stood at euro 1,264 million, compared to euro 1,034 million in 2020. Diluted headline net income per share was 5.02 euros, an increase of 17.6% compared to 2020.

The balance sheet as of December 31, 2021 showed net financial debt of euro 76 million compared with euro 833 million as of December 31, 2020. Average net financial debt stood at euro 1,530 million in 2021 compared to euro 3,286 million in 2020.

The dividend that will be proposed to the General Shareholders' Meeting of May 25, 2022 is of euro 2.40 per share. As a percentage of diluted headline earnings per share, it represents a pay-out ratio of 47.8%, in line with the new dividend pay-out policy of a 45 to 50% pay-out ratio. Subject to the approval of the General Shareholders' Meeting, payment of the dividend will be made on July 6, 2022 and will be paid entirely in cash this year.

5.2 ORGANIC GROWTH

When comparing its annual performance, Publicis Groupe measures the impact on reported net revenue of changes in foreign currency exchange rates, acquisitions and disposals, and organic growth. Organic growth, which represents the increase in like-for-like revenue at constant exchange rates, is calculated as follows:

- net revenue of the previous year is recalculated applying the current year average exchange rate;
- net revenue from acquisitions (net of revenue from any divested activities) is subtracted from the current year net revenue, in order to neutralize the impact on growth of changes in Groupe scope.

The difference between the net revenue for the current year, after subtraction of the net revenue from acquisitions (net of that of divested activities), and the net revenue of the previous year (converted at the current exchange rate) is compared with the net revenue generated in the prior period to determine the percentage of organic growth.

The Groupe believes that the analysis of organic net revenue growth provides a better understanding of its net revenue performance and trends than reported net revenue because it allows for more meaningful comparisons of current period revenue to that of prior periods. Also, like-for-like revenue is generally used in the industry as a key performance indicator.

Like-for-like revenue is not audited and is not a measurement of performance, according to IFRS standards. It may not be compared with similarly titled financial data of other companies.

(in millions of euros)	Total
2020 net revenue	**9,712**
Impact of exchange rates	(191)
2020 net revenue at 2021 exchange rates (A)	**9,521**
2021 net revenue before impact of acquisitions(1) (B)	**10,469**
Net revenue from acquisitions(1)	18
2021 net revenue	**10,487**
Organic growth (B - A) / A	**+10.0%**

(1) Net of disposals

Organic growth amounted to +10.0% in 2021. The Groupe's net revenue thus exceeded its 2019 level by 3% on an organic basis, faster and stronger than expected.

Organic growth for each quarter in 2021 was:

- first quarter: +2.8%;
- second quarter: +17.1%;
- third quarter: +11.2%;
- fourth quarter: +9.3%.

5.3 ANALYSIS OF CONSOLIDATED INCOME STATEMENT

5.3.1 Net revenue

Publicis Groupe's net revenue in 2021 was euro 10,487 million, up by 8.0% compared to euro 9,712 million in 2020. Exchange rate variations had a negative impact of euro 191 million. Acquisitions (net of disposals) contributed euro 18 million to net revenue.

Organic growth was +10.0% in 2021, compared to 2020. This implies organic growth of +3% compared to 2019, an acceleration in the second half to +5% after a first half at +1%. All regions continued to recover and recorded strong growth.

2021 was marked by a rebound and follows a year deeply impacted by the Covid-19 pandemic. The Groupe was able to recover faster and more strongly than expected, as its unique model enabled it to capture the structural changes in the sector towards first-party data management, digital media, commerce and business transformation. This is particularly visible through the increase in the overall organic growth of Publicis Sapient and Epsilon, respectively +13.8% and +12.8%, both contributing significantly to the Groupe's performance.

/ Breakdown of 2021 net revenue by geographic region

The following table shows the changes in the breakdown of net revenue in Publicis Groupe's major markets.

	Net revenue		Growth		
(in millions of euros)	2021	2020	Reported	Organic *vs.* 2020	Organic *vs.* 2019
North America	6,368	5,997	+6.2%	+9.7%	+7%
% of total	61%	62%			
Europe	2,534	2,278	+11.2%	+9.6%	-4%
% of total	24%	23%			
Asia Pacific	1,038	932	+11.4%	+10.3%	+3%
% of total	10%	10%			
Middle East & Africa	304	275	+10.5%	+11.9%	-1%
% of total	3%	3%			
Latin America	243	230	+5.7%	+16.8%	+1%
% of total	2%	2%			
Total	**10,487**	**9,712**	**+8.0%**	**+10.0%**	**+3%**

In North America, reported growth was +6.2%. Organic growth was +9.7% compared to 2020 (+7% compared to 2019). The United States grew +9.8% and Canada +6.1% on an organic basis.

In Europe, reported growth was +11.2% and organic growth was +9.6% (-4% compared to 2019). The United Kingdom recorded organic growth of +4.9% in 2021, France of +15.5% and Germany of +7.7%. Excluding outdoor media activities and the Drugstore, organic growth in France was +11.7% and that in Europe was +8.6%.

In Asia Pacific, reported growth was +11.4% and organic growth was +10.3% (+3% compared to 2019). Organic growth in China was +10.3%.

In the Middle East and Africa, the reported growth was +10.5% and +11.9% on an organic basis (-1% compared to 2019). In Latin America, reported growth was +5.7% while organic growth was +16.8% (+1% compared to 2019).

5.3.2 Operating margin and operating income

Operating margin

EBITDA amounted to euro 2,317 million in 2021, compared to euro 2,158 million in 2020, representing an increase of 7.4%. The EBITDA margin rate was 22.1% of net revenue (22.2% in 2020).

Personnel expenses totaled euro 6,639 million in 2021, up 6.4% from euro 6,242 million in 2020. They represented 63.3% of net revenue for the year, compared to 64.3% in 2020. Fixed personnel expenses amounted to euro 5,729 million and represented 54.6% of net revenue compared to 56.2% in 2020. In addition, the cost of freelancers increased by euro 114 million in 2021, and represented euro 392 million. Restructuring expenses amounted to euro 53 million, down from euro 175 million in 2020.

Other operating expenses (excluding depreciation and amortization) amounted to euro 2,782 million, compared with euro 2,388 million in 2020. This item represents 26.5% of net revenue compared to 24.6% last year. This includes a rise in cost of sales for euro 129 million, mainly related to the recognition of two outdoor media contracts which were extended for a short period. The expense relating to these contracts was directly recognized in cost of sales in 2021 and could not be recorded as in 2020 as a right of use relating to leases giving rise to impairment. This increase was partially offset by the reduction in other external expenses, notably on travel expenses, which decreased by euro 21 million compared to 2020.

The depreciation and amortization expense for the period amounted to euro 477 million in 2021, down euro 123 million in comparison with 2020. This decrease largely reflects the impact of the contracts described above in other operating expenses.

As a result, the operating margin amounted to euro 1,840 million, up by 18.1% in comparison with 2020. This represents a margin rate of 17.5%, up by 150 basis points from 16.0% in 2020.

Rates were 19.9% in North America, 15.8% in Europe, 12.8% in Asia-Pacific, 12.3% in Latin America and 2.0% in the Africa/Middle East region.

Operating income

Depreciation and amortization of intangible assets arising on acquisitions totaled euro 256 million in the year, down compared to euro 339 million in 2020. Impairment losses on right-of-use assets amounted to euro 122 million and relate to the All in One real estate consolidation plan, which aims to reduction the number of sites, while enabling better collaboration between teams. In 2020, impairment losses amounted to euro 241 million, of which euro 226 million related to the All in One real estate plan. Other non-recurring income and expenses represented an expense of euro 28 million, including the loss related to the partial disposal of DPZ&T in Brazil for euro 30 million, compared to income of euro 5 million in 2020.

Operating income amounted to euro 1,434 million in 2021, compared to euro 983 million in 2020.

5.3.3 Other income statement items

Net financial income, made up of net borrowing costs and other financial income and expenses, amounted to euro 118 million in 2021, compared with an expense of euro 198 million last year. The net charge on net financial debt was euro 85 million in 2021, including euro 102 million in interest on gross debt related to the acquisitions of Epsilon and Sapient. In 2020, net financial debt generated a charge on net financial debt of euro 103 million (excluding costs related to the early unwinding of the 2021 and 2024 swaps for euro 16 million). Other financial income and expenses represent a charge of euro 33 million in 2021, notably composed of euro 70 million in interest on lease liabilities and euro 42 million in income from the fair value remeasurement of mutual funds. Last year, other financial income and expenses amounted to a charge of euro 95 million, including euro 77 million of interest on lease liabilities and euro 16 million of costs related to the early unwinding of cross-swaps currency rates.

The revaluation of earn-out payments amounted to an expense of euro 27 million, compared to a charge of euro 17 million in 2020.

The tax charge was euro 307 million at December 31, 2021, corresponding to an effective tax rate of 23.4% in 2020, compared to euro 196 million the previous year, corresponding to an effective tax rate of 24.7%.

The share of profit of associates was not significant in 2021 compared to a loss of euro 1 million the year before.

Minority interests in Groupe results were an income of euro 9 million at December 31, 2021, compared to a loss of euro 5 million at December 31, 2020.

In total, Groupe net income was euro 1,027 million in 2021 compared to euro 576 million in 2020.

5.4 FINANCIAL POSITION AND CASH

5.4.1 Cash flow

Net cash flows from operating activities resulted in a surplus of euro 1,792 million in 2021 compared to a surplus of euro 2,966 million the previous year. Income tax paid totaled euro 362 million in 2021 compared to euro 293 million the previous year. The change in working capital requirements was negative at euro 216 million, compared with euro 1,047 million in 2020.

Net cash flow from investments includes acquisitions and disposals of tangible and intangible fixed assets, net acquisitions of financial assets and acquisitions and disposals of subsidiaries. Net cash flow from investment activities was a net use of euro 405 million in 2021, following the use of euro 309 million in 2020. Net investments in tangible and intangible assets amounted to euro 136 million (including investments relating to the All in One real estate plan) compared with euro 155 million in 2020. Net investment in the acquisition of subsidiaries amounted to euro 273 million compared with euro 145 million in 2020.

Financing activities resulted in an outflow of euro 1,675 million in 2021, after a surplus of euro 1,988 million the previous year. The outflow is mainly related to the repayment of borrowings for euro 862 million (mainly Eurobond 2021 for euro 699 million and a medium-term loan of euro 150 million for the acquisition of Epsilon) compared with euro 1,302 million in 2020. Repayment of lease liabilities and related interests amounted to euro 365 million in 2021 compared to euro 461 million in 2020. The (net) interest paid in 2021 was euro 80 million compared to euro 113 million in 2020 (which included the cost of early unwinding of the swaps related to the bonds in December 2020, as well as interest related to the drawdown on the RCF line during the year). Dividend payouts, which amounted to euro 236 million in 2021, increased sharply compared to euro 112 million in 2020, because the previous year's unit dividend had been halved due to the exceptional context of the global pandemic. Lastly, the (net) buybacks of treasury shares and the exercise of equity warrants ("BSA") generated a use of cash of euro 127 million over the financial year (compared to an inflow of euro 8 million in 2020), mainly related to the buyback program of 2,500,000 treasury shares, which mainly took place in the last quarter for an amount of euro 144 million.

Overall, the Groupe's cash position net of positive bank balances decreased by euro 50 million during the financial year, compared with a euro 290 million increase the previous year.

Including lines of credit that can be drawn down on short notice, the Groupe's available liquidity amounted to euro 5,903 million at December 31, 2021 compared to euro 6,306 million at December 31, 2020.

Free Cash Flow

The table below shows the calculation of the Groupe's free cash flow:

(in millions of euros)	2021	2020
EBITDA	**2,317**	**2,158**
Financial interest paid (net)	(80)	(113)
Refunding of lease commitments and associated interest	(365)	(461)
Taxes paid	(362)	(293)
Others	53	54
Cash flow from operations before changes in WCR	**1,563**	**1,345**
Investments in fixed assets (net)	(136)	(155)
Free cash flow before changes in WCR	**1,427**	**1,190**
Change in working capital requirements	(216)	1,047
Free Cash Flow	**1,211**	**2,237**

The Groupe's free cash flow, before change in working capital requirements, amounted to euro 1,427 million, up 20% compared to 2020. Financial interest, mainly including interest on Epsilon's debt, amounted to euro 80 million, down euro 33 million (see cash flow). Tax paid amounted to euro 362 million, up euro 69 million, compared to euro 293 million in 2020. Net investments in fixed assets amounted to euro 136 million, down euro 19 million compared to euro 155 million in 2020.

The change in working capital requirements was negative at euro 216 million, compared with a positive contribution of euro 1,047 million in 2020.

Free cash-flow after change in working capital requirements amounted to euro 1,211 million, down compared to 2020 at euro 2,237 million.

5.4.2 Groupe share capital and debt (long- and short-term)

Consolidated equity attributable to holders of the parent rose from euro 7,182 million at December 31, 2020 to euro 8,588 million at December 31, 2021, as a result of the following:

- (+) Net income for 2021: euro 1,027 million
- (+) Other elements of comprehensive income, net of tax: euro 659 million
- (-) Dividends: euro 227 million
- (+) Share-based compensation, net of tax: euro 61 million
- (-) (Purchases)/Sales of treasury shares: euro 137 million
- (+) Other items: euro 23 million

/ Net financial debt

(in millions of euros)	12/31/2021	12/31/2020
Financial debt (long-term and short-term)	3,630	4,509
Fair value of hedging derivatives on the 2025, 2028 and 2031 Eurobonds[1]	97	(65)
Fair value of derivatives hedging intra-group loans and borrowings[1]	8	89
Total financial debt including market value of the associated derivatives	**3,735**	**4,533**
Cash and cash equivalents	(3,659)	(3,700)
Net financial debt	**76**	**833**
Net debt/equity (including minority interests)	**0.01**	**0.12**

(1) Carried on the consolidated balance sheet under "Other receivables and current assets" and/or under "Other payables and current liabilities".

Net financial debt amounted to euro 76 million at December 31, 2021 compared to euro 833 million at December 31, 2020.

The Groupe's average net debt in 2021 was euro 1,530 million, *versus* euro 3,286 million in 2020.

The Groupe's gross debt was euro 3,735 million as at December 31, 2021, compared with euro 4,533 million as at December 31, 2020. This debt consisted of 95% long-term borrowings (see Note 23 to the consolidated financial statements in Chapter 6 for a detailed maturity schedule of Groupe debt).

The financial liabilities, after taking into account the interest rate swaps on the Eurobonds, are essentially made up of fixed-rate borrowings (98% of the gross debt excluding debt related to long-term equity investments and commitments to buy-out minority interests), with an average rate recorded for 2021 of 2.5%.

Debt breakdown by currency (after currency swaps) as at December 31, 2021 was as follows: euro 3,362 million denominated in euros, euro 148 million denominated or swapped in US dollars, and euro 120 million denominated in other currencies.

In December 2005, the Groupe established financial ratio targets meant to direct the Groupe's financial policy (on such matters as acquisitions and dividends). These ratios were updated in 2019 to reflect the impact of IFRS 16 applied by the Groupe. The table below presents calculations for these ratios for 2020 and 2021 with the reminder of the optimal ratios as defined below.

	Optimal ratio post-IFRS 16	12/31/2021	12/31/2020
(Average net financial debt + average lease liabilities) / operating margin before depreciation and amortization	<2.2	1.6	2.6
(Net financial debt + lease liabilities) / equity	<0.80	0.25	0.41
Interest coverage: operating margin before depreciation and amortization / (cost of net financial debt + interest on lease liabilities)	> 7	15	11

5.4.3 Terms of borrowings and financing structure of the Groupe

In order to manage its liquidity risk, Publicis has substantial cash and cash equivalents amounting to euro 3,659 million and confirmed unused credit lines amounting to euro 2,244 million as of December 31, 2021. The main component of these credit lines is a multi-currency syndicated facility in the amount of euro 2,000 million, maturing in 2024. This credit facility has been renewed until 2026 up to euro 1,579 million.

These immediately available or almost-immediately available amounts enable the Groupe to meet its general financing requirements, as well as pay its financial debt maturing in less than one year (including minority interest buyout commitments).

They only include standard credit default event clauses (liquidation, cessation of payment, default on the debt itself or on the repayment of another debt above a given threshold) and are generally applicable above a threshold of euro 25 million.

The Groupe has not established any credit derivatives to date.

Groupe cash management continued to benefit from the introduction of local centralized cash-pooling centers in the Groupe's main markets (domestic cash poolings). Since 2006, an international cash pooling structure has been implemented with the goal of pooling all cash for the Groupe as a whole.

Two financial companies established in Dublin in 2014 were added to the Groupe structure to manage financial transactions and the short-term investing of subsidiaries' liquidity. In 2017, one of these two companies, MMS Multi Euro Services DAC, became the lynchpin of the centralization of international cash pooling for the entire Groupe. The other company, MMS Ireland DAC, whose functional currency is the dollar, became the lynchpin of the centralization of cash pooling for most of the Groupe's US entities.

It bears noting that the Groupe's cash resources are, for the most part, centralized in Ireland. Cash resources not centralized in Ireland are, for the most part, held by subsidiaries in countries where funds can be freely transferred and centralized.

On October 16, 2019, S&P downgraded Publicis' rating from BBB+ to BBB with a stable outlook. There was no new element concerning the rating of this agency during the 2021 fiscal year.

On May 5, 2021, Moody's confirmed the Baa2 rating, but changed the outlook from negative to neutral.

See also Notes 23 and 29 to the consolidated financial statements (Section 6.6 "Notes to the consolidated financial statements").

5.4.4 Restrictions on the use of capital

As of December 31, 2021, and at the date of the closing of accounts, there were no rating triggers or financial covenants for short-term bank credit lines, syndicated loans, confirmed medium-term bilateral bank credit lines or bond debt likely to restrict the Groupe's liquidity.

There are no legal or economic restrictions likely to limit or significantly restrict any transfers of funds to the parent company in the near future.

5.4.5 Sources of financing

Given its cash position and its confirmed unused credit lines amounting to euro 5,903 million at December 31, 2021, the Groupe has the necessary liquidity to meet its operating requirements and investment plan over the next 12 months.

5.5 PUBLICIS GROUPE SA (PARENT COMPANY OF THE GROUPE)

Operating income totaled euro 76 million in 2021, compared with euro 61 million in 2020. It is composed by real estate rent and fees for assistance services contracted by Groupe subsidiaries, totaling euro 29 million (compared with euro 25 million in 2020) and pass-through revenue and other income totaling euro 48 million (compared with euro 36 million in 2020).

Operating expenses for the financial year amounted to euro 69 million in 2021 compared with euro 58 million the previous year.

Financial income amounted to euro 106 million at December 31, 2021 compared to euro 184 million the previous year. This decrease is mainly due to the decrease in interest on intra-group loans (euro -69 million) as well as the decrease in dividends received in 2021 (euro -5 million) compared to the previous financial year.

Financial expenses totaled euro 73 million in 2021, compared to euro 128 million the previous year, mainly due to the early unwinding of cross-currency swaps on the 2021 and 2024 Eurobonds in December 2020, the expense of which amounted to euro 38 million in 2020 (including unwinding costs euro 16 million), but also to the financial expenses on the drawdown of the syndicated credit line of euro 2 billion, which amounted to euro 9 million last year as well as interest on medium-term loans repaid in December 2020 and March 2021.

Pre-tax profit was a positive euro 41 million in 2021, compared with a positive euro 59 million the previous financial year.

After inclusion of a euro 6 million (euro 5 million in 2020) income tax credit resulting from tax consolidation in France, Publicis Groupe, the Groupe's parent company, posted a profit of euro 47 million at December 31, 2021 after euro 64 million at December 31, 2020.

/ Information on client payment terms referred to in article D. 441-6 of the French Commercial Code

	Invoices issued and not settled on the reporting date that are past due					
	0 days	**1 to 30 days**	**31 to 60 days**	**61 to 90 days**	**91 days or more**	**Total (one day or more)**
(A) Late payment tranches						
Number of invoices involved	-					33
Total amount of invoices involved, inc. tax (in euros)	-	1,381	1,381	(6,905)	160,743	156,600
Percentage of billings, inc. tax, for the financial year	-	0.00%	0.00%	(0.01)%	0.21%	0.20%
(B) Invoices not included in (A) relating to bad debts and receivables or not recognized						
Number of invoices not included						-
Amount of invoices not included (in euros)						-
(C) Reference payment periods used (contractual or legal – article L. 441-6 or article L. 443-1 of the French Commercial Code)						
Payment terms used to calculate late payments:	Contractual deadlines shown on our invoices.					

/ Information on supplier payment terms referred to in article D. 441-6 of the French Commercial Code

		Invoices received and not settled on the reporting date that are past due				
	0 days	1 to 30 days	31 to 60 days	61 to 90 days	91 days or more	Total (one day or more)
(A) Late payment tranches						
Number of invoices involved	-					6
Total amount of invoices involved, inc. tax (in euros)	-	19,139	-	77	1,064	20,280
Percentage of total amount of purchases, inc. tax for the year	-	0.24%	-	0.00%	0.01%	0.26%
(B) Invoices not included in (A) relating to bad debts and receivables or not recognized						
Number of invoices not included						22
Total amount of invoices not included (in euros)						64,731
(C) Reference payment periods used (contractual or legal – article L. 441-6 or article L. 443-1 of the French Commercial Code)						
Payment terms used to calculate late payments:	Contractual payment terms, namely those indicated on our purchase orders, range from cash on delivery to 60 days, in line with statutory maximums.					

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Information on acquisitions and disposals by the Company of its own shares

Under the liquidity contract signed with Kepler Cheuvreux, the Company acquired 4,705,354 shares in 2021 at an average price of euro 52.42, and sold 4,720,312 shares at an average price of euro 52.60.

The trading fees and other expenses incurred by the Company during 2021 for transactions performed pursuant to the share buyback program, authorized by the 20th resolution of the General Shareholders' Meeting on May 27, 2020, and then by the 20th resolution of the General Shareholders' Meeting on May 26, 2021, amounted to euro 70,000.

/ Summary table of trading by the Company in Publicis Groupe SA shares in 2021:

	Deliveries of free share plans	Deliveries of stock options	Procurement (liquidity contract)		Sales (liquidity contract)	
At 12/31/2021	Amount (in shares)	Amount (in shares)	Amount (in shares)	Average price (in euros)	Amount (in shares)	Average price (in euros)
Under the 20th resolution of the General Shareholders' Meeting of May 27, 2020	582,620	-	2,389,822	48.54	2,414,052	48.65
Under the 20th resolution of the General Shareholders' Meeting of May 26, 2021	131,496	100,285	2,315,532	56.42	2,306,260	56.74
Total	**714,116**	**100,285**	**4,705,354**	**52.42**	**4,720,312**	**52.60**

At December 31, 2021, Publicis Groupe SA owned 3,861,900 shares with a par value of euro 0.40, representing 1.52% of its own share capital, for an overall cost price of euro 232,335,588 and an average price per share of euro 60.16.

These shares are broken down into 53,500 shares held under the liquidity contract and 3,808,400 shares allocated to free share plans or stock options.

Allocation of 2021 net income and setting the dividend

The General Shareholders' Meeting called to approve the 2021 financial statements on May 25, 2022, will be asked to appropriate distributable earnings, which consist of:

- net income for the 2021 financial year: euro 47,386,851.09;
- minus allocation to the statutory reserve: euro 227,734.84;
- plus earnings brought forward at December 31, 2021: euro 1,750,358.00;
- *i.e.,* total **distributable earnings: euro 48,909,474.25**;
- to which is added **an amount taken from issue premiums: euro 559,400,307.35**.

I.e., **a total of euro 608,309,781.60 distributed to shareholders** (based on a **dividend of euro 2.40 per share** and 253,462,409 shares, including treasury shares, as at December 31, 2021).

5.6 DIVIDEND DISTRIBUTION POLICY

Dividend paid for the financial year	Number of shares that received dividends(1)	Unit dividend (in euros)	Total payout (in millions of euros)	Share price at December 31 (in euros)	Yield
2017	227,064,967	2.00	454.1	56.65	3.53%
2018	232,480,960	2.12	492.9	50.08	4.23%
2019	240,437,061	1.15(2)	276.5	40.36	2.85%
2020	247,769,038	2.00	495.5	40.76	4.91%
2021	**253,462,409**	**2.40(3)**	**608.3**	**59.20**	**4.01%**

(1) Number of dividend-bearing shares after deducting treasury shares, except for the 2021 appropriation, which includes treasury shares existing as at December 31, 2021.

(2) The dividend to be paid in respect of the 2019 financial year was reduced from euro 2.30 to euro 1.15 per share, as part of an exceptional measure related to the Covid-19 pandemic.

(3) Submitted to Shareholders' vote during the General Shareholders' Meeting of May 25, 2022.

The dividends will be time-barred after five years. They are then paid to the French state. In 2014, the Company raised its medium-term payout ratio commitment, **set at 35% until that point, to 42%**, reflecting its determination to reach the average payout ratio for its industry. With the aim of further increasing the payout ratio in line with competitor practices, a proposal was made to increase the dividend to euro 2.00 per share for 2017, which represents a **payout ratio of 44.4%** of diluted headline earnings per share and an increase of 8.1% over the previous year.

As part of the Sprint to the Future plan, the Groupe committed to a **payout ratio of around 45%**. This resulted in a dividend of euro 2.12 per share for 2018, an increase of 6% and representing 44.9% of diluted headline EPS. In 2019, it was initially planned to propose a dividend of euro 2.30 per share, representing a payout ratio of 45.8% of diluted headline earnings per share. However, in view of the global crisis caused by the Covid-19 pandemic, it was decided to reduce the dividend planned for 2019 to euro 1.15 per share. In respect of 2020, the Groupe paid a dividend of euro 2.00 per share, *i.e.,* a payout ratio of 46.8%, a level higher than that observed before the pandemic.

On the occasion of its annual results for 2021, the Groupe proposed to increase **its dividend payout ratio, which will be between 45% and 50%**. Accordingly, a dividend of euro 2.40 per share for 2021 will be proposed to shareholders at the General Shareholders' Meeting on May 25, 2022. This dividend corresponds to a payout ratio of 47.8% of diluted earnings per share.

5.7 OUTLOOK

The trends described below do not constitute forecasts or profit estimates as defined by the modified European Regulation no. 809/2004 of April 29, 2004, used in application of directive 2003/71/00 of the European Parliament and Council of November4, 2003.

The Groupe announced its 2022 outlook during its Full-Year presentation on February 3, 2022.

For the full year 2022, the Groupe announced aiming to deliver organic growth between +4% and +5%, a sequential improvement versus the two-year growth rate of 3% achieved in 2021, driven by the strength of the Groupe's model and new business wins, in a positive environment for advertising and business transformation.

At this occasion, the Groupe announced also expecting to reach, in 2022, the same record levels achieved in 2021 for both its operating margin rate and free cash flow before change in working capital. This means an operating margin rate at c. 17.5% and free cash flow at c. euro 1.4 billion.

On April 14, 2022, Publicis published its first quarter 2022 revenue. The Groupe started the year very strongly, both financially and commercially.

While this should have led the Groupe to upgrade its expectations for 2022 organic growth, the global health situation, the evolution of the conflict in Ukraine, and the consequences of inflation for its clients created too much uncertainty to do so at this stage.

Thanks to the strength of its model, Publicis is confident in its ability to deliver on all of the 2022 targets set at its full year 2021 earnings, with organic growth now at the upper-end of its previous +4 to +5% range. This outlook takes into account a strong Q1 and an expected very solid Q2 at around +5% organic, compared to +17.1% in Q2 2021. The Groupe confirms its 2022 outlook of c. 17.5% operating margin rate and c. euro 1.4 billion of Free cash flow before change in working capital. This assumes no further major deterioration in the global health and economic environment.

Moreover, based on its strong operating and cash performance, the Groupe has set its cash allocation for 2022:

- Upgrade in the Groupe dividend policy to a 45% to 50% payout ratio versus c. 45% previously. For 2021, the Groupe will submit a euro 2.40 dividend per share (corresponding to a 47.8% payout) to the vote of its shareholders at its next AGM in May 2022.
- Removal of the share dividend option in order to stabilize the number of shares in circulation. As a consequence, the 2021 dividend will be fully paid in cash.
- Step up in the targeted acquisition strategy, allocating between euro 400-600 million, versus euro 200-300 million in 2021, to continue strengthening data and tech capabilities.
- Continued deleveraging, with an objective of c. euro 1 billion average net debt in 2022.

CHAPTER

6 2021 CONSOLIDATED FINANCIAL STATEMENTS

6.1 CONSOLIDATED INCOME STATEMENT

(in millions of euros)	*Note*	2021	2020
Net revenue[1]		**10,487**	**9,712**
Pass-through revenue		1,251	1,076
Revenue		**11,738**	**10,788**
Personnel costs	*4*	(6,639)	(6,242)
Other operating costs	*5*	(2,782)	(2,388)
Operating margin before depreciation & amortization		**2,317**	**2,158**
Depreciation and amortization expense (excluding acquisition-related intangible assets)	*6*	(477)	(600)
Operating margin		**1,840**	**1,558**
Amortization of intangibles from acquisitions	*6*	(256)	(339)
Impairment loss	*6*	(122)	(241)
Non-current income and expenses	*7*	(28)	5
Operating income		**1,434**	**983**
Financial expense	*8*	(115)	(185)
Financial income	*8*	30	66
Cost of net financial debt	***8***	**(85)**	**(119)**
Revaluation of earn-out payments	*8*	27	(17)
Other financial income and expenses	*8*	(33)	(79)
Pre-tax income of consolidated companies		**1,343**	**768**
Income taxes	*9*	(307)	(196)
Net income of consolidated companies		**1,036**	**572**
Share of profit of associates	*14*	0	(1)
Net income		**1,036**	**571**
Of which:			
• Net income attributable to non-controlling interests		9	(5)
• Net income attributable to equity holders of the parent company		1,027	576

Data per share (in euros) – Net income attributable to equity holders of the parent company	***10***		
Number of shares		*248,620,158*	*239,838,347*
Earnings per share		4.13	2.40
Number of diluted shares		*251,695,105*	*241,926,553*
Diluted earnings per share		4.08	2.38

(1) Net revenue: Revenue less pass-through costs. Those costs are mainly production & media costs and out-of-pocket expenses. As these items that can be passed on to clients are not included in the scope of analysis of transactions, the net revenue indicator is the most appropriate for measuring the Groupe's operational performance.

6.2 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in millions of euros)	2021	2020
Net income for the period (a)	**1,036**	**571**
Comprehensive income that will not be reclassified to income statement		
• Actuarial gains (and losses) on defined benefit plans	48	(20)
• Deferred taxes on comprehensive income that will not be reclassified to income statement	(8)	3
Comprehensive income that may be reclassified to income statement		
• Remeasurement of hedging instruments	29	(89)
• Consolidation translation adjustments	590	(633)
Total other comprehensive income (b)	**659**	**(739)**
Total comprehensive income for the period (a) + (b)	**1,695**	**(168)**
Of which:		
• Total comprehensive income for the period attributable to non-controlling interests	9	(7)
• Total comprehensive income for the period attributable to equity holders of the parent company	1,686	(161)

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6.3 CONSOLIDATED BALANCE SHEET

(in millions of euros)	Note	December 31, 2021	December 31, 2020
Assets			
Goodwill, net	11	11,760	10,858
Intangible assets, net	12	1,379	1,509
Right-of-use assets related to leases	24	1,489	1,645
Property, plant and equipment, net	13	615	626
Deferred tax assets	9	175	137
Investments in associates	14	25	24
Other financial assets	15	276	232
Non-current assets		**15,719**	**15,031**
Inventories and work-in-progress	16	277	230
Trade receivables	17	11,315	9,508
Contract assets		979	889
Other current receivables and current assets	18	897	803
Cash and cash equivalents	19	3,659	3,700
Current assets		**17,127**	**15,130**
Total assets		**32,846**	**30,161**

	Note	December 31, 2021	December 31, 2020
Equity and liabilities			
Share capital		101	99
Additional paid-in capital and retained earnings, Groupe share		8,487	7,083
Equity attributable to holders of the parent company – Groupe share	**20**	**8,588**	**7,182**
Non-controlling interests		(33)	(22)
Total equity		**8,555**	**7,160**
Long-term borrowings	23	3,446	3,653
Long-term lease liabilities	24	1,801	1,850
Deferred tax liabilities	9	274	247
Long-term provisions	21	543	468
Non-current liabilities		**6,064**	**6,218**
Trade payables		14,479	12,887
Contract liabilities	26	470	404
Short-term borrowings	23	184	856
Short-term lease liabilities	24	288	292
Income taxes payable		328	296
Short-term provisions	21	274	234
Other creditors and current liabilities	25	2,204	1,814
Current liabilities		**18,227**	**16,783**
Total equity and liabilities		**32,846**	**30,161**

6.4 CONSOLIDATED STATEMENT OF CASH FLOWS

(in millions of euros)	2021	2020
Cash flow from operating activities		
Net income	1,036	571
Neutralization of non-cash income and expenses:		
Income taxes	307	196
Cost of net financial debt	85	119
Capital losses (gains) on disposal of assets (before tax)	28	(6)
Depreciation, amortization and impairment losses	855	1,180
Share-based compensation	52	55
Other non-cash income and expenses	5	94
Share of profit of associates	-	1
Dividends received from associates	2	2
Taxes paid	(362)	(293)
Change in working capital requirements(1)	(216)	1,047
Net cash flows generated by (used in) operating activities (I)	**1,792**	**2,966**
Cash flow from investing activities		
Purchases of property, plant and equipment and intangible assets	(139)	(167)
Disposals of property, plant and equipment and intangible assets	3	12
Purchases of investments and other financial assets, net	4	(9)
Acquisitions of subsidiaries	(276)	(146)
Disposals of subsidiaries	3	1
Net cash flows generated by (used in) investing activities (II)	**(405)**	**(309)**
Cash flow from financing activities		
Dividends paid to holders of the parent company	(227)	(102)
Dividends paid to non-controlling interests	(9)	(10)
Proceeds from borrowings	9	2
Repayment of borrowings	(862)	(1,302)
Repayment of lease liabilities	(295)	(384)
Interest paid on lease liabilities	(70)	(77)
Interest paid	(106)	(184)
Interest received	26	71
Buyouts of non-controlling interests	(14)	(10)
Net (buybacks)/sales of treasury shares and warrants	(127)	8
Net cash flows generated by (used in) financing activities (III)	**(1,675)**	**(1,988)**
Impact of exchange rate fluctuations (IV)	**238**	**(379)**
Change in consolidated cash and cash equivalents (I + II + III + IV)	**(50)**	**290**
Cash and cash equivalents on January 1	3,700	3,413
Bank overdrafts on January 1	(3)	(6)
Net cash and cash equivalents at beginning of year (V)	**3,697**	**3,407**
Cash and cash equivalents at closing date	3,659	3,700
Bank overdrafts at closing date	(12)	(3)
Net cash and cash equivalents at end of the year (VI)	**3,647**	**3,697**
Change in consolidated cash and cash equivalents (VI – V)	**(50)**	**290**
(1) Breakdown of change in working capital requirements		
Change in inventory and work-in-progress	(23)	139
Change in trade receivables and other receivables	(1,218)	(24)
Change in accounts payable, other payables and provisions	1,025	932
Change in working capital requirements	**(216)**	**1,047**

6.5 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Number of outstanding shares	(in millions of euros)	Share capital	Additional paid-in capital
245,577,779	**January 1, 2021**	**99**	**4,307**
	Net income		
	Other comprehensive income, net of tax		
	Total comprehensive income for the year		
5,018,232	Dividends	2	264
296,350	Share-based compensation, net of tax		
	Effect of acquisitions and commitments to buy-out non-controlling interests		
378,789	Equity warrant exercise		10
(1,670,641)	(Buybacks)/sales of treasury shares		
249,600,509	**December 31, 2021**	**101**	**4,581**
236,956,827	**January 1, 2020**	**96**	**4,137**
	Net income		
	Other comprehensive income, net of tax		
	Total comprehensive income for the year		
7,035,496	Dividends	3	169
274,325	Share-based compensation, net of tax		
	Effect of acquisitions and commitments to buy-out non-controlling interests		
22,156	Equity warrant exercise		1
1,288,975	(Buybacks)/sales of treasury shares		
245,577,779	**December 31, 2020**	**99**	**4,307**

Reserves and earnings brought forward	Translation reserve	Fair value reserve	Equity attributable to equity holders of the parent company	Minority interests	Total equity
3,585	**(816)**	**7**	**7,182**	**(22)**	**7,160**
1,027			1,027	9	1,036
	590	69	659		659
1,027	**590**	**69**	**1,686**	**9**	**1,695**
(493)			(227)	(9)	(236)
61			61		61
13			13	(11)	2
			10		10
(137)			(137)		(137)
4,056	**(226)**	**76**	**8,588**	**(33)**	**8,555**
3,240	**(185)**	**113**	**7,401**	**(9)**	**7,392**
576			576	(5)	571
	(631)	(106)	(737)	(2)	(739)
576	**(631)**	**(106)**	**(161)**	**(7)**	**(168)**
(274)			(102)	(10)	(112)
56			56		56
(6)			(6)	4	(2)
			1		1
(7)			(7)		(7)
3,585	**(816)**	**7**	**7,182**	**(22)**	**7,160**

6.6 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DETAILED SUMMARY OF THE NOTES TO THE FINANCIAL STATEMENTS

Publicis Groupe SA is a French limited liability company (*société anonyme*) with a Management Board and a Supervisory Board, governed by articles L. 225-57 to L. 225-93 of the French Commercial Code. The registered office is located at 133, avenue des Champs-Élysées, 75008 Paris, France. There was no change in the corporate name of company during the financial year, nor in its means of identification.

Note 1 Accounting policies and methods

Pursuant to Regulation (EC) 1606/2002 of July 19, 2002, the Publicis Groupe 2021 consolidated financial statements were prepared in accordance with the IAS/IFRS international accounting standards approved by the European Union as of the reporting date and that were mandatory at that date.

The 2021 consolidated financial statements and the accompanying notes were approved by the Management Board at its January 31, 2022 meeting and reviewed by the Supervisory Board at its February 2, 2022 meeting. They will be submitted for approval by the shareholders at the General Shareholders' Meeting on May 25, 2022. The consolidated financial statements are presented in euros rounded to the nearest million.

1.1 New applicable standards and interpretations

Compliance with IFRS standards as adopted by the European Union

The accounting principles applied to prepare the annual consolidated financial statements for the financial year ended December 31, 2021 are consistent with the IFRS standards and IFRIC interpretations as adopted by the European Union as at December 31, 2021.

Application of new standards and interpretations

The Groupe's application of new standards and interpretations, adopted by the European Union during financial year 2021 or mandatory by December 31, 2021 at the latest:

- amendments to IFRS 9 "Financial Instruments" and IFRS 7 "Financial Instruments: Disclosures" phase 2 of the interest rate benchmark reform. The Groupe finalized the inventory work to ensure the transition to the new benchmark rate. The interbank rates were amended on the financial contracts at December 31, 2021. The entry into force of phase 2 of the "Interest Rate Benchmark Reform" project has no impact on the Groupe's financial statements as of December 31, 2021 as most of financial liabilities and derivatives recognized in the Groupe's balance sheet are at fixed rate;
- IFRIC decision of April 2021 on configuration and customization costs in a cloud computing arrangement. The analysis of the SaaS projects rolled out in 2021 did not reveal any major impact on the Groupe's financial statements related to the application of the new IFRIC interpretations;
- IFRIC decision of April 2021 on the allocation of expenses for defined-benefit plans. Insofar as the Groupe's plans do not have a fee structure capped at a certain number of years of service in the Company, this decision has no major impact on the Groupe's financial statements.

Early application

As of December 31, 2021, the Groupe has not adopted any new standards or interpretations in advance.

Standards published by the IASB for which application is not mandatory

The principles applied by the Groupe do not differ from IFRS standards as published by the IASB, since the application of the following standard is not mandatory in financial years beginning on or after January 1, 2021:

- IFRS 17 "Insurance Contracts". This standard has not yet been adopted by the European Union. The Groupe does not expect the application of this standard to have a material impact.

1.2 Consolidation principles and policies

Reporting currency of the consolidated financial statements

Publicis prepares and publishes its consolidated financial statements in euros.

Investments in subsidiaries

The consolidated financial statements include the financial statements of Publicis Groupe SA, and of its subsidiaries, as at December 31 of each year. Subsidiaries are consolidated as of the time that the Groupe obtains control until the date on which control is transferred to an entity outside the Groupe.

Control is exercised when the Groupe is exposed or entitled to the variable returns and provided that it can exercise its power to influence such returns.

Investments in associates

The Groupe's investments in associates are accounted for under the equity method. An associate is a company over which the Groupe has significant influence but not control, this generally implies an ownership percentage of between 20% and 50% of the voting rights.

Investments in associates are recognized in the balance sheet at their acquisition cost and adjusted to reflect subsequent changes to the Groupe's share in the net assets of the associate, in accordance with the equity method. The Groupe's investment includes the amount of any goodwill, which is treated in accordance with the Groupe's accounting policy in this area, as presented in Section 1.3 below. The income statement reflects the Groupe's share of the associate's net income after taxes for the period.

Joint arrangements

Partnerships recognized as joint-ventures are recognized under the equity method to the extent that they only give rights to the net assets of the entity.

Foreign currency transactions

Transactions in foreign currencies are recognized at the exchange rate applicable on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate applicable at the reporting date. All differences arising are recognized in the income statement, except for differences on loans and borrowings that, in substance, form part of the net investment in a foreign entity. These differences are recognized in equity until such time as the net investment is disposed of, at which time they are recorded in the income statement.

Translation of financial statements prepared in foreign currencies

The functional currency of each Groupe entity is the currency of the economic environment in which it operates. The financial statements of subsidiaries located outside the euro zone presented in local currencies are translated into euros, the reporting currency of the consolidated financial statements, in the following manner:

- assets and liabilities are translated at year-end exchange rates;
- the income statement is translated at the average exchange rate over the year;
- translation adjustments resulting from the application of these rates are recognized in "Other comprehensive income items – Consolidation translation adjustments" for the Groupe share, with the remainder being recorded as "Non-controlling interests (minority interests)".

Goodwill and fair value adjustments of assets and liabilities recognized in the context of the acquisition of a foreign entity are expressed in the functional currency of the acquired company and translated at the exchange rate applying at the reporting date.

Elimination of intra-group transactions

Transactions between consolidated subsidiaries are fully eliminated, as are the corresponding receivables and payables. Similarly, intercompany gains or losses on sales, internal dividends and provisions relating to subsidiaries are eliminated from consolidated results, except in the case of impairment loss.

1.3 Accounting principles and methods

Business combinations

Business combinations are treated in the following manner:

- identifiable assets acquired and liabilities assumed are recognized at their fair value on the acquisition date;
- non-controlling interests in the acquired business (minority interests) are recognized either at fair value or at the proportionate share of recognized identifiable net assets in the acquired business. This option is available on a case-by-case basis for each business combination.

Acquisition costs are recognized as an expense when incurred and are recorded under "Other operating costs" in the consolidated income statement.

Any earn-out payments on business combinations are recognized at fair value on the acquisition date. After the acquisition date, earn-out payments are recognized at their fair value on the balance sheet date. As of the end of the period for allocating the acquisition price, which comes one year following the acquisition date at the latest, any change in this fair value is recorded in income. Within this allocation period, any changes in this fair value explicitly linked to events subsequent to the acquisition date are also recognized in income. Other changes are recognized as an offset to goodwill.

At the acquisition date, goodwill represents the difference between:

- the fair value of the transferred asset, including earn-out payments, plus the amount of non-controlling interests in the acquired company and, where a business combination occurs in several stages, the fair value at the acquisition date of the interest previously held by the buyer in the acquired company, which is adjusted through income; and
- the net residual value of identifiable assets acquired and liabilities assumed at the acquisition date and recorded at fair value.

Although deferred tax assets were not recognized at the acquisition date because their recoverability was uncertain, any subsequent recognition or utilization of these deferred taxes after the allocation period will be recorded as an offset to income (*i.e.* with no impact on the amount recorded as goodwill).

Commitments to buy-out non-controlling interests made at the time of a business combination

Pending an IFRIC interpretation or a specific IFRS standard on this matter, the following accounting treatment has been adopted in accordance with currently applicable IFRS standards and the AMF recommendation:

- initially, these commitments are recognized in borrowings at the present value of the buyout amount, with a double entry booked in diminution of equity;
- subsequent changes in the value of the commitment (including the effect of discounting) are recognized by adjusting equity on the grounds that it is a transaction between shareholders.

Additional acquisition of securities with the exclusive takeover of an entity previously under significant influence

The exclusive takeover leads to the recognition of a disposal gain or loss calculated on the entire interest at the transaction date. The previously held interest is thus remeasured at fair value through the income statement at the time of the exclusive takeover.

Additional acquisition of securities after the exclusive takeover

When additional securities are acquired in an entity that is already exclusively controlled, the difference between the acquisition price of these securities and the proportion of additional consolidated equity acquired is recognized as equity attributable to shareholders of the parent company of the Groupe. The consolidated value of the subsidiary's identifiable assets and liabilities, including goodwill, is thus left unchanged.

In the statement of cash flows, the acquisition of additional securities in an entity already controlled is presented as net cash flow relating to financing activities.

Sale of securities without loss of exclusive control

In the event of a partial sale of securities in an exclusively controlled entity that does not modify control of this entity, the difference between the fair value of the sale price of the securities and the proportion of consolidated equity capital that these securities represent at the date of sale is recognized as equity attributable to shareholders in the parent company of the Groupe. The consolidated value of the subsidiary's identifiable assets and liabilities, including goodwill, is thus left unchanged.

In the statement of cash flows, the sale of securities without loss of exclusive control is presented as net cash flow relating to financing activities.

Sale of securities with loss of exclusive control but retention of an equity interest

The loss of exclusive control leads to the recognition of a disposal gain or loss calculated on the entire interest held at the transaction date.

Any residual interest is therefore remeasured at fair value through the income statement at the time of the exclusive loss of control.

Planned disposals

In application of IFRS 5 "Non-current assets held for sale and discontinued operations", the assets and liabilities of controlled entities held for sale are presented separately on the balance sheet.

Reclassified non-current assets are no longer depreciated from the date on which they are reclassified.

Goodwill

When a takeover takes place in a single transaction, goodwill is equal to the fair value of the consideration paid to acquire the securities (including any earn-out payments which are recorded at fair value at the takeover date), plus the value of non-controlling interests (these items are valued for each business combination either at fair value or at the proportionate share of the fair value of the net assets of the acquired business and minus the fair value of assets, liabilities and contingent liabilities identified at the acquisition date).

Goodwill recorded in the balance sheet is not amortized but is instead subject to impairment tests on at least an annual basis. Impairment tests are performed for the cash-generating unit(s) to which goodwill has been allocated by comparing the recoverable amount and the carrying amount of the cash-generating unit or group of cash-generating units. The Groupe considers that the cash-generating unit or the group of cash-generating units are mainly the 11 key markets in which the Group operates: United States, Canada, United Kingdom, France, DACH (Germany, Austria and Switzerland), Asia-Pacific, Africa-Middle East, Central and Eastern Europe, Western Europe, Latin America (excluding Brazil) and Brazil.

The recoverable amount of a cash-generating unit is the greater of its fair value (generally its market value), net of disposal costs, and its value in use. Value in use is determined on the basis of discounted future cash flows or using the market multiples approach. Calculations are based on five-year cash flow forecasts, a terminal growth rate for subsequent cash flows and the application of a discount rate to all future flows. The discount rates used reflect the time current market assessments of value of money and the specific risks to which the cash-generating unit is exposed. In addition, these rates take into account lease liabilities when estimating the debt-to-equity ratio.

If the carrying amount of a cash-generating unit is higher than its recoverable amount, the assets of the cash-generating unit are written down to their recoverable amount. Impairment losses are allocated, firstly, to goodwill and are recognized through the income statement and then against other assets.

Intangible assets

Separately acquired intangible assets are recognized at acquisition cost. Intangible assets acquired in the context of a business combination are recognized at their fair value on the acquisition date, separately from goodwill, if they are identifiable. The identifiable nature is demonstrated if they meet one of the following two conditions:

- the intangible assets arise from legal or contractual rights; or
- the intangible assets can be separated from the acquired entity.

Intangible assets primarily consist of trade names, client relationships, technologies, e-mail address databases and software.

Brands, which have a finite useful life, are amortized over their useful life, estimated at eight years. They are also subject to impairment tests if there are any indicators that they may have been impaired.

Client relationships with a finite useful life are amortized over such useful lives, which are generally between 10 and 15 years. They are also subject to impairment tests if there are any indicators that they may have been impaired.

Technology assets result from the Groupe's engagement in digital activities. They are amortized over a three- to seven-year period.

E-mail address databases are used in direct e-mailing campaigns. These bases are amortized over two years.

The method used to identify any impairment of intangible assets is based on discounted future cash flows. The Groupe uses the royalty savings method for trade names, which takes into account the future cash flows that the trade name would generate in royalties if a third party were to pay for the use of said trade name. For client contracts, the method involves discounting future cash flows generated by the client. Valuations are carried out by independent appraisers. The parameters used are consistent with those used to measure goodwill.

Capitalized softwares include in-house applications as well as commercial packages; they are measured either at their acquisition cost (if purchased externally) or at their production cost (if developed internally). They are amortized over their useful life:

- ERP: 8 years;
- others: three years maximum.

Studies, Research and development costs

Publicis recognizes expenditure for studies and research as expenses attributable to the financial year in which they are incurred. This expenditure primarily relates to the following items: studies and tests relating to advertising campaigns, research programs into consumer behavior and clients' needs in various areas, and studies and modeling to optimize media buying for the Groupe's clients.

Development expenditure incurred for an individual project are capitalized once they are considered to be reasonably certain of being recovered in the future. Any capitalized expense is amortized over the future period during which the project is expected to generate income.

Property, plant and equipment

Items of property, plant and equipment are measured at acquisition cost minus accumulated depreciation and impairment loss.

When appropriate, the total cost of an asset is broken down into its various components that have distinct useful lives. Each component is then recognized separately and depreciated over a distinct term.

Items of property, plant and equipment are depreciated on a straight-line basis over each asset's estimated useful life. The useful life of property, plant and equipment is generally assumed to be as follows (straight-line method):

- buildings: 20 to 70 years;
- fixtures, fittings and general installations: 10 years;
- office equipment and furniture: 5 to 10 years;
- vehicles: 4 years;
- IT equipment: 2 to 4 years.

If any indicators suggesting impairment loss exist, the recoverable amount of the property, plant and equipment or the cash-generating unit(s) to which such assets belong is compared to their carrying amount. Any impairment loss is recorded in the income statement.

Lease contracts

Leases are recognized on the balance sheet at the outset of the lease at the present value of future payments. These leases are recognized under “Lease liabilities” on the liabilities side, offset by “Right-of-use assets related to leases” on the assets side. They are amortized over the term of the lease, which is typically the fixed period of the lease unless there is a stated intention to renew or terminate. In the income statement, depreciation and amortization expenses are recognized in the operating margin and interest expenses under net financial income (expenses). The tax effect of this restatement for consolidation purposes is accounted for through the recognition of deferred tax assets or liabilities.

The discount rates applied to determine the lease liability are based on the Groupe’s incremental borrowing rate plus a spread to take into account the specific economic environment of each country. These discount rates are determined having regard to the terms of the leases.

In the presence of an indicator of loss of value, when the property is vacant and is no longer intended for use in the context of the main activities, an impairment test is performed on the right-of-use assets. If the net carrying amount of the right-of-use assets is lower than their recoverable amount, then an impairment loss is estimated on the basis of the discounted future lease payments less the expected income from sub-leases. In the event that a sub-lease agreement is signed, if it qualifies as a financial lease, the assets corresponding to the right-of-use assets are taken back and a financial receivable is recognized. Any difference between the sub-lease receivable recognized and the derecognized right-of-use assets is recognized in profit or loss.

Leases of low-value assets or short-term leases are immediately expensed in profit or loss.

Other financial assets

All investments are initially recognized at fair value, which corresponds either to the price paid or the value of assets given in payment, plus any transaction costs.

After the initial recognition, investments are assessed at fair value as of the reporting date. Gains and losses on investments held for trading are recognized in income. Profits and losses on other financial assets are accounted for optionally for securities representing equity instruments, either in profit and loss or in other comprehensive income or equity.

Other long-term investments held for maturity and whose sole contractual cash flow characteristics are the payment of the principal and interest, such as bonds, are then assessed at amortized cost using the effective interest rate method. For investments recognized at amortized cost, gains and losses are recognized in the income statement if they are sold or impaired, as well as through the process of amortization.

For investments that are actively traded on organized financial markets, fair value is determined by reference to the published market price at the reporting date. For investments that are not listed on an active market, fair value is determined with reference to the current market price of another substantially similar instrument, or calculated based on the cash flows that are expected from the investment.

Loans and receivables owed by associates and non-consolidated companies

This includes financial receivables from associates or unconsolidated companies held by the Groupe.

Impairment is recognized whenever there is a risk of non-payment as a result of the financial position of the entity in question.

Inventories and work-in-progress

This line item mainly includes work-in-progress for the advertising business when we act as “Agent.” This involves creative and production technical work (graphics, TV, radio, publishing, etc.) that can be directly passed on to the client but has not yet been invoiced. They are recognized on the basis of costs incurred and a provision is recorded when their net realizable amount is lower than cost. Non-billable work or costs incurred relating to new client development activities are not recognized as assets, except for tendering expenses which may be re-invoiced to the client under the terms of the contract. In order to assess the net realizable amount, inventory and work-in-progress are reviewed on a case-by-case basis and written down, if appropriate, on the basis of criteria such as the existence of commercial disputes with the client.

It also includes, to a lesser extent, media inventories bought on own-account and not resold at the end of the reporting period.

Trade receivables

Receivables are recognized at the initial amount of the invoice. Receivables presenting a risk of non-recovery are subject to impairment. Such allowances are determined, on a case-by-case basis, using various criteria such as difficulties in recovering the receivables, the existence of any disputes and claims, or the financial position of the debtor. Impairment of trade receivables also takes into account expected losses on receivables under the simplified approach permitted by IFRS 9.

Due to the nature of the Groupe’s activities, trade receivables are of a short-term nature. Nevertheless, any trade receivables of a longer-term nature will be recognized at their discounted value.

Contract assets

Contract assets consist of revenue recorded when a performance obligation has been satisfied but not yet invoiced. Contract assets are transferred to Trade receivables when the right to consideration becomes unconditional and the service is invoiced to the client in accordance with the terms of the contract.

Derivative financial instruments

The Groupe uses derivatives such as foreign currency and interest rate hedges to hedge its current or future positions against foreign exchange rate risks or interest rate risks. These derivatives are measured at fair value, determined either by reference to observable market prices at the reporting date or by the use of valuation models based on market parameters at the reporting date. Including counterparty risk in the valuation of derivatives did not have a material impact.

Whenever these financial instruments are involved in an arrangement treated as a hedge for accounting purposes, the following should be distinguished:

- fair value hedges, which are used to hedge against changes in the fair value of a recognized asset or liability;
- cash flow hedges, which are used to hedge against exposure to changes in future cash flows.

For fair value hedges related to a recognized asset or liability, all gains and losses resulting from the remeasurement of the hedging instrument at fair value are recognized immediately in the income statement. At the same time, any gain or loss on the hedged item will change the carrying amount of this item as an offset to its effect on the income statement.

For hedges used to hedge firm or highly probable future commitments and that meet the conditions for recognition as hedge accounting (future cash flow hedge), the portion of gain or loss realized on the hedging instrument deemed to be an effective hedge is recognized in other comprehensive income. The ineffective portion is recognized immediately in profit and loss. Gains and losses recognized in other comprehensive income are reported in the income statement for the period in which the hedged risk affects income; for example, when a planned sale actually occurs.

As for derivatives that do not qualify for hedge accounting, any gain or loss resulting from changes in their fair value is recognized directly in the net income for the year.

Changes in the fair value of derivatives that qualify as fair value hedges are recognized in other financial income and expenses, as are changes in the value of the underlying items. The fair value of derivative instruments is recognized in other receivables and other current assets and in other creditors and current liabilities.

Cash and cash equivalents

Cash and cash equivalents include sight deposits, cash, short-term deposits with an initial maturity of less than three months and UCITS and money market funds with a negligible risk of a change in value, *i.e.* that meet the following criteria: sensitivity to interest rate risk less than or equal to 0.25 and 12-month historical volatility of close to zero.

For the purposes of the statement of cash flows, cash includes cash and cash equivalents as defined above, net of bank overdrafts.

Treasury shares

Irrespective of their intended use, all treasury shares are recognized at their acquisition price by the Groupe as a deduction from equity.

Bonds

- Bonds redeemable in cash:

  The bonds are initially recognized at their fair value, which corresponds to the amount of cash received, net of issuance costs.

  Subsequent to initial recognition, bonds are recognized at their amortized cost, using the effective interest rate method, which takes into account all issuance costs and any redemption premium or discount.

- Convertible bonds and debentures redeemable for stock:

  For convertible bonds (Océanes) or debentures (Oranes), or debentures with warrants (OBSA), the liability and equity components are initially recognized separately. The fair value of the debt component at issuance is determined by discounting the future contractual cash flows at market rates that the Company would have had to pay on a bond instrument offering the same terms but without a conversion option. The equity component is measured on issuance by deducting the fair value of the debt component from the fair value of the bond as a whole. The value of the conversion option is not revised during subsequent financial years. Issuance costs are divided between the debt and equity components based on their respective carrying amounts at issuance.

  The debt component is subsequently measured at amortized cost.

Provisions

Provisions are funded when:

- the Groupe has a present obligation (legal or constructive) resulting from a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation;
- the amount of the outflow can be estimated reliably. Where the effect of the time value of money is material, provisions are discounted to present value. Increases in the amount of provisions resulting from the unwinding of the discount are recognized as financial expenses.

Contingent liabilities are not recognized but, if material, are disclosed in the notes to the financial statements, except in the case of business combinations where they constitute identifiable items for recognition.

Provisions for litigation and claims

These concern identified risks related to litigation or claims of any kind: commercial, regulatory, tax (other than income taxes) or labor. The Groupe establishes a provision if it is likely that outflow will be necessary to eliminate this risk and it is possible to reliably estimate the cost related to this risk. In such cases, the amount of the provision (including any related penalties) is determined by the agencies and their experts, under the supervision of the Groupe's head office teams, on the basis of their best estimate of the probable costs related to the litigation or the claim.

Restructuring provisions

The total cost of restructuring is recognized in the financial year when these actions have been approved and announced.

In the context of an acquisition, restructuring plans that do not constitute liabilities for the acquired company on the date of the acquisition are recognized as expenses.

These costs consist primarily of severance and early retirement payments and notice periods that have not been worked, which are recognized in employee benefits expenses, and, in some cases, of write-downs of property, plant and equipment and other assets.

Vacant property provisions

If a property is vacant and is not intended to be used in the main activity, a provision is made including rental charges, taxes and any other costs. This provision does not include lease payments, which are recognized as an impairment of right-of-use assets relating to leases following the application of IFRS 16 since January 1, 2018.

In the context of business combinations, provisions are also recorded when the acquired company has property rental contracts with less favorable terms than those prevailing on the market as of the acquisition date.

Pensions and other long-term benefits

The Groupe recognizes obligations relating to pensions and other post-employment benefits based on the type of plan in question:

- defined contribution plans: the amount of the Groupe's contribution to the plan is recognized as an expense for the year;
- defined benefit plans: the commitment in respect of defined benefit plans is determined separately for each plan using the projected unit credit method. Actuarial gains and losses relating to post-employment plans and arising during the year are recorded directly in other comprehensive income. The effect of the unwinding of discounts on pensions net of the expected return on plan assets is recorded in "Other financial income and expenses." Various plan administrative expenses are, when directly invoiced to the Groupe, recognized under operating income.

Trade payables

This line item includes all operating payables (including notes payable and accrued supplier invoices) related to the purchase of goods and services including those related to media buying where the Company acts as agent. These payables are generally due within less than one year.

Contract liabilities

Contract liabilities correspond to deferred income. These are considerations received or invoiced to clients for which the Groupe has an obligation to provide goods or services.

Contract liabilities do not include client advances for external costs incurred on behalf of clients and that are directly passed through to the clients when the Groupe acts as "Agent." Such advances are recorded under Trade payables.

Revenue

Groupe revenue mainly stems from creative and production services, direct and digital marketing, CRM (Customer Relationship Management), sales promotion and point of sale marketing, public relations, event management, institutional and financial communication, strategic media planning and media buying as well as digital business transformation consulting.

Client contracts are mainly compensated by fees, commission, performance-based bonuses and reimbursement of third-party costs incurred on behalf of the clients or a combination of the four.

The fees agreed with clients are for the most part calculated on the basis of an hourly rate plus overheads and a margin.

Commission-based contracts are calculated on the basis of a percentage of the total sum of costs paid to third parties (repaid by the client) to carry out the contract. Commission-based contracts mainly involve: media services on the basis of media space bought on behalf of the clients and supervision of productions done by third parties.

Virtually all our contracts are short-term, and the Groupe typically has right to payment to the end of the contract or at least for the work performed to date.

The Groupe recognizes revenue when (or as) the control of the promised goods or services (identified as performance obligations) is transferred to the client, in an amount that reflects the consideration to which the Groupe expects to be entitled in exchange for those goods or services.

Performance obligations

For each contract, the promised services (called performance obligations) are distinct only if the client can benefit from the services on its own and if the agency's promise to transfer these services is separately identifiable from other promises in the contract.

Outside of media services, performance obligations generally correspond to the various compensation set out in the contracts. In creative advertising, the Groupe typically considers two performance obligations, one for creative advisory services and the second for productions, which generally corresponds to the various compensation set out in the contracts.

In media services, the transaction price generally covers strategic media planning services as well as media buying. In these contracts, we consider that these two groups of services are separate and the transaction price is allocated on the basis of the employees assigned to these services.

Variable considerations of the transaction price

Some contracts include incentives that are subject to qualitative or quantitative performance criteria. These variable components are only included in the transaction price when it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur.

Performance-based incentives are typically only recognized when they are confirmed by the client.

The Groupe also receives volume rebates from suppliers on transactions carried out on behalf of clients. These rebates are either remitted to clients based on contractual terms or local laws, or retained by the Groupe. The portion paid back to clients is recognized under liabilities and the portion retained is typically recognized under revenue when the media is broadcast, if a contract exists with the media vendor and we anticipate exceeding volume criteria.

"Agent" vs. "Principal" considerations

When third party suppliers are involved in providing services to clients, the Groupe considers that it is acting as "Principal" if at least one of the following criteria is satisfied:

- the agency obtains control of the asset or service before transferring it to the client;
- the agency has the ability to direct the supplier(s);
- the agency incorporates or combines the work of suppliers to deliver the promised goods or services to the client.

The Groupe acts as "Principal" in most of its activities except for media buying services performed on behalf of clients and supervision of productions done by third parties.

With respect to productions, the Groupe acts as "Agent" only on contracts for which it only performs production supervision that is wholly done by an external third party. If the agency incorporates or significantly transforms the work done by a third party, the Groupe considers that this involves a single performance obligation for which it acts as "Principal."

When the Groupe acts as "Principal," the revenue is recognized for the gross amount invoiced to the client. When the Groupe acts as "Agent," revenue is recognized net of the costs pass through to clients, which means that revenue recorded is solely comprised of fees or commission.

In any case, travel expenses reimbursed by clients (transport, hotels, meals, etc.) are always recognized in revenue.

Revenue recognition period

Almost all of the Groupe's revenue is recognized overtime because the Groupe's services benefit the client as they are performed or generate an asset with no alternative use and for which we are entitled to payment for the work done to date in the event of termination by the client.

For fixed-price projects, revenue is recognized overtime on the basis of costs incurred usually based on the hours worked and direct external costs incurred on the project.

For retainer arrangements with a dedicated team, generally involving annual contracts, the Groupe considers that its performance obligation is to be ready at all times to make resources available to our client. In this instance, revenue is recognized on a straight-line basis over the term of the contract.

For commission-based media contracts, we recognize revenue when the media is broadcast.

Contract modifications

On occasion, the client may ask for changes to the scope of the services in the course of the contract. These changes are generally negotiated as new contracts encompassing the additional needs with the related compensation.

Disaggregation of revenue

The Groupe supplies a range of integrated communication services for its clients, that combine all the Groupe's areas of expertise. The Groupe enhanced its geographic approach, which best presents the manner in which revenue is affected by economic factors.

The breakdown of revenue by geographic region is similar to previous financial years and is presented in the segment information (see Note 30).

Practical expedients adopted

The Groupe decided to apply practical expedients regarding outstanding performance obligations and not to disclose information when the performance obligation is part of a contract that has an original expected duration of one year or less and those for which the Groupe is entitled to payment for the hours worked to date.

The amounts on the remaining performance obligations on other types of contracts than those listed above are not material and are not presented in the notes.

Net revenue

Net revenue is calculated as revenue less pass-through costs.

Whether the Groupe acts as "Agent" or "Principal," the Groupe incurs third-party costs on behalf of clients, directly re-invoiced to the clients. These costs mainly relate to production and media activities, as well as out-of-pocket expenses (especially travel costs) and are recorded into operational costs. As these items can be re-invoiced to clients, they are not included in the scope of assessment of operations, then the "net revenue" indicator used to measure the Groupe's operational performance excludes the re-invoicing of such costs.

Publicis Groupe share subscription or purchase option plans

The fair value of the options granted is recognized in employee benefits expense over the vesting period of the options. This is determined by an independent expert, generally using the Black-Scholes model. By way of exception, where the plan contains market objectives, the Monte-Carlo method is used.

For plans containing non-market performance objectives, the Groupe evaluates the probability that the objectives will be achieved and takes account of this estimate in its calculation of the number of shares to be delivered.

Publicis Groupe free share plans

The fair value of the free shares granted is recognized in employee benefits expense over the vesting period of the rights. This value is determined by an independent expert and is equal to the market price per share on the date of the award, adjusted to reflect the expected loss of dividend(s) during the vesting period. By way of exception, where the plan contains market objectives, the Monte-Carlo method is used.

For plans containing non-market performance objectives, the Groupe evaluates the probability that the objectives will be achieved and takes account of this estimate in its calculation of the number of shares to be delivered.

Non-current income and expenses

In order to facilitate the analysis of the Groupe's operational performance, Publicis records exceptional income and expenses under "Non-current income and expenses." This line item mainly includes gains and losses on the disposal of assets.

Operating margin before depreciation & amortization

The operating margin is equal to revenue after deducting personnel costs and other operating costs (excluding other non-current income and expenses as defined above).

Operating margin

The operating margin is equal to revenue after deducting personnel costs, other operating costs (excluding other non-current income and expenses described above) and depreciation and amortization expense (excluding intangibles from acquisitions). The operating margin, which represents operating income expressed as a percentage of net revenue, is an indicator used by the Groupe to measure the performance of cash-generating units and of the Groupe as a whole.

Cost of net financial debt and other financial income and expenses

The cost of net financial debt includes financial expenses on borrowings and interest income on cash and cash equivalents.

Other financial income and expenses mainly include interest expenses on lease liabilities, the effects of discounting long-term provisions for vacant properties and pension provisions (net of return on plan assets), the effect of revaluation of earn-out payments on acquisitions, changes in the fair value of financial assets and foreign exchange gains and losses.

Income tax

Net income for the period is taxed based on the tax laws and regulations in force in the respective countries where the income is reported. Deferred taxes are reported using the balance sheet liability method for temporary differences between the tax value and the carrying amount of assets and liabilities at the reporting date.

Deferred tax assets are recognized for deductible temporary differences, tax loss carryforwards and unused tax credits to the extent that it is probable that there will be taxable income for the period (either from the reversal of the temporary differences or generated by the entity) against which such items can be charged in future years.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced if it is no longer probable that there will be sufficient taxable income for the period to take advantage of all or part of this deferred tax asset. Deferred tax assets that are unrecognized are measured on every reporting date and recognized if it is likely that they will be usable against future taxable income for the period.

Deferred tax assets and liabilities are measured on the basis of tax rates expected to be applicable in the year in which the asset is realized or the liability settled. The tax rates used are those that have been enacted, or virtually enacted, at the reporting date.

Uncertain income tax liabilities are recognized under income tax payable.

Earnings per share and diluted earnings per share (EPS and diluted EPS)

The basic earnings per share are calculated by dividing the net income for the financial year attributable to ordinary shares by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share are calculated by dividing net income for the financial year attributable to ordinary shares, after cancellation of interest on bonds redeemable for, or convertible into, ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year adjusted to reflect the effect of all potentially dilutive instruments. For the Groupe, the only dilutive instruments are stock options and warrants outstanding as well as free shares granted.

Stock options and warrants

The dilutive effect of these instruments is determined according to the share buyback method (theoretical number of shares that may be purchased at market price, determined on the basis of the average price of the Publicis share over the period, based on the proceeds from the expertise of stock options). Under this method, stock options are considered potentially dilutive if they are "in-the-money" (the exercise price considered including the fair value of services rendered determined in accordance with IFRS 2 "Share based payment").

Free shares

To calculate the diluted earnings per share, the free shares awarded are considered as having been effectively delivered.

In addition to these earnings per share (base and diluted), the Groupe calculates and regularly releases a "current" base and diluted EPS, similar to the one described above, except with respect to the earnings figure used, which excludes:

- impairment losses;
- amortization of intangibles from acquisitions;
- earn-out payments on acquisitions;
- changes in fair value of financial assets recorded under "Other financial income and expenses";
- certain specifically designated ms of exceptional income and expense generally recorded as "Non-current income and expenses".

1.4 Principal sources of uncertainty arising from the use of estimates

The Groupe's financial position and earnings depend on the accounting methods applied and the assumptions, estimates and judgments made when the consolidated financial statements are prepared. The Groupe bases its estimates on its past experience and on a series of other assumptions considered reasonable under the circumstances to measure the amounts to be used for the Groupe's assets and liabilities. Actual subsequent results may differ.

The main assumptions concerning future events and other sources of uncertainty relate to the use of estimates on the reporting date, when there is a significant risk that the estimates of the net carrying amount of the assets and liabilities will be modified in future years, *i.e.*:

- the fair value allocated to assets and liabilities obtained through business combinations;
- determining the recoverable amount of goodwill and intangible assets used in impairment tests;
- provisions for liabilities and charges, particularly for defined benefit pension liabilities and post-employment medical care;
- impairment of doubtful debt;
- the fair value measurement of stock options awarded under Publicis Groupe SA's stock option plans;
- the term of leases in relation to optional lease periods as well as the determination of discount rates;
- uncertain tax positions.

Detailed disclosures concerning these matters are provided in Notes 6, 21, 22, 29 and 31.

Note 2 Impact of Covid-19 on the consolidated financial statements

The 2021 financial year was marked by a strong recovery in the activity. Such context didn't require a specific review of the main assumptions and estimates taken at the reporting date unlike in the 2020 financial year. In 2020, the main assumptions and estimates affecting the application of the accounting methods had been reviewed to take into account the context of the Covid-19 crisis including:

- goodwill and intangible assets impairment tests;
- exposure to credit risk;
- exposure to liquidity risk;
- method for recognizing certain governmental measures.

See Note 2 to the 2020 consolidated financial statements for more details.

Note 3 Changes to consolidation scope

3.1 Acquisitions in 2021

The main acquisitions during the period were as follows:

- in September 2021, the Groupe acquired 100% of Citrus Global Holdings Pty Ltd (Australia). Citrus is a software as a service (SaaS) platform optimizing brands marketing performances directly within retailer websites (retail media activity). The acquisition price is euro 130 million (including the earn-out);
- in December 2021, the Groupe acquired 100% of BBK Worlwide (United States).

The fair value, at the acquisition date, of the consideration paid (excluding cash and cash equivalents acquired) of all entities that were fully consolidated (notably including the ones detailed above, as well as smaller acquisitions) with an exclusive takeover during the period, totaled euro 260 million. This amount mainly includes:

- euro 182 million paid out during the period;
- euro 78 million in earn-out commitments;
- euro 0 million in commitments to buy-out non-controlling interests.

The amount paid in 2021 for acquisitions (net of cash and cash equivalents acquired) totaled euro 276 million and included:

- euro 183 million paid out during the period;
- euro (10) million in net cash acquired;
- euro 103 million in earn-out payments relating to prior acquisitions paid out during the period.

Acquisitions during the period represented less than 1% of consolidated net revenue in financial year 2021 and less than 1% of net income attributable to equity holders of the parent.

3.1.1 Provisional allocation of the acquisition price of Citrus

The provisional allocation of the consideration transferred broke down as follows at December 31, 2021:

(in millions of euros)	Citrus
Consideration transferred (A)	**130**
Net assets acquired before fair value adjustment[(1)] (B)	**2**
Technology	56
Deferred tax liabilities on technology	(17)
Total fair value adjustments (C)	**39**
Net assets acquired after fair value adjustments (D = B + C)	**41**
Goodwill (E = A - D)	**89**

(1) Excluding intangible assets generated prior the acquisition

The euro 89 million provisional residual goodwill includes:

- employee know-how;
- the ability to maintain and develop existing assets.

3.2 Acquisitions in 2020

There was no significant takeover (individually or taken together) during the period.

The fair value, at the acquisition date, of the consideration paid (excluding cash and cash equivalents acquired) of all entities that were fully consolidated (notably including the ones detailed above, as well as smaller acquisitions) with an exclusive takeover during the period, totaled euro 35 million. This amount mainly includes:

- euro 14 million paid out during the period;
- euro 21 million in earn-out payment commitments;
- euro 0 million in commitments to buy-out non-controlling interests.

The amount paid out in 2020 for acquisitions (net of cash and cash equivalents acquired) totaled euro 146 million and includes:

- euro 14 million paid out during the period;
- euro (2) million in net cash acquired;
- euro 134 million in earn-out payments relating to prior acquisitions paid out during the period.

Acquisitions during the period represented less than 1% of consolidated net revenue in financial year 2020 and less than 1% of net income attributable to equity holders of the parent.

3.3 Disposals in 2021 and 2020

The Groupe completed the partial disposal of DPZ&T in Brazil in the second half of 2021 (see Note 7).

The contribution from the scope disposed of represented less than 1% of revenue and less than 1% of 2021 consolidated net income attributable to equity holders of the parent company.

In 2020, the Groupe completed the disposal of Matomy Media Group, in which it held a 24.9% stake (a company consolidated under the equity method).

Note 4 Personnel costs and headcount

Personnel costs include salaries, commissions, employee profit-sharing, vacation pay and bonus estimation. They also include expenses related to share-based payments (stock option and free share plans) and expenses related to pensions (excluding the net effect of unwinding the discount on benefit obligations, which is included in other financial income and expenses).

(in millions of euros)	2021	2020
Compensation	(5,156)	(4,820)
Social security charges, including post-employment benefits	(986)	(914)
Share-based payments	(52)	(55)
Temporary employees and freelancers	(392)	(278)
Restructuring costs	(53)	(175)
Total	**(6,639)**	**(6,242)**

/ Breakdown of headcount at December 31 by geographic region

	2021	2020
Europe	21,866	20,149
North America	27,451	25,409
Latin America	7,290	6,171
Asia Pacific	28,561	24,129
Middle East & Africa	3,363	3,193
Total	**88,531**	**79,051**

/ Breakdown of headcount at December 31 by function (in %)

	2021	2020
Media and research	21%	18%
Creative	11%	12%
Production, specialized activities and others	38%	39%
Commercial	17%	17%
Administration and management	13%	14%
Total	**100%**	**100%**

Note 5 Other operating costs

Other operating costs include all external expenses other than production and media buying when the Groupe acts as an agent, this includes:

- pass-through costs amounting to euro 1,242 million in 2021, *versus* euro 956 million in 2020;
- costs directly attributable to the services rendered amounting to 504 million in 2021, *versus* euro 375 million in 2020.

It also includes taxes other than income taxes, duties and other payments and increases and reversals of provisions.

Note 6 Depreciation, amortization and impairment losses

(in millions of euros)	2021	2020
Amortization of other intangible assets (excluding intangibles arising from acquisitions)	(89)	(55)
Depreciation of property, plant and equipment	(136)	(150)
Depreciation of right-of-use assets	(252)	(395)
Depreciation and amortization expense (excluding acquired intangibles)	**(477)**	**(600)**
Amortization of intangibles from acquisitions	**(256)**	**(339)**
Impairment losses of goodwill	-	(15)
Impairment of right-of-use assets	(122)	(226)
Impairment losses	**(122)**	**(241)**
Total depreciation, amortization and impairment losses	**(855)**	**(1,180)**

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Impairment losses of intangible assets and intangible assets arising from acquisitions

When indications of impairment were identified on intangible assets related to acquisitions, impairment tests were conducted. All valuations required for these tests were conducted by an independent expert. The after-tax discount rates used and the long-term growth rates were determined taking into account the specific characteristics of these assets. These tests did not lead to the recognition of impairment in 2021.

In 2020, these tests did not lead the Groupe to recognize any impairment loss.

Impairment losses of goodwill

Impairment tests were carried out on the cash-generating units, which are the 10 key markets in which the Groupe operates: United States, Canada, United Kingdom, France, DACH (Germany, Austria and Switzerland), Asia-Pacific, Africa-Middle East, Central and Eastern Europe, Western Europe, Latin America (excluding Brazil) and Brazil, as well as on other goodwill.

The valuations required for the impairment tests on the most significant goodwill were conducted by an independent expert. Goodwill impairment tests were performed either:

- based on the value in use of the cash-generating units determined on the basis of five-year financial projections (2022-2026). Forecasts for 2022 are taken directly from the annual budget approved by management; or
- on the basis of the market value of the cash-generating unit.

The compound annual growth rates applied over the business plan period were corroborated with industry market studies on advertising spend by country or geographic region.

The method used in the calculation of discount rates and terminal growth rates is unchanged. The after-tax discount rates used range between 8.5% (11% before tax) and 14% (19% before tax). The terminal growth rate used in the forecasts ranged from 1.5% to 3.3%.

The impairment tests did not lead the Groupe to recognize any impairment loss in 2021. The sensitivity tests carried out show that there is no additional impairment charge to be recognized in the Groupe's cash-generating units.

The main assumptions used in these tests are presented in the table below:

	December 31, 2021		
(in millions of euros)	Carrying amount of goodwill	After-tax discount rate	Terminal growth rate
North America	8,176	9%	2%
Europe	1,627	8.8%-11%	1.6%-2.8%
Asia-Pacific	1,086	8.6%	2.2%
Africa & Middle East	370	10.5%	2.5%
Latin America	159	13.5%-14%	2.5%-3.3%
Other goodwill	342	8.5%-11%	1.5%
Total goodwill after impairment loss	**11,760**		

At December 31, 2020, goodwill tests had led the Groupe to recognize an impairment loss of euro 15 million, of which euro 4 million in the Latin America region and euro 11 million on other goodwill relating to events activities and in particular the organization of forums. The after-tax discount rates used ranged from 8.5% (10.9% before tax) to 14% (19.2% before tax). The terminal growth rate used in the forecasts ranged from 1.5% to 3.3%.

Impairment losses of right-of-use assets

As part of the program to optimize premises, aiming to consolidate the agencies on one or more sites in the main countries, it was necessary to empty leased space in order to make better use of the existing space at other sites. Consequently, right-of-use assets concerning the empty spaces were subject to total or partial impairment loss, and likewise concerning the fixtures in these spaces.

Euro 122 million in impairment losses were recognized in 2021 (euro 91 million net of tax), including euro 95 million for right-of-use assets and euro 11 million for fixtures. Expenses such as facility management expenses and any taxes on vacant properties in the amount of euro 16 million are included in vacant property provisions; they also include early termination penalties.

Euro 226 million in impairment losses had been recognized in 2020 (euro 170 million net of tax), including euro 126 million for right-of-use assets and euro 41 million for fixtures. Expenses such as facility management expenses and any taxes on vacant properties in the amount of euro 59 million were included in vacant property provisions; they also included early termination penalties.

Note 7 Non-current income and expenses

This covers non-recurring income and expenses. This line item mainly includes gains and losses on the disposal of assets.

(in millions of euros)	2021	2020
Capital gains (losses) on disposal of assets	(27)	3
Non-current income and (expenses)	(1)	2
Total non-current income and (expenses)	**(28)**	**5**

In 2021, asset disposals mainly concern the partial disposal of DPZ&T in Brazil resulting in a capital loss of euro 30 million and the disposal of Nexus subsidiary in Spain generating a capital gain of euro 2 million.

In 2020, asset disposals mainly concerned the disposal of Matomy Media Group securities, which had resulted in a capital loss of euro 2 million. In addition, the Groupe's takeover of Sapient.i7 Limited had resulted in a gain of euro 4 million corresponding to the revaluation at fair value of the securities previously held.

The other non-current income and expenses mainly relate to the extinguishment of a debt from a past acquisition.

Note 8 Financial income and expenses

/ Net financial income (expense) excluding revaluation of earn-out payments

(in millions of euros)	2021	2020
Interest expenses on loans and bank overdrafts	(115)	(185)
Financial income	30	66
Cost of net financial debt	**(85)**	**(119)**
Interest expense on lease liabilities	(70)	(77)
Change in fair value of financial assets	42	7
Foreign exchange gains (losses) and change in the fair value of derivatives	2	(2)
Other	(7)	(7)
Net financial income (expense) excluding revaluation of earn-out payments	**(118)**	**(198)**

In 2020, the cost of net financial debt amounted to euro 103 million, excluding costs related to the early unwinding of the 2021 and 2024 swaps for euro 16 million (euro 11 million net of tax).

/ Revaluation of earn-out payments

(in millions of euros)	2021	2020
Revaluation of earn-out payments	**27**	**(17)**

Note 9 Income taxes

/ Analysis of income tax expense

(in millions of euros)	2021	2020
Current income tax expense for the period	(368)	(309)
Current tax income/(expense) for previous years	1	(2)
Total tax income/(expense)	**(367)**	**(311)**
Deferred tax income/(expense)	59	156
Changes in unrecognized deferred tax assets	1	(41)
Total net deferred tax income/(expense)	**60**	**115**
Income taxes	**(307)**	**(196)**

/ Effective tax rate

The effective tax rate is obtained as follows:

(in millions of euros)		2021	2020
Pre-tax income of consolidated companies		**1,343**	**768**
Impairment losses		-	15
Revaluation of earn-out payments		(27)	17
(Gains)/Losses on disposals[(1)]		(3)	(5)
Restated pre-tax income of consolidated companies	**A**	**1,313**	**795**
French tax rate applicable to the parent company		28.4%	32.0%
Expected tax expense on pre-tax income of consolidated companies		**(373)**	**(254)**
Impact of:			
• Difference between the French tax rate and foreign tax rates		131	138
• Income tax at reduced or increased rates		(45)	(23)
• Changes in unrecognized deferred tax assets		1	(41)
• Other impacts[(2)]		(21)	(16)
Income tax in the income statement		**(307)**	**(196)**
• Current tax on reserves accumulated abroad		-	-
Income tax in the restated income statement	**B**	**(307)**	**(196)**
Effective tax rate	**B/A**	**23.4%**	**24.7%**

(1) Main gains and losses on disposals which are not taxable or deductible.
(2) Other impacts mainly include those related to tax credits and adjustments to previous financial years.

/ Tax effect on other comprehensive income

	December 31, 2021			December 31, 2020		
(in millions of euros)	Gross	Tax	Net	Gross	Tax	Net
Actuarial gains (and losses) on defined benefit plans	48	(8)	40	(20)	3	(17)
Effect of translation adjustments and other	629	(10)	619	(767)	45	(722)
Total	**677**	**(18)**	**659**	**(787)**	**48**	**(739)**

/ Schedule of deferred taxes recognized in the balance sheet

(in millions of euros)	December 31, 2021	December 31, 2020
Short-term (less than one year)	(6)	(24)
Long-term (over one year)	(93)	(87)
Net deferred tax assets (liabilities)	**(99)**	**(111)**

/ Source of deferred taxes

(in millions of euros)	December 31, 2021	December 31, 2020
Deferred tax on adjustment of asset and liability valuations due to acquisitions	(107)	(103)
Deferred tax arising on the restatement of the Champs-Élysées building	(38)	(30)
Deferred tax on pensions and other post-employment benefits	60	58
Deferred tax arising on tax loss carryforwards	315	324
Deferred tax on other temporary differences	(14)	(41)
Gross deferred tax assets (liabilities)	**216**	**208**
Unrecognized deferred tax assets	(315)	(318)
Net deferred tax assets (liabilities)	**(99)**	**(110)**

As of December 31, 2021, deferred tax liabilities included the tax on the revaluation of intangible assets made at the time of the acquisition of Zenith (euro 7 million), Bcom3 (euro 59 million), Digitas (euro 17 million), Sapient (euro 58 million) and Citrus (euro 16 million), as well as the deferred tax linked to the fair value being deemed as the cost of the Champs-Élysées land and building on the date of transition to IFRS.

Tax loss carryforwards

The Group ealso had tax loss carryforwards that had not been recognized as deferred tax assets in the consolidated balance sheet because of uncertainty as to their availability for use:

(in millions of euros)	December 31, 2021	December 31, 2020
Amount in unrecognized tax loss carryforwards	**1,131**	**1,073**
Of which carried forward indefinitely	*546*	*513*

Uncertain tax positions

The Groupe's tax positions are based on its interpretations of tax regulations and past experience. Each position is assessed individually without offsetting or aggregation with other positions and gives rise to the recognition of a liability when an outflow of resources is deemed probable. The assessment of these tax liabilities corresponds to the best estimate of risk at the reporting date and, where appropriate, includes late-payment interest and any penalties.

Liabilities relating to tax risks and litigation are recognized as tax liabilities for the companies for euro 205 million at December 31, 2021, versus euro 196 million at December 31, 2020.

Note 10 Earnings per share

/ Earnings per share (basic and diluted)

(in millions of euros, except for share data)		2021	2020
Net income used for the calculation of earnings per share			
Net income share attributable to equity holders of the parent company	**A**	**1,027**	**576**
Impact of dilutive instruments:			
• Savings in financial expenses related to the conversion of debt instruments, net of tax		-	-
Groupe net income – diluted	**B**	**1,027**	**576**
Number of shares used to calculate earnings per share			
Number of shares at January 1		247,769,038	240,437,061
Shares created over the year		2,929,864	1,974,862
Treasury shares to be deducted (average for the year)		(2,078,744)	(2,573,576)
Average number of shares used for the calculation	**C**	**248,620,158**	**239,838,347**
Impact of dilutive instruments:			
• Free shares and dilutive stock options[1]		2,784,437	1,977,939
• Equity warrants (BSA)[1]		290,510	110,267
Number of diluted shares	D	251,695,105	241,926,553
(in euros)			
Earnings per share	**A/C**	**4.13**	**2.40**
Diluted earnings per share	**B/D**	**4.08**	**2.38**

(1) Only stock options and warrants with a dilutive impact, *i.e.* whose strike price is lower than the average strike price, are included in the calculation. At December 31, 2021, unexercised stock-options were not taken into account because they were earnings accretive.

/ Headline earnings per share (basic and diluted)

(in millions of euros, except for share data)		2021	2020
Net income used to calculate headline earnings per share[1]			
Net income share attributable to equity holders of the parent company		**1,027**	**576**
Items excluded:			
• Amortization of intangibles from acquisitions, net of tax		191	254
• Impairment loss[2], net of tax		91	185
• Main capital gains and losses on disposal of assets and fair value adjustment of financial assets, net of tax		(18)	(9)
• Early unwinding of swaps (see Note 8)		-	11
• Revaluation of earn-out payments		(27)	17
Headline Groupe net income	**E**	**1,264**	**1,034**
Impact of dilutive instruments:			
• Savings in financial expenses related to the conversion of debt instruments, net of tax		-	-
Headline Groupe net income, diluted	**F**	**1,264**	**1,034**
Number of shares used to calculate earnings per share			
Number of shares at January 1		247,769,038	240,437,061
Shares created over the year		2,929,864	1,974,862
Treasury shares to be deducted (average for the year)		(2,078,744)	(2,573,576)
Average number of shares used for the calculation	**C**	**248,620,158**	**239,838,347**
Impact of dilutive instruments:			
• Free shares and dilutive stock options		2,784,437	1,977,939
• Equity warrants (BSA)		290,510	110,267
Number of diluted shares	**D**	**251,695,105**	**241,926,553**
(in euros)			
Headline earnings per share[1]	**E/C**	**5.08**	**4.31**
Headline earnings per share – diluted[1]	**F/D**	**5.02**	**4.27**

(1) EPS after elimination of the impairment losses, amortization of intangibles from acquisitions, the main capital gains (and losses) on disposal of assets and the fair value adjustment of financial assets, the revaluation of earn-out payments and the costs related to the early unwinding of cross-currency swaps in 2020.

(2) This amount includes impairment losses on right-of-use assets related to leases for euro 91 million in 2021 and euro 170 million in 2020.

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Note 11 Goodwill

/ Changes in goodwill

(in millions of euros)	Gross value	Impairment loss[2]	Net amount
January 1, 2020	**13,089**	**(1,460)**	**11,629**
Acquisitions	35	-	35
Impairment loss	-	(15)	(15)
Changes related to the revaluation of earn-outs during the window period[1]	1	-	1
Foreign exchange	(912)	120	(792)
December 31, 2020	**12,213**	**(1,355)**	**10,858**
Acquisitions	218	-	218
Impairment loss	-	-	-
Changes related to the revaluation of earn-outs during the window period[1]	1	-	1
Disposals	(32)	-	(32)
Foreign exchange	816	(101)	715
December 31, 2021	**13,216**	**(1,456)**	**11,760**

(1) See Note 1.3 on the change in fair-value on any earn-out in a business combination
(2) See Note 6.

Goodwill by cash-generating unit or by group of cash-generating units is disclosed in Note 6.

Note 12 Intangible assets, net

/ Changes in intangible assets

	Intangible assets with a finite useful life			
(in millions of euros)	Client relationships	Software, technology and other	Brands	Total intangible assets
Gross value at January 1, 2020	**1,637**	**1,046**	**984**	**3,667**
Acquisitions	-	76	-	76
Disposals	-	(63)	-	(63)
Translation adjustments and other	(122)	(87)	(82)	(291)
Gross value at December 31, 2020	**1,515**	**972**	**902**	**3,389**
Acquisitions	-	45	-	45
Change in scope	-	56	-	56
Disposals	-	(25)	-	(25)
Translation adjustments and other	108	77	74	259
Gross value at December 31, 2021	**1,624**	**1,125**	**976**	**3,725**
Accumulated depreciation at December 31, 2020	**(1,046)**	**(492)**	**(342)**	**(1,880)**
Amortization	(72)	(184)	(89)	(345)
Disposals	-	24	-	24
Translation adjustments and other	(73)	(40)	(32)	(145)
Accumulated depreciation at December 31, 2021	**(1,191)**	**(692)**	**(463)**	**(2,346)**
Net value at December 31, 2021	**433**	**433**	**513**	**1,379**

Valuation of intangible assets

In 2021, valuations tests carried out by an independent expert did not lead the Groupe to recognize any impairment losses.

Note 13 Property, plant and equipment, net

(in millions of euros)	Land and buildings	Fixtures and fittings	IT equipment	Others	Total
Gross value at January 1, 2020	**166**	**763**	**504**	**479**	**1,912**
Increases	-	87	34	15	136
Decreases	-	(94)	(55)	(5)	(154)
Changes to consolidation scope	-	(1)	-	-	(1)
Translation adjustments and other	1	(52)	(93)	29	(115)
Gross value at December 31, 2020	**167**	**703**	**390**	**518**	**1,778**
Increases	-	26	32	48	106
Decreases	-	(61)	(33)	(31)	(125)
Changes to consolidation scope	-	-	1	1	2
Translation adjustments and other	0	48	23	20	91
Gross value at December 31, 2021	**167**	**716**	**413**	**556**	**1,852**
Accumulated depreciation at December 31, 2020	**(20)**	**(410)**	**(343)**	**(379)**	**(1,152)**
Depreciation	(1)	(55)	(27)	(53)	(136)
Impairment loss	-	(11)	-	-	(11)
Decreases	-	61	32	29	122
Changes to consolidation scope	-	-	-	-	-
Translation adjustments and other	3	(27)	(20)	(16)	(60)
Accumulated depreciation at December 31, 2021	**(18)**	**(442)**	**(358)**	**(419)**	**(1,237)**
Net value at December 31, 2021	**149**	**274**	**55**	**137**	**615**

Land and Buildings

At December 31, 2021, the net amount of the property assets directly owned by Publicis listed on the balance sheet was euro 149 million.

The Groupe's main property asset is its corporate headquarters located at 133, avenue des Champs-Élysées, in Paris, France. This seven-story building includes around 12,000 sq.m. of office space, occupied by Groupe companies, and 1,500 sq.m. of commercial space, occupied by Publicis Drugstore, and two public movie theaters.

Fixtures and fittings

The euro 11 million impairment loss in 2021 corresponds to fittings for leased properties (see Note 6).

Other property, plant and equipment

The Groupe owns a considerable array of IT equipment used for the creation and production of advertising, the management of media buying and administrative work.

Note 14 Investments in associates

Investments accounted for using the equity method amounted to euro 25 million at December 31, 2021 (*versus* euro 24 million at December 31, 2020).

(in millions of euros)	Value in balance sheet
Amount at January 1, 2020	**32**
Disposals	(1)
Share of profit of associates	(1)
Dividends paid	(2)
Translation adjustments and other	(4)
Amount at December 31, 2020	**24**
Disposals	-
Share of profit of associates	0
Dividends paid	(2)
Translation adjustments and other	3
Amount at December 31, 2021	**25**

The following table shows the carrying amount of investments in associates at December 31, 2021:

(in millions of euros)	December 31, 2021
Burrell Communications Group	8
OnPoint Consulting Inc.	6
Somupi SA	4
AG Partners	2
Other investments in associates	5
Amount at December 31, 2021	**25**

Note 15 Other financial assets

(in millions of euros)	December 31, 2021	December 31, 2020
Other financial assets at fair value through profit and loss:		
• Venture Capital Funds[(1)]	154	110
• Other	20	18
Security deposits	32	33
Loans to associates and non-consolidated companies	35	34
Sub-lease receivables	21	21
Others	37	31
Gross value	**299**	**247**
Impairment	(23)	(15)
Net amount	**276**	**232**

(1) These Venture Capital Funds are dedicated to investments in companies that belong to the digital economy.

Note 16 Inventories and work-in-progress

(in millions of euros)	December 31, 2021	December 31, 2020
Gross value	**285**	**243**
Impairment of inventories and work-in-progress	(8)	(13)
Net amount	**277**	**230**

Note 17 Trade receivables

(in millions of euros)	December 31, 2021	December 31, 2020
Trade receivables(1)	11,504	9,654
Notes receivable	4	6
Gross value	**11,508**	**9,660**
Opening impairment	(152)	(112)
Impairment over the year	(87)	(59)
Reversals during the year	59	10
Changes to consolidation scope	-	1
Translation adjustments and other	(13)	9
Closing impairment	**(193)**	**(152)**
Net amount	**11,315**	**9,508**

(1) Including invoiced trade receivables of euro 8,798 million at December 31, 2021 and euro 7,349 million at December 31, 2020.

Note 18 Other current receivables and current assets

(in millions of euros)	December 31, 2021	December 31, 2020
Taxes and levies	340	240
Advances to suppliers	238	158
Prepayments	147	107
Derivatives hedging current assets and liabilities	8	52
Derivatives hedging Eurobond 2025, 2028 and 2031	-	65
Derivatives hedging intercompany loans and borrowings	13	1
Other receivables and other current assets	155	184
Gross value	**901**	**807**
Impairment	(4)	(4)
Net amount	**897**	**803**

Note 19 Cash and cash equivalents

(in millions of euros)	December 31, 2021	December 31, 2020
Cash and bank balances	1,523	1,816
Short-term liquid investments	2,136	1,884
Total	**3,659**	**3,700**

Short-term liquid investments included UCITS (French Undertakings for Collective Investment in Transferable Securities) funds classified by the AMF as short-term money market funds, subject to a very low risk of a change in value, and short-term deposits.

Note 20 Shareholders' equity

/ Share capital of the parent company

(in shares)	December 31, 2021	December 31, 2020
Share capital at January 1	247,769,038	240,437,061
Capital increase	5,693,371	7,331,977
Shares comprising the share capital at the end of the period	**253,462,409**	**247,769,038**
Treasury stock at the end of the period	(3,861,900)	(2,191,259)
Shares outstanding at the end of the period	**249,600,509**	**245,577,779**

The share capital of Publicis Groupe SA increased by euro 2,277,348 during financial year 2021, corresponding to 5,693,371 shares with a par value of euro 0.40 each:

- 378,789 shares issued following the exercise of stock warrants by certain holders;
- 296,350 shares issued as part of free share plans;
- 5,018,232 shares issued following the exercise of options for dividend payment in shares by certain shareholders.

The share capital of Publicis Groupe SA amounted to euro 101,384,964 at December 31, 2021, divided into 253,462,409 shares with a par value of euro 0.40 each.

Neutralization of the treasury shares existing at December 31, 2021

Treasury shares held at the end of the year, including those owned under the liquidity contract, are deducted from the share capital.

The portfolio of treasury shares showed the following movements in 2020 and 2021:

	Number of shares
Treasury shares held on January 1, 2020(1)	**3,480,234**
Disposals (exercise of stock options) and deliveries of free shares	(1,074,183)
Movements as part of the liquidity contract	(214,792)
Treasury shares held on December 31, 2020(1)	**2,191,259**
Disposals (exercise of stock options) and deliveries of free shares	(814,401)
Buybacks of treasury shares	2,500,000
Movements as part of the liquidity contract	(14,958)
Treasury shares held on December 31, 2021(1)	**3,861,900**

(1) Including 53,500 shares held as part of the liquidity contract on December 31, 2021, and 68,458 on December 31, 2020.

/ Dividends proposed and voted

	Per share (in euros)	**Total** (in millions of euros)
Dividends paid in 2021 (for the 2020 financial year)	2.00	493(1)
Dividends proposed to the General Shareholders' Meeting (for the 2021 financial year)	2.40	608(2)

(1) Amount paid, depending on shareholder option, in cash or shares. Dividends paid in shares amounted to euro 266 million, resulting in the creation of 5,018,232 shares.

(2) Amount for all shares outstanding on December 31, 2021, including treasury shares.

Capital management and buyback of treasury shares

Pursuant to the 20th resolution of the General Shareholders' Meeting of May 26, 2021, the Groupe implemented a program to buy 2.5 million treasury shares during the financial year. This program is designed to fulfill the commitments in connection with the current free share plans awarded to employees, the shares of which will be delivered in 2022, 2023, 2024 and 2025. This program represented around 1% of the share capital as of August 31, 2021, prior to its implementation in September which continued until December 2021, when it was completed. Hence, for 2021 period, buyback of treasury shares amount to 144 euro million.

The Groupe's policy is to maintain a solid capital base in order to maintain the confidence of investors, creditors and the market and to support future activity development. The Groupe's management pays particular attention to the debt-to-equity ratio, which is defined as net debt (financial debt less cash and cash equivalents) divided by equity (including non-controlling interests) and has calculated that the ideal debt-to-equity ratio is less than 0.8. As at December 31, 2021 the debt-to-equity ratio, taking lease liabilities into account, was 0.25. At December 31, 2020, it was 0.41.

Management also monitors the dividend payout rate, which is defined as the ratio between the dividend per share and diluted headline earnings per share. Given the amount of the dividend (euro 2.40 per share) to be proposed to the next General Shareholders' Meeting, the rate will be 47.8% for financial year 2021 compared to a rate of 46.8% for financial year 2020.

Note 21 Provisions for liabilities and charges

(in millions of euros)	Restructuring provision	Vacant property provisions	Pensions and other long-term benefits	Provision for risk sand litigation	Others provisions	Total
January 1, 2020	**35**	**44**	**311**	**103**	**103**	**596**
Increases	86	60	26	21	25	218
Releases with usage	(38)	(21)	(26)	(2)	(25)	(112)
Other releases	(2)	-	-	(1)	-	(3)
Changes to consolidation scope	-	-	1	-	-	1
Actuarial losses (gains)	-	-	20	-	-	20
Translation adjustments and other	(3)	12	(14)	(6)	(7)	(18)
December 31, 2020	**78**	**95**	**318**	**115**	**96**	**702**
Increases	25	18	45	139	36	263
Releases with usage	(61)	(37)	(20)	(5)	(9)	(132)
Other releases	(2)	-	(1)	(1)	(6)	(10)
Changes to consolidation scope	-	-	-	-	-	-
Actuarial losses (gains)	-	-	(48)	-	-	(48)
Translation adjustments and other	1	21	11	6	3	42
December 31, 2021	**41**	**97**	**305**	**254**	**120**	**817**
Of which short-term	*30*	*48*	*33*	*105*	*58*	*274*
Of which long-term	*11*	*49*	*272*	*149*	*62*	*543*

Restructuring provisions

These include an estimate of the closure or restructuring costs of certain activities resulting from plans that were announced but not yet executed at the end of 2021 (mainly severance pay). The plans are detailed by project and by type, and are approved in advance by senior management. They are managed centrally to ensure that the provision is applied based on the actual costs incurred and to justify the remaining balance at the year-end on the basis of the outstanding cost to be incurred.

Vacant property provisions

If a property is vacant and is not intended to be used in the main activity, a provision is made including rental charges, taxes and any other costs. This provision does not include lease payments, which are recognized as an impairment of right-of-use assets relating to leases.

Provisions for risks and litigation

Provisions for risks and litigation (euro 254 million) include a short-term component (euro 105 million) and a long-term component (euro 149 million). They relate to litigation of any type with third parties, including commercial and tax litigation but excluding risks relating to uncertain tax positions.

Pensions and other long-term benefits

The obligations for employee benefits (see Note 22) include:

- defined benefit pension plans;
- post-employment health benefits;
- long-term benefits such as deferred compensation and long-service rewards.

Note 22 Pensions and other long-term benefits

Defined benefit pension plans

The Groupe has obligations for a number of defined benefit pension plans, mainly split between:

- pension funds (70% of the Groupe's obligations): these are rights to which employees have earned entitlement, with external pre-funding requirements predominantly in the US and the UK;
- other mandatory and statutory pension schemes, such as retirement indemnities (27% of the Groupe's obligations), particularly in France: rights have not vested so payment is uncertain and notably linked to employees still being with the Company upon retirement;
- medical coverage plans for retirees (3% of the Groupe's obligations) consisting of an effective liability vis-à-vis current pensioners and a provision for current workers (future pensioners), in particular in the US and the UK.

The largest plans are therefore the pension funds in the United Kingdom (33% of the Groupe's obligations) and in the United States (26% of the Groupe's obligations):

- in the United Kingdom, the Groupe's obligations are managed through six pension funds administered by independent Boards of trustees. These independent Boards are made up of representatives of the Groupe, employees and retirees and in some instances an independent expert. These Boards are required by regulation to act in the best interests of plan beneficiaries, notably by ensuring that the pension funds are financially stable, as well as by monitoring their investment policy and management.

  Four of the six pension funds are closed and frozen. All existing entitlements (based on salary and number of years of service to the Groupe) have been frozen: beneficiaries still working will not earn any further entitlement under these defined benefit plans.

  The pension fund obligations in the United Kingdom relate to retirees (76%), former employees with deferred entitlement who have not yet drawn down their pension entitlements (24%);
- in the United States, the Groupe's obligations are basically limited to a closed and frozen pension fund. The obligations relate to former employees with deferred entitlement who have not yet drawn down their pension entitlements (31% of obligations), retirees (45% of obligations) and employees still working (24% of obligations).

Defined benefit pension plan valuations were carried out by independent experts. The main countries concerned are the United States, the United Kingdom, Germany, France, Switzerland, Belgium, the United Arab Emirates, Saudi Arabia, South Korea, the Philippines, Japan and India.

No material events occurred during the financial year to affect the value of the Groupe's liabilities under these plans (significant plan change).

Surplus (deficit)

Publicis Groupe sets aside financial assets to cover these liabilities, primarily in the United Kingdom and the United States, in order to comply with its legal and/or contractual obligations and to limit its exposure to an increase in these liabilities (interest and inflation rate volatility, longer life expectancy, etc.).

The policy to cover the Groupe's liabilities is based on regular asset-liability management reviews to ensure optimal asset allocation, designed both to limit exposure to market risks by diversifying asset classes on the basis of their risk profile and to better reflect the payment of benefits to beneficiaries, having regard to plan maturity. These reviews are performed by independent advisers and submitted to the Trustees for approval. Investments are made in compliance with legal constraints and the criteria governing the deductibility of such covering assets in each country. Funding requirements are generally determined on a plan-by-plan basis and as a result a surplus of assets in over-funded plans cannot be used to cover under-funded plans.

Risk exposure

The principal risks to which the Groupe is exposed through its pension funds in the United Kingdom and the United States are as follows:

- volatility of financial assets: the financial assets in the plans (shares, bonds, etc.) often have a return higher than the discount rate over the long term, but are more volatile in the short term, especially since they are measured at their fair value for the Groupe's annual accounting needs. The asset allocation is determined so as to ensure the financial viability of the plan over the long term;
- variation of bond rates: a decrease in corporate bond rates leads to an increase in obligations under the plans as recognized by the Groupe, even where this increase is partially reduced by an increase in value of the financial assets in the plans (for the portion of investment grade corporate bonds);
- longevity: the largest part of benefits guaranteed by the plans is retirement benefits. An extended life expectancy therefore leads to an increase in these plans;

- inflation: a significant portion of the benefits guaranteed by the pension funds in the United Kingdom is indexed to inflation. A rise in inflation leads to an increase in the obligation (even when thresholds have been set for most of them in order to protect the plan from hyper-inflation). Most of the financial assets are either not impacted by inflation or weakly correlated with inflation, therefore inferring that a rise in inflation would lead to an increase of the plan's deficit from an accounting perspective. The American pension funds do not expose the Groupe to a significant inflation risk as the benefits are not indexed to inflation.

Actuarial gains and losses

Actuarial gains and losses reflect unforeseen increases or reductions in the present value of a defined benefit obligation or of the fair value of the corresponding plan assets. Actuarial gains and losses resulting from changes in the present value of liabilities under a defined benefit plan stem, firstly, from experience adjustments (differences between the previous actuarial assumptions and what has actually occurred) and, secondly, from the effect of changes in actuarial assumptions.

Other long-term benefits

Publicis Groupe also recognizes various long-term benefits, primarily seniority payments, long-service awards, in France in particular, and certain multi-year plans for which the deferred compensation is linked to continued employment.

/ Change in the actuarial benefit obligation

	December 31, 2021			December 31, 2020		
(in millions of euros)	Pension plans	Medical cover	Total	Pension plans	Medical cover	Total
Opening actuarial benefit obligation	**(719)**	**(22)**	**(741)**	**(752)**	**(22)**	**(774)**
Cost of services rendered	(37)	-	(37)	(27)		(27)
Benefits paid	49	2	51	59	1	60
Interest expense on benefit obligation	(12)	-	(12)	(14)	(1)	(15)
Effect of remeasurement	32	1	33	(34)	(1)	(35)
Experience gains (losses)	12	1	13	(6)	1	(5)
Gains (losses) arising from a change in economic assumptions	18	-	18	(33)	(2)	(35)
Gains (losses) arising from other changes in demographic assumptions	2	-	2	5		5
Acquisitions, disposals	-	-	-	3		3
Translation adjustments	(40)	(2)	(42)	41	2	43
Actuarial benefit obligation at year-end	**(727)**	**(21)**	**(748)**	**(724)**	**(21)**	**(745)**

/ Change in the fair value of plan assets

(in millions of euros)	December 31, 2021 Pension plans	Medical cover	Total	December 31, 2020 Pension plans	Medical cover	Total
Fair value of plan assets at start of year	**496**	**-**	**496**	**529**	**-**	**529**
Actuarial return on plan assets	26	-	26	30	-	30
Employer contributions	24	2	26	34	1	35
Administrative fees	(2)	-	(2)	(2)	-	(2)
Acquisitions, disposals	(1)	-	(1)	(3)	-	(3)
Benefits paid	(49)	(2)	(51)	(59)	(1)	(60)
Translation adjustments	35	-	35	(33)	-	(33)
Fair value of plan assets at year-end	**529**	**-**	**529**	**496**	**-**	**496**
Surplus (deficit)	**(198)**	**(21)**	**(219)**	**(227)**	**(22)**	**(249)**
Effect of ceiling on value of assets	(68)	-	(68)	(58)	-	(58)
Net provision for defined benefit pension liabilities and post-employment medical care	**(267)**	**(21)**	**(288)**	**(285)**	**(22)**	**(307)**
Provision for other long-term benefits	(17)	-	(17)	(11)	-	(11)
Total provisions for retirement benefit obligations, other post-employment and long-term benefits	**(284)**	**(21)**	**(305)**	**(296)**	**(22)**	**(318)**

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/ Pension expenses and other post-employment benefits

(in millions of euros)	December 31, 2021 Pension plans	Medical cover	Total	December 31, 2020 Pension plans	Medical cover	Total
Cost of services rendered during the year	(38)	-	(38)	(27)	-	(27)
Financial expenses	(5)	-	(5)	(6)	(1)	(7)
Defined benefit plan expense	**(43)**	**-**	**(43)**	**(33)**	**(1)**	**(34)**
Cost of other plans (including defined contribution plans) and other benefits	(149)	-	(149)	(120)	-	(120)
Administrative fees excluding plan management fees	(2)	-	(2)	(2)	-	(2)
Total retirement costs recognized in the income statement	**(194)**	**-**	**(194)**	**(155)**	**(1)**	**(156)**

/ Breakdown of plan assets

The table below provides a breakdown of plans by asset type and by fair value hierarchy. The various fair value hierarchy levels are defined in Note 28.

	December 31, 2021				December 31, 2020			
(in millions of euros)	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Shares	65	-	-	65	70	-	-	70
Bonds	-	151	-	151	-	131	-	131
Treasury bonds	-	220	-	220	-	207	-	207
Real Estate	-	-	5	5	-	-	8	8
Others	17	-	71	88	12	-	67	79
Total	**82**	**371**	**76**	**529**	**82**	**338**	**75**	**495**

/ Estimate of employer contributions and of future benefits payable

(in millions of euros)	Pension plans	Medical cover	Total
Estimated employer contribution for 2021	**23**	**2**	**25**

(in millions of euros)	Pension plans	Medical cover	Total
Estimated future benefits payable			
2022	49	2	51
2023	44	2	46
2024	44	2	46
2025	42	2	44
2026	43	1	4
Financial years 2027 to 2030	200	6	206
Total over the next 10 financial years	**422**	**15**	**437**

The average duration of plans at end-December 2021 was 12 years.

Actuarial assumptions (weighted average rates)

Discount rates are calculated using the rates of long-term investment grade corporate bonds (minimum AA rating) with maturities equivalent to the length of the plans assessed. They were determined based on external indexes commonly considered to be benchmarks, namely the iBoxx in Europe and the Aon AA-AAA Bond Universe in the United States.

	Pension plans				Post-employment medical cover	
December 31, 2021	United States	United Kingdom	Euro Zone	Other countries	United States	United Kingdom
Discount rate	2.42%	1.60% to 1.70%	0.90%	0.25% to 5.65%	2.42%	1.60% to 1.70%
Future wage increases	n/a	n/a	2.35% to 2.80%(1)	1.25% to 8%	5%	n/a
Future pension increases	n/a	2.2% to 3.7%	1.80%(2)	n/a	n/a	n/a

(1) For Germany and Belgium.
(2) For Germany only.

	Pension plans				Post-employment medical cover	
December 31, 2020	**United States**	**United Kingdom**	**Euro Zone**	**Other countries**	**United States**	**United Kingdom**
Discount rate	2.11%	1.60% to 1.65%	0.60%	0% to 5.20%	2.11%	1.60% to 1.65%
Future wage increases	n/a	3.25%	2.25%(1)	1.25% to 8%	5%	n/a
Future pension increases	n/a	2% to 3.50%	1.70%(1)	n/a	n/a	n/a

(1) For Germany only.

The rate of increase in medical expenses used for 2021 is 6.1% with a gradual decrease to 4.3%.

/ Sensitivity analysis

	0.5% increase				
Pension plans (in millions of euros)	**United States**	**United Kingdom**	**Euro zone**	**Other Countries**	**Total**
Total Change in discount rate Effect on actuarial benefit obligation at year-end	(9)	(16)	(7)	(9)	(41)
Change in the increase rate of salaries Effect on actuarial benefit obligation at year-end	-	-	5	7	12

	0.5% decrease				
Pension plans (in millions of euros)	**United States**	**United Kingdom**	**Euro zone**	**Other Countries**	**Total**
Total Change in discount rate Effect on actuarial benefit obligation at year-end	9	17	8	11	45
Change in the increase rate of salaries Effect on actuarial benefit obligation at year-end	-				

	0.5% increase			0.5% decrease	
Post-employment medical cover (in millions of euros)	**United States**	**United Kingdom**	**Total**	**United States**	**Total**
Total Change in discount rate Effect on actuarial benefit obligation at year-end	(1)	-	(1)	1	1
Change in the increase rate of salaries Effect on actuarial benefit obligation at year-end	-			-	-

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Note 23 Borrowings and financial liabilities

(in millions of euros)	December 31, 2021	December 31, 2020
Bonds (excl. accrued interest)	3,335	4,031
Other debt	295	478
Total financial liabilities	**3,630**	**4,509**
Of which short-term	*184*	*856*
Of which long-term	*3,446*	*3,653*

/ Change in financial liabilities

(in millions of euros)	December 31, 2020	Cash outflows	Changes excl. cash outflows: Acquisitions	Changes excl. cash outflows: Exchange rate fluctuations	Changes excl. cash outflows: Changes in fair value	December 31, 2021
Eurobond 1.125% – December 2021 (EIR 1.261%) [1]	699	(699)	-	-	-	-
Eurobond 0.5% – November 2023 (EIR 0.741%[1])	497	-	-	-	1	498
Eurobond 1.625% – December 2024 (EIR 1.732%[1])	602	-	-	-	(1)	601
Eurobond 0.625% – June 2025 (EIR 0.781%[1])	745	-	-	-	1	746
Eurobond 1.25% – June 2028 (EIR 1.329%[1])	746	-	-	-	1	747
Eurobond 1.75% – June 2031 (EIR 1.855%[1])	742	-	-	-	1	743
Bonds (excl. accrued interest)	**4,031**	**(699)**	**-**	**-**	**3**	**3,335**
Medium-term loan (financing of Epsilon acquisition)	**150**	**(150)**	**-**	**-**	**-**	**-**
Debt related to earn-out commitments	**241**	**(103)**	**78**	**14**	**(24)**	**206**
Debt related to commitments to buy-out non-controlling interests	**24**	**(10)**	**-**	**-**	**2**	**16**
Accrued interest	43	(98)	-	3	97	45
Other borrowings and credit lines	17	(4)	-	-	3	16
Bank overdrafts	3	9	-	-	-	12
Other financial liabilities	**63**	**(93)**	**-**	**3**	**100**	**73**
Total financial liabilities	**4,509**	**(1,055)**	**78**	**17**	**81**	**3,630**
Fair value of derivative hedging on the 2025, 2028 and 2031 Eurobonds[2]	(65)	-	-	-	162	97
Fair value of derivative hedging on intra-group loans and borrowings[2]	89	-	-	-	(81)	8
Total liabilities related to financing activities	**4,533**	**(1,055)**	**78**	**17**	**162**	**3,735**

(1) Net of issuance costs. The number of securities at December 31, 2021 was 5,000 for the Eurobonds maturing in 2023, 6,000 for the Eurobonds maturing in 2024, 7,500 for the Eurobonds maturing in 2025, 7,500 for the Eurobonds maturing in 2028 and 7,500 for the Eurobonds maturing in 2031. The Effective Interest Rate (EIR) is given for each Eurobond.

(2) Carried under "Other receivables and current assets" and/or under "Other creditors and current liabilities" on the consolidated balance sheet.

(in millions of euros)	December 31, 2019	Cash outflows	Changes excl. cash outflows: Acquisitions	Changes excl. cash outflows: Exchange rate fluctuations	Changes excl. cash outflows: Changes in fair value	December 31, 2020
Eurobond 1.125% – December 2021 (EIR 1.261%[1])	698	-	-	-	1	699
Eurobond 0.5% – November 2023 (EIR 0.741%[1])	495	-	-	-	2	497
Eurobond 1.625% – December 2024 (EIR 1.732%[1])	603	-	-	-	(1)	602
Eurobond 0.625% – June 2025 (EIR 0.781%[1])	744	-	-	-	1	745
Eurobond 1.25% – June 2028 (EIR 1.329%[1])	745	-	-	-	1	746
Eurobond 1.75% – June 2031 (EIR 1.855%[1])	742	-	-	-	-	742
Bonds (excl. accrued interest)	**4,027**	**-**	**-**	**-**	**4**	**4,031**
Medium-term loan (financing of Epsilon acquisition)	**1,100**	**(940)**	**-**	**(10)**	**-**	**150**
Medium-term syndicated loan	**327**	**(327)**	**-**	**-**	**-**	**-**
Debt related to earn-out commitments	**347**	**(134)**	**21**	**(17)**	**24**	**241**
Debt related to commitments to buy-out non-controlling interests	**36**	**(10)**	**-**	**(1)**	**(1)**	**24**
Accrued interest	25	(150)	-	(3)	171	43
Other borrowings and credit lines	20	(2)	-	(1)	-	17
Bank overdrafts	6	(3)	-	-	-	3
Other financial liabilities	**51**	**(155)**	**-**	**(4)**	**171**	**63**
Total financial liabilities	**5,888**	**(1,566)**	**21**	**(32)**	**198**	**4,509**
Fair value of derivative hedging on the 2021 and 2024 Eurobonds[2]	112	(38)	-	-	(74)	-
Fair value of derivative hedging on the 2025, 2028 and 2031 Eurobonds[2]	87	-	-	-	(152)	(65)
Fair value of derivative hedging on intra-group loans and borrowings[2]	39	-	-	-	50	89
Total liabilities related to financing activities	**6,126**	**(1,604)**	**21**	**(32)**	**22**	**4,533**

(1) Net of issuance costs. The number of securities at December 31, 2020 was 7,000 for the Eurobond 2021, 5,000 for the Eurobonds maturing in 2023, 6,000 for the Eurobonds maturing in 2024, 7,500 for the Eurobonds maturing in 2025, 7,500 for the Eurobonds maturing in 2028 and 7,500 for the Eurobonds maturing in 2031. The Effective Interest Rate (EIR) is given for each Eurobond.

(2) Carried under "Other receivables and current assets" and/or under "Other creditors and current liabilities" on the consolidated balance sheet.

Bonds and medium-term loan to finance the Epsilon acquisition

A euro 2.25 billion bond was issued on June 5, 2019 to finance the acquisition of Epsilon. It was issued in three tranches of euro 750 million each, at a fixed rate and in euros, each swapped into US dollars at a fixed rate.

The swaps were qualified as cash flow hedges of the bond issue in euros. The fair value of these swaps was booked in the balance sheet under “Other current receivables and current assets” and/or “Other creditors and current liabilities”. The change in the fair value of these instruments is booked in “Other comprehensive income” and transferred to the income statement as interests on bond are recognized and the variation in the liabilities in US dollars. At December 31, 2021, the fair value of these derivatives was booked in other current creditors and current liabilities for euro 97 million (compared to euro 65 million in other receivables and current assets at December 31, 2020).

A medium-term loan had also been signed on July 1, 2019, in three tranches (a USD 900 million tranche with a three-year maturity, a euro 150 million tranche with a four-year maturity; and a euro 150 million tranche with a five-year maturity). The tranches of USD 900 million and euro 150 million maturing in five years were repaid early in December 2020. The second tranche of euro 150 million maturing in four years was repaid in March 2021.

Other bonds

The other Publicis Groupe SA bonds are issued at a fixed rate and denominated in euros. The 2021 tranche of euro 700 million was repaid at term in December 2021.

Analysis by date of maturity

/ December 31, 2021

		Maturities					
(in millions of euros)	Total	-1 year	1-2 years	2-3 years	3-4 years	4-5 years	+5 years
Bonds (excl. accrued interest)	3,335	-	498	601	746	-	1,490
Debt related to earn-out commitments	206	106	65	25	7	3	-
Debt related to commitments to buy-out non-controlling interests	16	10	5	-	1	-	-
Other financial liabilities	73	68	5	-	-	-	-
Total financial liabilities	**3,630**	**184**	**573**	**626**	**754**	**3**	**1,490**
Fair value of derivatives	105	8	-	-	23	-	74
Total liabilities related to financing activities	**3,735**	**192**	**573**	**626**	**777**	**3**	**1,564**

/ December 31, 2020

(in millions of euros)	Total	Maturities					
		-1 Year	1-2 Years	2-3 Years	3-4 Years	4-5 Years	+5 Years
Bonds (excl. accrued interest)	4,031	699	-	497	602	745	1,488
Medium-term loan (financing of epsilon acquisition)	150	-	-	150	-	-	-
Debt related to earn-out commitments	241	85	79	38	38	1	-
Debt related to commitments to buy-out non-controlling interests	24	16	4	2	-	2	-
Other financial liabilities	63	56	7	-	-	-	-
Total financial liabilities	**4,509**	**856**	**90**	**687**	**640**	**748**	**1,488**
Fair value of derivatives	24	87	1	-	-	-	(64)
Total liabilities related to financing activities	**4,533**	**943**	**91**	**687**	**640**	**748**	**1,424**

/ Analysis by currency

(in millions of euros)	December 31, 2021	December 31, 2020
Euros(1)	3,362	4,216
US dollars	148	195
Other currencies	120	98
Total financial liabilities	**3,630**	**4,509**

(1) Including euro 2,250 million of Eurobonds swapped into USD at December 31, 2021, subscribed in 2020 (euro 2,250 million at December 31, 2020).

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Analysis by interest rate type

See Note 29 "Risk management – Exposure to interest rate risk"

Exposure to liquidity risk

Future payments related to financial debt before the impact of discounting (excluding debt linked to finance leases) are as follows:

/ December 31, 2021

		Maturities					
(in millions of euros)	Total	-1 year	1-2 years	2-3 years	3-4 years	4-5 years	+5 years
Bonds (excl. accrued interest)	3,600	40	539	636	776	23	1,586
Debt related to earn-out commitments	206	106	65	25	7	3	-
Debt related to commitments to buy-out non-controlling interests	16	10	5	-	1	-	-
Other financial liabilities	73	68	5	-	-	-	-
Total future payments relating to financial liabilities	**3,895**	**224**	**614**	**661**	**784**	**26**	**1,586**
Fair value of derivatives	105	8	-	-	23	-	74
Total future payments relating to financing activities	**4,000**	**232**	**614**	**661**	**807**	**26**	**1,660**

/ December 31, 2020

		Maturities					
(in millions of euros)	Total	-1 year	1-2 years	2-3 years	3-4 years	4-5 years	+5 years
Bonds (excl. accrued interest)	4,346	748	40	538	636	775	1,609
Medium-term loan (financing of Epsilon acquisition)	150	-	-	150	-	-	-
Debt related to earn-out commitments	241	85	79	38	38	1	-
Debt related to commitments to buy-out non-controlling interests	24	16	4	2	-	2	-
Other financial liabilities	63	56	7	-	-	-	-
Total future payments relating to financial liabilities	**4,824**	**905**	**130**	**728**	**674**	**778**	**1,609**
Fair value of derivatives	24	89	-	-	-	-	(65)
Total future payments relating to financing activities	**4,848**	**994**	**130**	**728**	**674**	**778**	**1,544**

In order to manage its liquidity risk, Publicis holds a substantial amount of cash (cash and cash equivalents) for a total of euro 3,659 million as of December 31, 2021 and undrawn confirmed credit lines representing a total of euro 2,244 million as of December 31, 2021. The main component of these credit facilities is a multi-currency syndicated loan of euro 2,000 million, maturing in 2024. This credit facility has been renewed until 2026 up to euro 1,579 million. These immediately or almost immediately available sums allow the Groupe to meet its general funding requirements.

Apart from bank overdrafts, most of the Groupe's debt is comprised of bonds and the medium-term loans, none of which are subject to financial covenants. They only include standard credit default event clauses (liquidation, cessation of payment, default on the debt itself or on the repayment of another debt above a given threshold) which are generally applicable above a threshold of euro 25 million.

The Groupe has not established any credit derivatives to date.

Note 24 Lease contracts

/ Analysis of right-of-use assets by category of underlying assets

(in millions of euros)	Real Estate	Outdoor contracts	Other assets	Total
Gross value at January 1, 2021	**2,329**	**60**	**52**	**2,441**
Addition of assets, net[1]	68	10	11	89
Terminations or end of contracts	(122)	(6)	(16)	(144)
Changes to consolidation scope	1	-	-	1
Translation adjustments and other	146	-	3	149
Gross value at December 31, 2021	**2,421**	**64**	**50**	**2,535**
Accumulated amortization at January 1, 2021	**(728)**	**(45)**	**(23)**	**(796)**
Amortization	(221)	(9)	(22)	(252)
Impairment loss	(95)	-	-	(95)
Terminations or end of contracts	122	6	16	144
Translation adjustments and other	(50)	-	3	(47)
Accumulated depreciation at December 31, 2021	**(972)**	**(48)**	**(26)**	**(1,046)**
Net value at December 31, 2021	**1,449**	**16**	**24**	**1,489**

(1) Additions of assets are net of changes in assumptions on contracts.

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Expense relating to short-term leases

In the area of outdoor advertising, contracts with a term of less than 12 months have ended at 31 December 2021. The fees corresponding to these contracts have been recorded as expenses in 2021 and represent an amount of euro 98 million.

Interest expense on lease liabilities

For 2021, the interest expense on lease liabilities is euro 70 million (see Note 8). For 2020, the interest expense for lease liabilities was euro 77 million.

Repayment schedule of lease liabilities

/ At December 31, 2021

		Maturities				
(in millions of euros)	Total	-1 year	1-2 years	2-3 years	3-4 years	+4 years
Cash outflows relating to lease liabilities	**2,576**	**324**	**315**	**283**	**251**	**1,403**

Repayment schedule of leases which are not recognized in lease liabilities

In the area of outdoor advertising, future cash outflows relating to concession agreements that did not begin until January 2022 but for which the Groupe is committed at December 31, 2021 represent an amount of euro 718 million, including euro 60 million for 2022.

/ At December 31, 2021

(in millions of euros)	Maturities					
	Total	-1 year	1-2 years	2-3 years	3-4 years	+4 years
Cash outflows relating to agreements starting in 2022	**718**	**60**	**99**	**103**	**95**	**361**

Note 25 Other creditors and current liabilities

(in millions of euros)	December 31, 2021	December 31, 2020
Advances and deposits received	458	319
Liabilities to employees	1,031	883
Tax liabilities (excl. income tax)	373	297
Derivatives hedging current assets or liabilities	10	14
Derivatives hedging Eurobond	97	-
Derivatives hedging intercompany loans and borrowings	21	90
Other current liabilities	214	211
Total other creditors and current liabilities	**2,204**	**1,814**

Note 26 Contract liabilities

(in millions of euros)	2021	2020
Total contract liabilities at January 1	**404**	**353**
Amount recognized in revenue over the period	(431)	(326)
Amount to be recognized in subsequent periods	470	404
Change in scope	1	-
Foreign exchange and others	26	(27)
Total contract liabilities at December 31	**470**	**404**

Note 27 Commitments

Other commitments

/ December 31, 2021

(in millions of euros)	Total	Maturities -1 year	Maturities 1-5 years	Maturities +5 years
Commitments given				
Guarantees[1]	217	68	94	55
Total commitments given	**217**	**68**	**94**	**55**
Commitments received				
Undrawn confirmed credit lines	2,244	-	2,244	-
Undrawn unconfirmed credit lines	412	412	-	-
Other commitments	12	8	3	1
Total commitments received	**2,668**	**420**	**2,247**	**1**

(1) At December 31, 2021, guarantees included 71 million commitments given to tax authorities in Italy as part of debts & receivables VAT recovery procedure, undertakings to pay euro 47 million into Venture Capital Funds by 2027, 33 million of bank guarantees given to juridictions in the context of litigations and also guarantees of approximately euro 12 million relating to media-buying operations.

/ December 31, 2020

(in millions of euros)	Total	Maturities -1 year	Maturities 1-5 years	Maturities +5 years
Commitments given				
Guarantees[1]	248	67	82	99
Total commitments given	**248**	**67**	**82**	**99**
Commitments received				
Undrawn confirmed credit lines	2,606	165	2,441	-
Undrawn unconfirmed credit lines	224	224	-	-
Other commitments	18	12	5	1
Total commitments received	**2,848**	**401**	**2,446**	**1**

(1) At December 31, 2020, guarantees included 51 million commitments given to tax authorities in Italy as part of debts & receivables VAT recovery procedure, undertakings to pay euro 31 million into Venture Capital Funds by 2027, 5 million of bank guarantees given to juridictions in the context of litigations and also guarantees of approximately euro 16 million relating to media-buying operations.

Obligations related to warrants

The exercise of warrants, which can occur at any time from September 24, 2013 to September 24, 2022, will lead to an increase in the Publicis Groupe's capital stock. The conversion ratio was adjusted again during the financial year by a factor of 1,116 to reflect the distributions drawn from the Company's reserves and premiums. Following the cancellation of the warrants acquired in previous years or exercised since September 24, 2013, Publicis Groupe was, as of December 31, 2021, committed to issuing (in the event that the 529,895 outstanding stock warrants are exercised) 591,363 shares with a euro 0.40 par value and a euro 30.10 premium.

Other commitments

As of December 31, 2021, there were no significant commitments such as pledges, guarantees or collateral, or any other significant off-balance sheet commitments, in accordance with currently applicable accounting standards.

Note 28 Financial instruments

Category of financial instruments

/ At December 31, 2021

(in millions of euros)	Value in balance sheet	Fair value through profit and loss	Amortized cost	Fair value through OCI
Other financial assets				
• Venture Capital Funds	154	154		
• Unconsolidated securities	12	12		
• Loans to associates and non-consolidated companies	35		35	
• Others	75		75	
Trade receivables	11,315		11,315	
Other current receivables and current assets(1)				
• Derivatives hedging current assets and liabilities	8	8		
• Derivatives hedging intercompany loans and borrowings	13	13		
• Others	155		155	
Total financial instruments – assets	**11,767**	**187**	**11,580**	**-**
Long-term borrowings	3,446		3,446	
Trade payables	14,479		14,479	
Short-term borrowings	184		184	
Other creditors and current liabilities(2)				
• Derivatives hedging current assets and liabilities	10	10		
• Derivatives hedging intercompany loans and borrowings	21	21		
• Derivatives hedging Eurobond 2025, 2028 and 2031 derivatives	97			97
• Others	214		214	
Total financial instruments – liabilities	**18,451**	**31**	**18,323**	**97**

(1) Excluding tax claims, advances to suppliers and prepayments (see Note 18).
(2) Excluding advances and deposits received, liabilities to employees and tax liabilities (see Note 25).

/ At December 31, 2020

(in millions of euros)	Value in balance sheet	Fair value through profit and loss	Amortized cost	Fair value through OCI
Other financial assets				
• Venture Capital Funds	110	110		
• Unconsolidated securities	11	11		
• Loans to associates and non-consolidated companies	34		34	
• Others	77		77	
Trade receivables	9,508		9,508	
Other current receivables and current assets(1)				
• Derivatives hedging current assets and liabilities	52	52		
• Derivatives hedging intercompany loans and borrowings	1	1		
• Derivatives hedging Eurobond 2025, 2028 and 2031 derivatives	65			65
• Others	184		184	
Total financial instruments – assets	**10,042**	**174**	**9,803**	**65**
Long-term borrowings	3,653		3,653	
Trade payables	12,887		12,887	
Short-term borrowings	856		856	
Other creditors and current liabilities(2)				
• Derivatives hedging current assets and liabilities	14	14		
• Derivatives hedging intercompany loans and borrowings	90	90		
• Others	211		211	
Total financial instruments – liabilities	**17,711**	**104**	**17,607**	**-**

(1) Excluding tax claims, advances to suppliers and prepayments (see Note 18).
(2) Excluding advances and deposits received, liabilities to employees and tax liabilities (see Note 25).

/ Financial instruments – assets

(in millions of euros)	December 31, 2021	December 31, 2020
Derivatives qualified as hedging instruments		
• Derivatives hedging current assets and liabilities	8	52
• Derivatives hedging intercompany loans and borrowings	13	1
• Derivatives hedging Eurobond	-	65
Instruments at fair value through profit and loss		
• Venture Capital Funds	154	110
• Unconsolidated securities	12	11
Instruments at amortized cost		
• Other financial assets, receivables and other receivables	11,545	9,769
• Loans to associates and non-consolidated companies	35	34
Total financial instruments – assets	**11,767**	**10,042**

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/ Financial instruments – liabilities

(in millions of euros)	December 31, 2021	December 31, 2020
Derivatives qualified as hedging instruments		
• Derivatives hedging current assets and liabilities	10	14
• Derivatives hedging intercompany loans and borrowings	21	90
• Derivatives hedging Eurobond	97	-
Instruments at amortized cost		
• Trade and other payables	14,693	13,098
• Short-term borrowings	184	856
Total financial instruments – current liabilities	**15,005**	**14,058**
Instruments at amortized cost		
• Long-term borrowings	3,446	3,653
Total financial instruments – non-current liabilities	**3,446**	**3,653**

Fair value

The carrying amount of financial assets and liabilities recognized at amortized cost approximates fair value, except for financial liabilities, which had a fair value of euro 3,668 million at December 31, 2021 (*versus* a carrying amount of euro 3,630 million). At December 31, 2020, the fair value of financial liabilities was euro 4,555 million (*versus* a carrying amount of euro 4,509 million).

The fair value of Eurobonds, bonds with a convertible option on the debt portion, has been calculated by discounting the expected future cash flows at market interest rates (Level 2 fair value).

Fair value hierarchy

The table below breaks down financial instruments recognized at fair value according to the measurement method used. The different levels of fair value have been defined as follows:

- level 1: quoted prices in active markets for identical instruments;
- level 2: observable data other than quoted prices for identical instruments in active markets;
- level 3: significant unobservable data.

/ December 31, 2021

(in millions of euros)	Level 1	Level 2	Level 3	Total
Short-term liquid investments	2,136	-	-	2,136
Venture Capital Funds and other securities	154	-	12	166
Derivative instruments – assets	-	21	-	21
Total financial instruments at fair value – Assets	**2,290**	**21**	**12**	**2,323**
Derivative instruments – liabilities	-	128	-	128
Total financial instruments liabilities at fair value	**-**	**128**	**-**	**128**

/ December 31, 2020

(in millions of euros)	Level 1	Level 2	Level 3	Total
Short-term liquid investments	1,884	-	-	1,884
Venture Capital Funds and other securities	110	-	11	121
Derivative instruments – assets	-	118	-	118
Total financial instruments at fair value – Assets	**1,994**	**118**	**11**	**2,123**
Derivative instruments – liabilities	-	(104)	-	(104)
Total financial instruments liabilities at fair value	**-**	**(104)**	**-**	**(104)**

Note 29 Risk management

Exposure to interest rate risk

Groupe management determines the allocation of debt between fixed- and variable-rate debt, which is periodically reviewed in terms of interest rate trend forecasts.

At the end of 2021, the Groupe's gross borrowings, excluding debt related to earn-out payments and debt relating to commitments to buy-out non-controlling interests (minority interests), consisted of:

- 98% in fixed-rate loans with an average interest rate for 2021 of 2.5%;
- 2% in variable-rate loans.

The table below sets out the carrying amount by maturity at December 31, 2021 of the Groupe's financial instruments exposed to interest rate risk:

(in millions of euros)	Total at December 31, 2021	Maturities -1 year	1-5 years	+5 years
Fixed rate				
Eurobond 2023(1)	498	-	498	-
Eurobond 2024(1)	601	-	601	-
Eurobond 2025(1)(2)	746	-	746	-
Eurobond 2028(1)(2)	747	-	-	747
Eurobond 2031(1)(2)	743	-	-	743
Net fixed-rate liabilities (assets)	**3,335**	**-**	**1,845**	**1,490**
Variable rate				
Other borrowings and credit lines	17	12	5	-
Bank overdrafts	12	12	-	-
Cash and cash equivalents	(3,659)	(3,659)	-	-
Other financial assets	(277)	(277)	-	-
Net variable-rate liabilities (assets)	**(3,907)**	**(3,912)**	**5**	**-**

(1) Net of issuance costs.
(2) The Eurobond 2025, 2028 and 2031 swaps have the following characteristics:
- 2025: euro 750 million equivalent, 6-year, weighted average fixed rate at 3.1386%;
- 2028: euro 750 million equivalent, 9-year, weighted average fixed rate at 3.5963%;
- 2031: euro 750 million equivalent, 12-year, weighted average fixed rate at 4.1079%.

Exposure to exchange rate risk

Net assets

The table below shows the Groupe's net assets at December 31, 2021 broken down by principal currencies:

(in millions of euros)	Total at December 31, 2021	Euros(1)	US dollar	Pound sterling	Brazilian real	Yuan	Others
Assets	32,846	3,744	18,505	1,962	258	2,000	6,377
Liabilities	24,291	3,690	14,074	1,269	177	1,468	3,613
Net assets	**8,555**	**54**	**4,431**	**693**	**81**	**532**	**2,764**
Effect of foreign exchange hedges(2)	-	1,581	(1,399)	68	-	1	(251)
Net assets after hedging	**8,555**	**1,635**	**3,032**	**761**	**81**	**533**	**2,513**

(1) Reporting currency of consolidated financial statements.
(2) The financial instruments used to hedge foreign exchange risk are mainly currency swaps.

In addition, changes in exchange rates against the euro, the reporting currency used in the Groupe's financial statements, can have an impact on the Groupe's consolidated balance sheet and consolidated income statement.

Revenue and Operating margin

The breakdown of Groupe revenue by the currency in which it is earned is as follows:

	2021	2020
Euro	13%	13%
US dollar	57%	58%
Pound sterling	8%	8%
Others	22%	21%
Total revenue	**100%**	**100%**

The impact of a decrease of 1% of the euro rate against the US dollar and the Pound sterling would be (favorable impact):

- euro 76 million on consolidated revenue for 2021;
- euro 15 million on the operating margin for 2021.

Commercial transactions are mainly carried out in the local currencies of the countries in which they occur. Consequently, the resulting exchange rate risks are not significant and are occasionally hedged.

In the case of intercompany lending/borrowing operations, they are subject to appropriate hedging if they present a significant net exposure to foreign exchange risk.

The derivatives used are generally forward foreign exchange contracts or currency swaps.

Exposure to client counterparty risk

The Groupe analyzes its trade receivables, focusing in particular on improving its collection times, as part of the management of its working capital. The Groupe Treasury Department monitors overdue receivables for the entire Groupe. In addition, the Groupe periodically reviews the list of main clients in order to determine the exposure to client counterparty risk at Groupe level and, if necessary, sets up specific monitoring in the form of a weekly statement summarizing the exposure to certain clients.

Any impairment losses are assessed on an individual basis and take into account various criteria such as the client's situation and late payments. No impairment was recorded on an overall basis.

The following table shows the period overdue of trade receivables invoiced over the last two financial years:

(in millions of euros)	2021	2020
Amounts not yet due	**8,305**	**6,815**
Overdue receivables:		
Up to 30 days	274	238
31 to 60 days	86	73
61 to 90 days	36	41
91 to 120 days	28	24
More than 120 days	158	151
Total overdue receivables	**582**	**527**
Invoiced trade receivables	**8,887**	**7,342**
Impairment	(193)	(149)
Invoiced trade receivables net	**8,694**	**7,193**

/ Disclosures regarding major clients

(% of revenue)	2021	2020
Five largest clients	12%	13%
Ten largest clients	20%	20%
Twenty largest clients	30%	31%
Thirty largest clients	37%	37%
Fifty largest clients	45%	45%
One hundred largest clients	56%	56%

Exposure to bank counterparty risk

Publicis has established a group-wide policy for selecting authorized banks as counterparties for all its subsidiaries. This policy requires that deposits be made in authorized banks and that in general all banking services be provided exclusively by these banks. The list of authorized banks is reviewed periodically by the Groupe Treasury Department. Exceptions to this policy are handled centrally for the entire Groupe by the Treasury Office.

Additionally, studies are carried out in order to ensure that almost all cash and cash equivalents are deposited in authorized banks.

Note 30 Other information

On January 27, 2021, Epsilon Data Management LLC was ordered to pay the sum of USD 150 million (a penalty of USD 22.5 million and compensation of USD 127.5 million) as part of an investigation by the Department of Justice in the United States. The risk identified at the time of the acquisition of Epsilon was covered in the sale agreement entered into with Alliance Data Systems Corporation (ADS) by an indemnification clause under which ADS undertook to indemnify Publicis for all financial consequences related to this investigation. As of December 31, 2020, other creditors and current liabilities included a debt of euro 132 million (USD 150 million) to meet this obligation. A receivable of the same amount corresponding to the compensation to be received from ADS was presented in other current receivables and current assets. During the first half of 2021, Publicis received compensation from ADS in the amount of USD 75 million. Publicis paid this same amount to the United States Department of Justice.

As of December 31, 2021, other creditors and current liabilities included a debt of euro 66 million (USD 75 million) to meet this obligation. A receivable of the same amount corresponding to the compensation to be received from ADS is presented in other current receivables and current assets. In January 2022, Publicis received compensation from ADS in the amount of USD 75 million and Publicis repaid this same amount to the United States Department of Justice.

On May 6, 2021, the Attorney General for the Commonwealth of Massachusetts filed a lawsuit against Publicis Health, LLC in connection with the work that agency and its predecessor agencies did for Purdue Pharma from 2010 to 2018 related to the marketing of opioids. The Attorney General's basic theory is that Publicis violated the Massachusetts consumer protection statute and created a public nuisance by participating in Purdue Pharma's efforts to market and sell opioids. Publicis considers that this complaint is unfounded.

Note 31 Operating segment information

Information by business sector

The Publicis Groupe structure has been developed to provide the Groupe's clients with comprehensive, holistic communication services involving all disciplines. As of January 1, 2020, Publicis Groupe has defined 10 key markets (country or region), which has led to operating segments being redefined. These 10 countries or regions are each run or supervised by a single person and overseen day-to-day by a single Executive Committee, bringing together members with a wide range of expertise. They are thus structured to offer our clients a broad-based solution that meets their needs.

The Groupe has therefore identified 10 operating segments corresponding to the geographic regions in which it operates: United States, Canada, United Kingdom, France, DACH (Germany, Austria and Switzerland), Asia-Pacific & Africa-Middle East, Central and Eastern Europe, Western Europe, Latin America (excluding Brazil) and Brazil.

Those operating segments with similar economic characteristics (similar margins), or where the nature of services provided to clients and the type of clients at which they are aimed are similar, have been grouped into five reporting segments: North America, Europe, Asia-Pacific, Middle-East Africa and Latin America.

Reporting by region

The presentation of financial information based on the new operating segments results in the same level of information being presented as by geographic region.

/ Exercice 2021

(in millions of euros)	Europe	North America	Asia Pacific	Latin America	Middle East & Africa	Total
Income statement items						
Net revenue[(1)]	**2,534**	**6,368**	**1,038**	**243**	**304**	**10,487**
Revenue[(1)]	2,972	6,874	1,263	265	364	11,738
Depreciation and amortization expense (excluding acquired intangibles)	(145)	(242)	(68)	(11)	(11)	(477)
Operating margin	**401**	**1,270**	**133**	**30**	**6**	**1,840**
Amortization of intangibles from acquisitions	(30)	(208)	(12)	(3)	(3)	(256)
Impairment loss	(18)	(104)	-	-	-	(122)
Non-current income and expenses	2	-	-	(30)	-	(28)
Operating income after impairment	**355**	**958**	**121**	**(3)**	**3**	**1,434**
Balance sheet items						
Intangible assets, net[(2)]	1,950	9,480	1,143	172	394	13,139
Property, plant and equipment, net (including right-of-use assets on leases)	760	1,084	202	26	32	2,104
Other financial assets	198	45	26	5	2	276
Disclosures in respect of the statement of cash flows						
Purchases of property, plant and equipment and intangible assets	(30)	(92)	(13)	(3)	(1)	(139)
Purchases of investments and other financial assets, net	2	3	-	(1)	-	4
Acquisitions of subsidiaries	(25)	(203)	(44)	(4)	-	(276)

(1) Because of the way this indicator is calculated (difference between billings and cost of billings), there are no eliminations between the different zones.
(2) The intangible assets breakdown has been restated to take into account the new organization. The presentation of the other balance sheet items was not impacted by the reorganization.

See Note 29 for information by currency on the exposure to exchange rate risk presented by liabilities.

/ Exercice 2020

(in millions of euros)	Europe	North America	Asia Pacific	Latin America	Middle East & Africa	Total
Income statement items						
Net revenue[1]	**2,278**	**5,997**	**932**	**230**	**275**	**9,712**
Revenue[1]	2,663	6,471	1,089	239	326	10,788
Depreciation and amortization expense (excluding acquired intangibles)	(269)	(231)	(74)	(14)	(12)	(600)
Operating margin	**232**	**1,116**	**170**	**24**	**16**	**1,558**
Amortization of intangibles from acquisitions	(33)	(286)	(13)	(3)	(4)	(339)
Impairment loss	(11)	(224)	(2)	(4)	-	(241)
Non-current income and expenses	2	3	-	-	-	5
Operating income after impairment	**190**	**609**	**155**	**17**	**12**	**983**
Balance sheet items						
Intangible assets, net[2]	1,417	9,294	1,120	206	330	12,367
Property, plant and equipment, net (including right-of-use assets on leases)	797	1,209	198	30	37	2,271
Other financial assets	150	48	27	5	2	232
Disclosures in respect of the statement of cash flows						
Purchases of property, plant and equipment and intangible assets	(31)	(107)	(26)	(2)	(1)	(167)
Purchases of investments and other financial assets, net	(14)	3	2	(1)	1	(9)
Acquisitions of subsidiaries	(28)	(99)	(16)	(1)	(2)	(146)

(1) Because of the way this indicator is calculated (difference between billings and cost of billings), there are no eliminations between the different zones.
(2) The intangible assets breakdown has been restated to take into account the new organization. The presentation of the other balance sheet items was not impacted by the reorganization.

See Note 29 for information by currency on the exposure to exchange rate risk presented by liabilities.

Note 32 Publicis Groupe SA Stock option and free share plans

Presentation of the new free share plans for 2021

Four free share plans were created during 2021, with the following features:

Long-Term Incentive Plan known as the "LTIP 2021 Directoire" (March 2021)

As part of this plan, the members of the Management Board were awarded free shares, subject to three conditions:

- a continued presence condition during the three-year vesting period;
- conditions for achieving the Groupe's revenue growth and profitability targets for the entire period from 2021 to 2023;
- conditions based on progress made on the CSR (corporate social responsibility) policy, in the area of both Diversity, Equality and Inclusion and in the area of combating climate change, for which indicative interim points have been set. At the end of 2023, the percentage of women in key management positions as well as the percentage of change of integration of renewable energies in the Groupe will be assessed against targets set.

The shares ultimately awarded in accordance with the level of achievement of these conditions will be deliverable at the end of a three-year period, *i.e.* in March 2024.

Long-Term Incentive Plan known as the "LTI Epsilon 2021 Plan" (March 2021)

The plan, set up for the exclusive benefit of Publicis Epsilon executives and employees, includes three tranches subject to a continued presence condition for 20% and financial performance conditions in respect of 2021 for 80%. They are deliverable in March 2022 (30% of shares), March 2023 (30% of shares) and March 2024 (40% of shares).

Long-Term Incentive Plan known as the "Sapient 2021 Plan" (April 2021)

The plan, put in place for the exclusive benefit of Publicis Sapient executives and employees, is made up of two tranches:

- the first tranche is conditional only upon continued employment and gives rise to the delivery of one-fourth of the shares awarded on the dates of the first four anniversaries of the plan (*i.e.* in April 2022, 2023, 2024 and 2025);
- in addition to the condition of continued employment, the second tranche is conditional upon performance criteria, and the total number of shares delivered shall depend on the level of financial targets achieved for 2021. Delivery will take place at the end of a three-year period, in April 2024.

Long-term incentive plan known as "LTIP 2021" and other plans (March and September 2021)

Under this plan, a certain number of Groupe managers were granted free shares, subject to three conditions:

- a continued presence condition during the three-year vesting period;
- conditions for achieving the Groupe's revenue growth and profitability targets for the year 2021;
- conditions based on progress made on the CSR (corporate social responsibility) policy, in the area of both Diversity, Equality and Inclusion and in the area of combating climate change, for which indicative interim points have been set. At the end of 2021, the percentage of women in key management positions as well as the percentage of change of integration of renewable energies in the Groupe will be assessed against targets set.

The shares ultimately awarded in accordance with the level of attainment of these performance targets will be deliverable at the end of a three-year period, *i.e.* in March 2024 (or September 2024, depending on the date on which said shares were awarded).

Moreover, the Management Board, at its meeting of September 2021, decided to implement a specific individual plan, subject to only a three-year continued presence condition during the vesting period, whose shares will be deliverable in September 2024.

For the beneficiaries of the 2019 Special Retention Plan, this new plan replaces the second tranche whose shares were subject to performance conditions to be measured during the 2021 financial year. For the beneficiaries concerned, the LTIP 2021 plan was treated as a replacement plan in accordance with IFRS 2. The expense of the initial 2019 Special Retention plan has been retained for tranche 3 of said plan. As a reminder, the shares of the first tranche, in connection with 2020 performance, had been canceled at the end of the 2020 financial year.

Performance measurement of previous plans

In addition, the performance of the following plans was assessed in March 2021:

- Sapient 2018, 2019 and 2020 Plans: the performance targets set for 2020 were 100% achieved;
- Epsilon 2019-2021 replacement plans: the performance targets set for 2020 were achieved at an average of 64%. However, the Management Board decided on an exceptional basis that the performance taken into account would be 100%;
- Epsilon 2020 Plan: the performance targets set for 2020 were achieved at an average of 61%.

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Publicis Groupe share subscription or purchase option plans

/ Characteristics of the Publicis Groupe stock option plans as at December 31, 2021

Plans	Type[(1)]	Date of grant	Option exercise price (in euros)	Options outstanding at January 1, 2021	Options cancelled, lapsed or transferred in 2021[(2)]	Options exercised in 2021	Options outstanding at December 31, 2021	Of which exercisable at December 31, 2021	Exercise deadline	Remaining contract life (in years)
Lionlead 2 stock options	A	04/30/2013	52.76	1,078,211	40,629	(100,285)	1,018,555	1,018,555	04/30/2023	1.33
Total				**1,078,211**	**40,629**	**(100,285)**	**1,018,555**	**1,018,555**		

(1) A = stock options
(2) Adjustment of the number of options in 2021, following the transfer of rights for certain participants that had not been taken into account previously.

The vesting period for the above plans has been completed, but the exercise of options remains subject to a continued presence condition until the date of exercise of the options.

/ Movements in Publicis Groupe stock option plans over the last two financial years

	2021		2020	
	Number of options	Average exercise price (in euros)	Number of options	Average exercise price (in euros)
Options at January 1	1,078,211	52.76	1,091,937	52.76
Options exercised[(1)]	(100,285)	52.76	-	-
Options cancelled, lapsed or transferred	40,629	52.76	(13,726)	52.76
Options outstanding at December 31	**1,018,555**	**52.76**	**1,078,211**	**52.76**
Of which exercisable	*1,018,555*	*52.76*	*1,078,211*	*52.76*

(1) Average share price on exercise (in euros)

Publicis Groupe free share plans

/ Characteristics of Publicis Groupe free share plans outstanding at December 31, 2021

Plans	Date of grant	Shares yet to vest as of January 1, 2021 or shares granted in 2021	Shares cancelled, lapsed or transferred[(1)] in 2021	Shares vested in 2021	Shares yet to vest at December 31, 2021	Vesting date	Remaining contract life (in years)
Sapient 2017 Plan (4 years)	06/15/2017	36,120	(1,765)	(34,355)	-	06/15/2021	-
LTIP 2018 Plan	04/17/2018	306,650	(10,300)	(296,350)	-	04/17/2021	-
Sapient 2018 Plan (4 years)	04/17/2018	78,741	(4,290)	(38,190)	36,261	04/17/2022	0.29
Sapient 2018 Plan (3 years)	04/17/2018	148,612	(4,127)	(144,485)	-	04/17/2021	-
Sprint to the Future 2018-2021 – Excluding Management Board	05/18/2018	48,340	-	(48,340)	-	12/20/2021	-
LTIP 2019 Plan	05/28/2019	149,225	(10,000)	-	139,225	05/28/2022	0.41
Sapient 2019 Plan (4 years)	05/28/2019	153,899	(10,926)	(48,801)	94,172	05/28/2023	1.41
Sapient 2019 Plan (3 years)	05/28/2019	227,737	(19,759)	-	207,978	05/28/2022	0.41
LTI 2019-2021 Directoire Plan	06/14/2019	170,000	(9,927)	-	160,073	06/14/2022	0.45
Star Growth Performers Plan/2019 Special Plan	05/28/2019	228,400	(16,317)	-	212,083	05/28/2022	0.41
2019 Epsilon Replacement Plan	07/15/2019	336,971	(22,316)	(162,666)	151,989	03/31/2022	0.25
2019 Special Retention Plan[(2)]	11/15/2019	510,070	(18,145)	-	491,925	03/16/2024	2.21
Sapient 2020 Plan (4 years)	05/19/2020	224,117	(18,156)	(53,156)	152,805	05/19/2024	2.38
Sapient 2020 Plan (3 years)	05/19/2020	321,160	(30,644)	-	290,516	05/19/2023	1.38
LTI Epsilon 2020 Plan	07/20/2020	1,231,720	(648,619)	(184,123)	398,978	03/31/2023	1.25
"LTIP 2021" and other 2021 specific plans[(3)]	03/16/2021[(4)]	590,391	(18,632)	-	571,759	03/16/2024[(4)]	2.21
LTIP 2021 Directoire Plan	03/16/2021	151,577	-	-	151,577	03/16/2024	2.21
LTI Epsilon 2021 Plan	03/16/2021	632,348	(32,521)	-	599,827	03/31/2024	2.25
Sapient 2021 Plan (4 years)	04/13/2021	241,787	(14,700)	-	227,087	04/13/2025	3.28
Sapient 2021 Plan (3 years)	04/13/2021	362,687	(22,051)	-	340,636	04/13/2024	2.28
Total free share plans		**6,150 ,552**	**(913,195)**	**(1,010,466)**	**4,226,891**		

(1) These relate to any transfers between French and foreign plans due to the geographic mobility of beneficiaries.
(2) The shares in the second tranche correspond to those allocated under the new LTIP 2021 plan. The shares of the third tranche were kept at the same level as the initial plan. The delivery date of this last plan (March 31, 2023) was extended and aligned with that of the LTIP 2021 plan.
(3) Excluding beneficiaries of the Special Retention Plan for whom their shares are presented on the line corresponding to the initial plan, the second tranche of which was replaced by the LTIP 2021 plan.
(4) Grant date on September 15, 2021 and delivery date on September 16, 2024 for the specific individual plan.

The vesting of free shares under the above plans is conditional on continued employment throughout the vesting period.

Vesting also remains subject to non-market performance conditions for the LTIP 2019 and 2021 plans (including specific plans), the LTIP 2019-2021 Directoire and LTIP 2021 Directoire plans, the Sapient 2018 to 2021 Plans with a three-year vesting period, the 2019-2021 Epsilon replacement plan, the 2019 Special Retention Plan and the LTI Epsilon 2020 and 2021 Plans.

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/ Movements in Publicis Groupe free share plans over the last two financial years

	2021	2020
Grants at January 1	**4,171,762**	**4,595,712**
Grants during the year	1,978,790	1,849,923
Vesting	(1,010,466)	(1,348,507)
Grants lapsed	(913,195)	(925,366)
Grants at December 31	**4,226,891**	**4,171,762**

/ Fair value of free Publicis Groupe shares granted during financial year 2021

Free shares	"LTIP 2021" and other specific plans(1)	LTIP 2021 Directoire(2)	LTI Epsilon 2021(1)	Sapient 2021 (4 years)	Sapient 2021 (3 years)(1)
Date of Management Board meeting	03/16/2021 09/15/2021	03/16/2021	03/16/2021	04/13/2021	04/13/2021
Number of shares originally granted	590,391	151,577	632,348	241,787	362,687
Initial valuation of shares granted (weighted average, in euros)	44.31	44.17	46.35	45.40	44.27
Share price on the grant date (weighted average in euros)	51.08	50.92	50.92	51.02	51.02
Vesting period (in years)	3	3	1 to 3	1 to 4	3

(1) Conditional shares subject to the achievement of targets set for 2021.
(2) Conditional shares for which vesting is subject to the achievement of targets set for the years 2021 to 2023.

Effect of share subscription or stock option plans and free share plans on profit (loss)

The total impact of these plans on the 2021 income statement was euro 52 million (excluding taxes and social security charges), compared to euro 55 million in 2020 (see Note 4).

With regard to the free share plans granted subject to performance conditions, and for which performance has not yet been definitively measured as of December 31, 2021, the probability of meeting the targets set in respect of the calculation of the 2021 expense has been estimated as follows:

- for performance plans measured over a one-year period, in respect of 2021 performance: 100%;
- for performance plans measured over a three-year period, in respect of the three-year period performance:
  - LTI 2019-2021 Directoire Plan: 77.5%,
  - LTIP 2021 Directoire Plan: 100%.

Note 33 Information on related-party transactions

Transactions with associates

	December 31, 2021		December 31, 2020	
	Revenue	Expenses	Revenue	Expenses
Viva Tech(1)	7	-	2	-
Burrell Communications Group	3	-	2	-
Total	**10**	**-**	**4**	**-**

(1) Joint-venture between Publicis and Les Echos Solutions.

	December 31, 2021		December 31, 2020	
	Receivables/Loans	Liabilities	Receivables/Loans	Liabilities
OnPoint Consulting Inc	3	-	14	1
Viva Tech(1)	3	-	1	-
ZAG Ltd	4	-	5	-
Burrell Communications Group	-	-	-	1
Others	5	1	-	-
Total	**15**	**1**	**20**	**2**

(1) Joint-venture between MSL France and Les Echos Solutions.

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Other related-party transactions

Weborama, a company specializing in the collection of marketing and digital advertising data, is indirectly owned by Ycor, in which Maurice Lévy, Chairman of the Supervisory Board of Publicis Groupe, has an interest. Weborama provides Epsilon, a subsidiary of Publicis Groupe, with access to its BigSea behavioral database (in France), to its NLP (Natural Language Processing) platform in the USA as well as associated maintenance services and strategy consulting services. The cost of these services in financial year 2021 amounted to euro 5.4 million.

Compensation of managers

Managers include individuals who were members of the Supervisory Board or Management Board, at the reporting date or during the year ended.

(in millions of euros)	2021	2020
Total gross compensation(1)	(10)	(11)
Share-based payment(2)	(2)	(2)

(1) Compensation, bonuses, indemnities, attendance fees and benefits in kind paid during the year.
(2) Expense recognized in the income statement under the Publicis Groupe stock option and free share plans.

In addition, the total accounting provision as of December 31, 2021 for post-employment benefits and other long-term benefits for Senior Management amounted to euro 1 million. This figure was euro 1 million at December 31, 2020.

Note 34 Subsequent events

In January 2022, the Groupe acquired Tremend in Romania, a technology company specializing in software development. The acquisition of Tremend will enable the Groupe to expand its digital transformation capabilities, particularly in Europe. The price to be paid at the date of transfer of control amounts roughly to euro 100 million. This transaction is subject to regulatory approvals by the relevant competition authority.

Note 35 Fees of the statutory auditors and members of their network

The fees paid by the Groupe for each of the statutory auditors of Publicis Groupe SA for the 2021 and 2020 financial years were:

	Ernst & Young				Mazars				Total			
	Amount (excl. taxes)		%		Amount (excl. taxes)		%		Amount (excl. taxes)		%	
(in millions of euros)	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Statutory auditors												
Publicis Groupe SA (parent company)	0.7	0.7	12%	12%	0.4	0.4	9%	9%	1.1	1.1	11%	11%
Account certification	0.7	0.7			0.4	0.4			1.1	1.1		
Other services	0.0	0.0			0.0	0.0			0.0	0.0		
Subsidiaries	0.2	0.2	4%	4%	0.5	0.5	11%	12%	0.7	0.8	7%	7%
Account certification	0.1	0.2			0.5	0.5			0.6	0.7		
Other services	0.1	0.0			0.0	0.0			0.1	0.1		
Subtotal	**0.9**	**0.9**	**16%**	**16%**	**0.9**	**0.9**	**20%**	**21%**	**1.8**	**1.9**	**18%**	**18%**
Network												
Account certification	4.2	4.5	72%	76%	3.5	3.4	78%	77%	7.7	7.9	75%	77%
Other services	0.7	0.5	12%	8%	0.1	0.1	2%	2%	0.8	0.6	7%	5%
Subtotal	**4.9**	**5.0**	**84%**	**84%**	**3.6**	**3.5**	**80%**	**79%**	**8.5**	**8.5**	**82%**	**82%**
Total	**5.8**	**5.9**	**100%**	**100%**	**4.5**	**4.4**	**100%**	**100%**	**10.3**	**10.4**	**100%**	**100%**

Note 36 List of the main consolidated companies at December 31, 2021

Fully consolidated companies

The companies listed below are our operating companies with 2021 revenue of at least euro 10 million.

Name	% control	% interest	Country
Epsilon Paris SAS	100.00%	100.00%	France
Mediagare[1]	100.00%	67.00%	France
Metrobus Publicité S.A	67.00%	67.00%	France
Publicis Drugstore[1]	100.00%	100.00%	France
Publicis Conseil SA	99.99%	99.99%	France
Publicis Consultants SARL	99.99%	99.99%	France
Services Marketing Diversifiés	100.00%	100.00%	France
Publicis Media France	100.00%	100.00%	France
Publicis Sapient France	100.00%	100.00%	France
Indepedance Media SAS	100.00%	100.00%	France
Advance Marketing Services SAS	100.00%	100.00%	France
Epsilon Lille	100.00%	100.00%	France
Prodigious France SARL	100.00%	100.00%	France
Publicis Live France SAS[1]	100.00%	100.00%	France
Société Métropolitaine de Publicité et d'Affichage S.A.S	100.00%	67.00%	France
MMS Communication South Africa (Pty) Ltd	76.30%	49.00%	South Africa
MetaDesign GmbH	100.00%	100.00%	Germany
CNC Germany	100.00%	100.00%	Germany
Saatchi & Saatchi GmbH	100.00%	100.00%	Germany
Leo Burnett GmbH[1]	100.00%	100.00%	Germany
MSL Group Germany GmbH	100.00%	100.00%	Germany
Starcom Germany GmbH	100.00%	100.00%	Germany
Publicis Media GmbH	100.00%	100.00%	Germany
Publicis Platform GmbH	100.00%	100.00%	Germany
Sapient GmbH	100.00%	100.00%	Germany
Zenithmedia GmbH[2]	100.00%	100.00%	Germany
Digitas Pixelpark GmbH	100.00%	100.00%	Germany
Abdulkader Sul. El K. Br. Adv.Co	100.00%	100.00%	Saudi Arabia
MMS Comunicaciones Argentina SRL[1]	100.00%	100.00%	Argentina
Publicis Red Lion Australia	100.00%	100.00%	Australia
Publicis Communications Australia Pty Ltd	100.00%	100.00%	Australia
Publicis Media Australia Pty Ltd	100.00%	100.00%	Australia
Publicis Sapient Australia Pty Ltd	100.00%	100.00%	Australia
MMS Communications Belgium SPRL	100.00%	100.00%	Belgium
Star Graphics SA[1]	100.00%	100.00%	Belgium
Publicis Brasil Comunicacao Ltda.[2]	100.00%	100.00%	Brazil
Talent Marcel Comunicacao e Planejamento Ltda	99.78%	99.78%	Brazil
DPZ&T Comunicacoes Ltda	98.25%	98.25%	Brazil

(1) Companies on the 2021 list but not on the 2020 list.
(2) Change in corporate name in 2021.

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Name	% control	% interest	Country
Leo Burnett Neo Comunicaçao Ltda	98.00%	98.00%	Brazil
Leo Burnett Company Ltd	100.00%	100.00%	Canada
TMG MacManus Canada Inc.	100.00%	100.00%	Canada
Publicis Canada Inc.	100.00%	100.00%	Canada
Saatchi & Saatchi Advertising Inc.	100.00%	100.00%	Canada
Publicis Media Canada Inc.	100.00%	100.00%	Canada
Epsilon Interactive CA ULC(1)	100.00%	100.00%	Canada
Sapient Canada Inc.	100.00%	100.00%	Canada
GB/2 Inc.	100.00%	100.00%	Canada
Nurun Inc.	100.00%	100.00%	Canada
Publicis Advertising Co. Ltd	100.00%	100.00%	China
Saatchi & Saatchi GreatWall Advertising Co. Ltd	100.00%	100.00%	China
Leo Burnett Shanghai Advertising Co. Ltd	100.00%	100.00%	China
MSL Public relations consultancy Bejing Co.	100.00%	100.00%	China
Publicis Sapient China Co. Ltd	100.00%	100.00%	China
PG Lion Consulting Co., Ltd(1)	100.00%	100.00%	China
MMS Communicaciones Colombia SAS	100.00%	100.00%	Colombia
APEX Trading SAS(1)	100.00%	100.00%	Colombia
Leo Burnett Korea	100.00%	100.00%	South Korea
Publicis Denmark A/S(1)	100.00%	100.00%	Denmark
Publicis Communications FZ LLC	100.00%	100.00%	United Arab Emirates
Publicis Middle East FZ LLC	100.00%	100.00%	United Arab Emirates
Publicis Sapient FZ LLC	100.00%	100.00%	United Arab Emirates
Publicis Media FZ LLC	100.00%	100.00%	United Arab Emirates
Zenith Media S.A.	100.00%	100.00%	Spain
Starcom MediaVest Group Iberia SLU	100.00%	100.00%	Spain
Rauxa Agency, LLC	100.00%	100.00%	United States
Martin Retail Group	70.00%	70.00%	United States
Kekst & Company	100.00%	100.00%	United States
Publicis Hawkeye Inc	100.00%	100.00%	United States
Leo Burnett Detroit LLC	100.00%	100.00%	United States
Publicis USA Production Solutions Inc.	100.00%	100.00%	United States
Publicis Health LLC	100.00%	100.00%	United States
MSLGROUP Americas LLC	100.00%	100.00%	United States
Publicis Inc.	100.00%	100.00%	United States
Publicis Media, Inc.	100.00%	100.00%	United States
VNC Communications Inc.	100.00%	100.00%	United States
Blue 449 Inc.	100.00%	100.00%	United States
MediaVest Worldwide Inc	100.00%	100.00%	United States
Saatchi & Saatchi North America LLC	100.00%	100.00%	United States
Digitas Inc.	100.00%	100.00%	United States
Zenith Media Services Inc.	100.00%	100.00%	United States
Saatchi and Saatchi X	100.00%	100.00%	United States

(1) Companies on the 2021 list but not on the 2020 list.
(2) Change in corporate name in 2021.

Name	% control	% interest	Country
Leo Burnett Company Inc.	100.00%	100.00%	United States
Starcom Worldwide Inc.	100.00%	100.00%	United States
GroupConnect LLC	100.00%	100.00%	United States
Harbor Picture Company	100.00%	100.00%	United States
Moxie Marketing Services, LLC	100.00%	100.00%	United States
APEX Exchange LLC	100.00%	100.00%	United States
Epsilon Data Management LLC	100.00%	100.00%	United States
Conversant LLC.	100.00%	100.00%	United States
Catapult Integrated Services	100.00%	100.00%	United States
Epsilon Agency LLC	100.00%	100.00%	United States
Commission Junction LLC	100.00%	100.00%	United States
Sapient Corporation	100.00%	100.00%	United States
Sapient Government Services Inc.	100.00%	100.00%	United States
La Communidad Corporation	100.00%	100.00%	United States
Fallon Group Inc.	100.00%	100.00%	United States
Bartle Bogle Hegarty Inc.	100.00%	100.00%	United States
3 Share Inc.	100.00%	100.00%	United States
Publicis Health Media	100.00%	100.00%	United States
Alpha 245 Inc.	100.00%	100.00%	United States
Level Sunset	100.00%	100.00%	United States
Plowhsare Group, LLC	100.00%	100.00%	United States
Denuo Ltd	100.00%	100.00%	Hong Kong
MMS Communications Hungary Kft	100.00%	100.00%	Hungary
TLG India Pvt Ltd	100.00%	100.00%	India
Brandmap Communications Private Ltd.(1)	100.00%	100.00%	India
Convonix Systems Private Ltd	100.00%	100.00%	India
BBR Braumann Ber Rivnay Agency Ltd.	98.04%	98.04%	Israel
Zenith Italy Srl	100.00%	100.00%	Italy
Publicis Srl	100.00%	100.00%	Italy
Leo Burnett Company Srl	100.00%	100.00%	Italy
Publicis Sapient Italy Srl	100.00%	100.00%	Italy
Starcom MediaVest Group Italia Srl	100.00%	100.00%	Italy
Prodigious S.r.l.	100.00%	100.00%	Italy
Publicis Media S.r.l.(1)	100.00%	100.00%	Italy
Beacon Communications KK	66.00%	66.00%	Japan
MMS Communications KK	100.00%	100.00%	Japan
Star Reacher Advertising Sdn Bhd	100.00%	100.00%	Malaysia
Lion Communications Mexico	100.00%	100.00%	Mexico
MMS Communications Mexico SA de CV(1)	100.00%	100.00%	Mexico
Lion Communications Norway AS	100.00%	100.00%	Norway
MMS New Zealand Ltd	100.00%	100.00%	New Zealand
MMS Communications Netherlands BV	100.00%	100.00%	Netherlands
Publicis Asociados SAC(1)	100.00%	100.00%	Peru

(1) Companies on the 2021 list but not on the 2020 list.
(2) Change in corporate name in 2021.

Name	% control	% interest	Country
Saatchi & Saatchi IS sp. Zoo	100.00%	100.00%	Poland
Starcom sp zoo	100.00%	100.00%	Poland
PGP hub sp. zoo(1)	100.00%	100.00%	Poland
Badillo Saatchi & Saatchi, Inc.	100.00%	100.00%	Puerto Rico
Lions Communications s.r.o.	100.00%	100.00%	Czech Republic
Lion Communication Service Romania(1)	51.05%	51.05%	Romania
Spark Foundry Ltd.	100.00%	100.00%	United Kingdom
Publicis Ltd	100.00%	100.00%	United Kingdom
Saatchi & Saatchi Group Ltd	100.00%	100.00%	United Kingdom
Zenith UK Ltd	100.00%	100.00%	United Kingdom
Leo Burnett Ltd	100.00%	100.00%	United Kingdom
PG Media Services Ltd	100.00%	100.00%	United Kingdom
Publicis Healthcare Communications Group Ltd	100.00%	100.00%	United Kingdom
Prodigious UK Ltd	100.00%	100.00%	United Kingdom
Zenith International Ltd	100.00%	100.00%	United Kingdom
Epsilon International UK Ltd.	100.00%	100.00%	United Kingdom
Conversant Europe Ltd	100.00%	100.00%	United Kingdom
Sapient Ltd. UK	100.00%	100.00%	United Kingdom
DigitasLBi Limited	100.00%	100.00%	United Kingdom
CNC Communications & Network Consulting Ltd	100.00%	100.00%	United Kingdom
BBH Partners LLP	100.00%	100.00%	United Kingdom
LLC MMS Communications(1)	100.00%	100.00%	Russia
Lion Communications LLC	100.00%	100.00%	Russia
MMS Communications Singapore Pte Ltd	100.00%	100.00%	Singapore
BBH Communications (Asia Pacific) Pte Ltd	100.00%	100.00%	Singapore
DigitasLBi Sveridge AB(1)	100.00%	100.00%	Sweden
Publicis Media Sweden AB	100.00%	100.00%	Sweden
Publicis Media Switzerland AG	100.00%	100.00%	Switzerland
Publicis Communications Lausanne SA	100.00%	100.00%	Switzerland
Publicis Communications Schweiz AG	100.00%	100.00%	Switzerland
Denuo Ltd Taiwan Branch	100.00%	100.00%	Taiwan
Star Reachers Group Co	100.00%	100.00%	Thailand
MMS Communications Vietnam Company Ltd.	76.50%	76.50%	Vietnam

(1) Companies on the 2021 list but not on the 2020 list.
(2) Change in corporate name in 2021.

Main investment in associates

Name	% interest	Country
Burrell Communications Group	49.00%	United States
AG Partners	49.00%	Mauritius
OnPoint Consulting Inc.[1]	100.00%	United States
Somupi SA	34.00%	France
Insight Redefini Ltd	25.00%	Nigeria
Viva Tech[2]	50.00%	France
ZAG Ltd	19.50%	United Kingdom

(1) Although this company is wholly-owned, it is not, however, controlled by the Groupe, which only has a significant influence.
(2) Joint-venture between MSL France and Les Échos Solutions.

6.7 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2021

This is a translation into English of the statutory auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users. This statutory auditors' report includes information required by European regulations and French law, such as information about the appointment of the statutory auditors or verification of the information concerning the Group presented in the management report and other documents provided to shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Annual General Meeting of Publicis Groupe

I. Opinion

In compliance with the engagement entrusted to us by your Annual General Meetings, we have audited the accompanying consolidated financial statements of Publicis Groupe for the year ended December 31, 2021.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2021 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

II. Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements' section of our report.

Independence

We conducted our audit engagement in compliance with independence requirement rules required by the French Commercial Code *(Code de commerce)* and the French Code of Ethics *(Code de déontologie)* for statutory auditors, for the period from January 1, 2021 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014.

III. Justification of Assessments - Key Audit Matters

Due to the global crisis related to the Covid-19 pandemic, the financial statements for this period have been prepared and audited under specific circumstances. Indeed, this crisis and the exceptional measures taken in the context of the health emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties regarding their future prospects. Some of these measures, such as travel restrictions and remote working, have also had an impact on companies' internal organization and on the performance of audits.

It is in this complex evolving context that, in accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code *(Code de commerce)* relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Revenue recognition

(Notes 1.3 « Revenue », « Assets on contracts » and « Liabilities on contracts » and 26 «Liabilities on contracts » to the consolidated financial statements)

Risk identified	Total revenue amounts to euro 11,738 million as of December 31, 2021 in the consolidated financial statements. Service contracts between the Group and its clients include specific contractual terms. Accounting standards related to the recording of this type of contracts require a detailed analysis of contractual obligations and criteria when control of a service is passed to the customer, particularly in case of complex contracts. An error in the analysis of contractual obligations and terms for determine when control of a service is passed to the customer may lead to an error in revenue recognition. Consequently, we consider revenue recognition to be a key audit matter.
Our response	• For each type of contract, we obtained an understanding of the revenue recognition process established by the management, from the conclusion of the agreement, through the performance of the services, invoicing and booking the corresponding entries in the accounts, to the receipt of payment. • We evaluated the key controls concerning the processes and information systems relating to revenue. • We assessed the appropriateness and correct application of the accounting principles and methods relating to revenue recognition. • We performed tests of details on accounting for revenue by reference to the signed agreements as well as other external supporting evidence. We also assessed the proper cut-off of accounting periods. • We have assessed the contractual documentation and the analysis made by the Groupe, including the recoverability of trade receivables and WIP balances.

Valuation of goodwill and intangible assets

Notes 1.3 « Goodwill », 6 « Depreciation, amortization and impairment loss », 11 « Goodwill » and 12 « Intangible assets, net » to the consolidated financial statements

Risk identified	The business development of Publicis Groupe notably involves external growth transactions. These acquisitions have resulted in the recording of significant goodwill and intangible assets in the consolidated balance sheet. As of December 31, 2021, net goodwill amounts to euro 11,760 million in the consolidated balance sheet. Publicis Groupe performs impairment tests at least once a year. An impairment loss is recognized whenever the recoverable amount is below the carrying amount, the recoverable amount being the higher of value in use and fair value less transaction costs. The valuation of the recoverable amount of these assets involves the use of numerous estimates and judgments from the management, in particular the assessment of the competitive, economic and financial environment in the countries where the Group operates, the effects of Covid-19 economic crisis, the Group's ability to generate operating cash flow as a result of strategic plans, in particular the levels of revenue and operating margin, and the determination of discount and growth rates. The impairment tests on goodwill did not resulted in Publicis Groupe recognizing of any losses of in 2021. As of December 31, 2021, net intangible assets amount to euro 1,379 million in the consolidated balance sheet. We consider that the valuation of goodwill and intangible assets constitutes a key audit matter, given the sensitivity of these items to the assumptions used by the management and the materiality of the amount of these in the consolidated financial statements.
Our response	• We obtained an understanding of the procedure and key controls set up by the management to perform the impairment tests and notably for the determination of the cash flows used to calculate the recoverable amount. • In order to assess the reliability of the business plans data used to calculate the recoverable amount: – we compared the 2022 financial projections with the previous financial projections and with the actual results for the fiscal years concerned; – we conducted interviews with the independent expert engaged by Publicis Groupe for impairment tests' purposes and with the financial and operational managers of Publicis Groupe to evaluate the main assumptions used in the 5 years business plans and compare these with the explanations obtained; – we compared the main assumptions used by the management of Publicis Groupe concerning revenue, operating margin and investments with external data when available, such as market studies or analysts' reports; – we evaluated the sensitivity analyses performed by the independent expert and carried out our own sensitivity analyses on the key assumptions in order to assess the potential impacts of these assumptions on the conclusions of the impairment tests. • Concerning the models used to determine the recoverable amounts, we involved our valuation experts in order to: – test the mathematical reliability of the models and re-calculate the significant amounts; – evaluate the methods used to determine the discount and infinite growth rates, compare these rates with market data or external sources and re-compute these rates using our own data sources. • We also assessed the appropriateness of the information set out in note 6 to the consolidated financial statements, which discloses the main assumptions used to determine the recoverable amounts.

Provisions for risks and litigation & uncertainty over income tax treatments

(Notes 1.3 « Provisions », 9 « Income tax » and 21 « Provisions for risks and litigation » to the consolidated financial statements)

Risk identified	Publicis Groupe operates in more than 100 countries and is therefore subject to varying, complex and constantly changing laws and regulations (including tax legislation). Furthermore, within the framework course of its activity, Publicis Groupe, its subsidiaries or its clients may face, on its own or jointly with other parties, legal actions brought by third parties, by competitors of its clients, by an administrative or regulatory authority or by a consumer association. Management's evaluation of the associated risks has led Publicis Groupe to recognize provisions for risks and litigation in the amount of euro 254 million as at December 31, 2021, and to recognize some uncertain income tax liability in the amount of euro 205 million as at December 31, 2021. In view of the materiality of these provisions, the uncertainty regarding the outcome of the proceedings initiated and the high degree of judgment used by the management to estimate the risks and the amounts recognized, we consider the risks and litigations and the understatement of the corresponding provisions to be a key audit matter.
Our response	• We assessed the procedures implemented by the management in order to identify and list all the risks related to lawsuits or to commercial, regulatory or tax disputes. • We obtained an understanding of the internal reports on the disputes prepared by the local teams and compiled by the legal department. • We assessed the estimate of costs related to these risks: – by considering the risk analysis performed by Publicis Groupe and by discussing each significant dispute, whether at the litigation or pre-litigation stage, with the legal department and, when applicable, the tax department of the Company and its subsidiaries; – by inquiring the external advisers of Publicis Groupe or by obtaining legal advice on the most significant disputes. • We have assessed the appropriateness of the information provided in the notes to the consolidated financial statements concerning the risks related to a lawsuit or a commercial, regulatory or tax dispute.

IV. Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the information relating to the Group given in the management report.

We have no matters to report as to their fair presentation and their consistency with the consolidated financial statements.

We attest that the consolidated non-financial statement required by Article L. 225-102-1 of the French Commercial Code (*Code de commerce*) is included in the information relating to the Group given in the management report, it being specified that, in accordance with Article L. 823-10 of said Code, we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained therein. This information should be reported on by an independent third party.

V. Report on Other Legal and Regulatory Requirements

Format of preparation of the consolidated financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by statutory auditor regarding the annual and consolidated financial statements prepared in the European single electronic format, that the preparation of the consolidated financial statements intended to be included in the annual financial report mentioned in article L.451-1-2, I of the French Monetary and Financial Code *(Code monétaire et financier)*, prepared under the responsibility of Chairman of the Management Board, complies with the single electronic format defined in Commission Delegated Regulation (EU) No 2019/815 of December, 17 2018. Regarding consolidated financial statements, our work includes verifying that the tagging thereof complies with the format defined in the above mentioned regulation.

On the basis of our work, we conclude that the preparation of the consolidated financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

We have no responsibility to verify that the consolidated financial statements that will ultimately be included by your company in the annual financial report filed with the AMF *(Autorité des marchés financiers)* agree with those on which we have performed our work.

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Publicis Groupe by your Annual General Meeting held on June 25, 1981 for MAZARS and on June 4, 2007 for ERNST & YOUNG et Autres.

As at December 31, 2021, MAZARS and ERNST & YOUNG et Autres were in the 41th year and 15th year of total uninterrupted engagement respectively (ERNST & YOUNG Audit having previously served as statutory auditor of Publicis Groupe from 2001 to 2006).

VI. Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Management Board.

VII. Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these consolidated financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit Committee

We submit to the Audit Committee a report which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report significant deficiencies, if any, in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No; 537/2014, confirming our independence within the meaning of the rules applicable in France as set out in particular in Articles L.822-10 to L.822-14 of the French Commercial Code *(Code de commerce)* and in the French Code of Ethics *(code de déontologie)* for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris-La Défense and Courbevoie, February 3, 2022

The Statutory Auditors

French original signed by

MAZARS	ERNST & YOUNG et Autres
Olivier Lenel Ariane Mignon	Nicolas Pfeuty Valérie Desclève

CHAPTER

7 2021 ANNUAL FINANCIAL STATEMENTS

7.1 INCOME STATEMENT

(in thousands of euros)	Note	2021	2020
Billings (goods and services)	3	28,775	24,650
Reversal of provisions and expense transfers	4	46,723	36,378
Other income		939	-
Total operating income		**76,437**	**61,028**
Other purchases and external charges		(11,301)	(11,609)
Taxes other than income taxes		(1,690)	(1,923)
Personnel costs	5	(51,047)	(39,303)
Depreciation & amortization, increases in provisions		(2,348)	(2,385)
Other expenses		(2,331)	(2,688)
Total operating expenses		**(68,717)**	**(57,908)**
Operating income (expense)		**7,720**	**3,120**
Investment income		104,140	178,203
Interest and other financial income		2,100	3,290
Reversal of financial provisions		45	2,375
Total financial income		**106,285**	**183,868**
Depreciation & amortization, increases in provisions		(3,847)	(4,042)
Interest and other financial expenses		(68,981)	(124,309)
Total financial expenses		**(72,828)**	**(128,351)**
Financial income (expense)	6	**33,457**	**55,517**
Pre-tax profit		**41,177**	**58,637**
Exceptional items	7	**-**	**-**
Income taxes	8	6,210	5,133
Net income for the year		**47,387**	**63,770**

7.2 BALANCE SHEET

(in thousands of euros)	Note	December 31, 2021	December 31, 2020
ASSETS			
Intangible assets:	***9 .1***	**2,033**	**2,073**
Concessions and business goodwill		2,991	2,991
Other intangible assets		507	507
Amortization & depreciation		(1,465)	(1,425)
Property, plant and equipment:	***9.2***	**9,742**	**11,009**
Land		2,291	2,291
Buildings		3,044	3,044
Machinery and equipment		1,133	1,133
Others		38,018	37,142
Amortization & depreciation of property, plant and equipment		(34,744)	(32,601)
Investments and other financial assets:		**5,588,993**	**7,297,152**
Long-term equity investments	*9.3*	5,637,897	5,637,897
Impairment on equity investments	*9.3*	(98,115)	(98,115)
Loans and receivables related to equity investments	*9.4*	49,010	1,757,169
Loans and other financial assets		232	232
Impairment on other financial assets		(31)	(31)
Non-current assets		**5,600,768**	**7,310,234**
Trade receivables		6,394	1,699
Other receivables		8,290	3,519
Marketable securities	*10*	246,194	152,876
Cash and cash equivalents		12	12
Current assets		**260,890**	**158,106**
Prepaid expenses		417	380
Deferred expenses	*11*	3,088	4,848
Bond redemption premiums	*12*	3,126	5,129
Unrealized foreign exchange losses		-	2
TOTAL ASSETS		**5,868,289**	**7,478,699**

(in thousands of euros)	*Note*	December 31, 2021	December 31, 2020
EQUITY AND LIABILITIES			
Share capital		101,385	99,108
Share and merger premium		3,487,657	3,642,866
Statutory reserve		9,911	9,617
Retained earnings		1,750	2,229
Equity before net income		**3,600,703**	**3,753,820**
Net income for the year		47,387	63,770
Shareholders' equity	*14*	**3,648,090**	**3,817,590**
Provisions for liabilities and charges	*15*	**15,734**	**16,650**
Bonds	*16*	1,100,832	1,801,177
Bank borrowings and overdrafts	*17*	-	150,070
Other financial liabilities	*18*	1,092,146	1,669,077
Trade payables		3,140	5,640
Tax and social liabilities		7,999	18,095
Other creditors		348	400
Deferred income		-	-
Liabilities		**2,204,465**	**3,644,459**
Unrealized foreign exchange gains		-	-
TOTAL EQUITY AND LIABILITIES		**5,868,289**	**7,478,699**

7.3 CASH FLOWS STATEMENT

(in thousands of euros)	2021	2020
Cash flow from operating activities		
Net income for the year	**47,387**	**63,770**
Losses on disposals	2,008	1,002
(Reversals)/increases of provisions, net	1,305	(34,336)
Transfer to deferred expenses, net of amortization/depreciation	1,760	1,986
Amortization of redemption premiums on the Eurobond	2,003	2,009
Cash flow	**54,463**	**34,331**
Change in working capital requirements	(24,988)	865
Net cash flows generated by (used in) operating activities (I)	**29,475**	**35,196**
Cash flow from investing activities		
Purchases of property, plant and equipment and intangible assets	(876)	(991)
Acquisitions of subsidiaries	-	-
Disposals of subsidiaries	-	-
Net cash flows generated by (used in) investing activities (II)	**(876)**	**(991)**
Cash flow from financing activities		
Dividends paid to holders of the parent company	(227,452)	(102,077)
Capital increase	7,341	626
Repayment of bonds	(700,000)	-
Increases (decreases) in other borrowings	(150,000)	(150,000)
Decreases in loans/(other borrowings)	1,275,542	138,730
Buyback of treasury shares	(144,313)	-
Sale of treasury shares	3,639	7,806
Net cash flows generated by (used in) financing activities (III)	**64,757**	**(104,915)**
Change in cash and cash equivalents (I+II+III)	**93,356**	**(70,710)**
Net cash and cash equivalents at beginning of the year	152,933	223,643
Net cash and cash equivalents at end of the year	246,289	152,933
Change in cash and cash equivalents	**93,356**	**(70,710)**

7.4 NOTES TO THE FINANCIAL STATEMENTS OF PUBLICIS GROUPE SA, PARENT COMPANY

DETAILED SUMMARY OF THE NOTES TO THE FINANCIAL STATEMENTS

The Company's primary business consists in managing its investments and providing services to Groupe companies.

Additionally, and to a lesser extent, the Company receives rental income from leasing the building it owns in Paris, at 133 avenue des Champs-Élysées.

Note 1 Significant events during the financial year

MMS Multi Market Services Ireland, subsidiary of Publicis Groupe SA, repaid the loan it had been granted for an amount of euro 1.3 billion. A portion of this repayment was used to repay the 2021 Eurobond in the amount of euro 700 million on December 16, 2021.

As part of a share buyback program under the 20th resolution of the General Shareholders' Meeting of May 26, 2021, the Company bought back 2,500,000 of treasury shares for an amount of euro 144,313,099. This program is designed to fulfill the commitments in connection with the current free share plans awarded to employees, the shares of which will be delivered in 2022, 2023, 2024 and 2025.

Note 2 Accounting policies, rules and methods

The parent company financial statements for the 2021 financial year have been prepared in accordance with the French Chart of Accounts (*Plan Comptable Général*) and in compliance with applicable legal and regulatory texts in France.

Comparability of financial statements

The valuation methods used to prepare the 2021 financial statements are unchanged from those used to prepare the financial statements for the previous financial year.

Intangible assets

Intangible assets subject to amortization consist of the concession of parking spaces, amortized over 75 years (length of the concession), and the goodwill of Publicis Cinema, already fully amortized.

Property, plant and equipment

Property, plant and equipment are recognized at net acquisition cost and are subject to annual depreciation calculated on a straight-line basis over the following periods:

- Building on avenue des Champs-Élysées in Paris: 50 years
- Fixtures, fittings and general installations: 10 to 20 years
- Machinery and equipment: 10 years
- Carpets: 7 years
- Vehicles: 4 years
- IT equipment: 3 years

Investments and other financial assets

The gross amount of long-term equity investments is composed of the acquisition price of the securities excluding ancillary expenses. Foreign currency-denominated securities are recognized at their acquisition price translated into euros.

Impairment is recognized whenever the investment's value in use is lower than its carrying amount. Value in use is determined on the basis of objective criteria, such as net asset value, capitalized earnings or market capitalization, associated where necessary with more subjective criteria, such as specific industry indicators or ratios determined, in the context of economic assumptions and the Company's growth forecasts, on the basis of the present value of projected future cash flows, and the strategic nature of the investment for the Groupe.

Marketable securities

Marketable securities primarily include treasury shares, which are classified according to their intended purpose.

A provision for liabilities is recognized for treasury shares allocated to stock option or free share plans in order to reflect the loss resulting from the difference between the subscription price (zero for the free shares) and their cost price.

A provision is recognized for treasury shares that are not allocated to such a plan as well as for other marketable securities, whenever their current value at year-end is lower than their carrying amount. The current value of publicly traded securities equals the average quoted price for the final month of the financial year, and for non-listed securities, the probable selling price.

Bonds

Bonds are recognized at their par value.

In cases where a redemption premium exists, the liability is increased by the total amount of such a premium. This premium is offset by the recognition of an asset, which is amortized over the life of the bond on an actuarial basis.

In cases where an issue premium exists, the liability is recognized at par value and the issue premium is recognized as an asset; the issue premium is amortized over the life of the bond.

Provisions for liabilities and charges

Provisions are funded when:

- the Company has a present obligation (legal or constructive) resulting from a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation;
- the amount of the outflow can be estimated reliably.

Where the effect of the time value of money is material, provisions are discounted to present value. Increases in the amount of provisions resulting from the unwinding of the discount are recognized as financial expenses.

Contingent liabilities are not recognized but, if material, are disclosed in the Notes to the financial statements.

Financial instruments

In principle, the derivatives established by the Company are subscribed for hedging purposes only. The accounting treatment of these instruments is:

- derivatives purchased to hedge foreign currency receivables, debts, loans or borrowings are revalued in the balance sheet as part of their foreign exchange component in order to materialize the symmetry effect at the level of the "Unrealized foreign exchange – Gains/Losses" on the balance sheet;
- realized gains and losses are recorded symmetrically on the hedged item.

Financial income (expense)

Financial income is recognized by applying the usual rules, namely:

- dividends: on the date the distribution is approved by the General Shareholders' Meeting;
- financial income on current accounts, time deposits and bonds: as, and when, income is acquired;
- interest and dividends on marketable securities: on the date of receipt.

Financial expenses relating to the Eurobond 2021 and 2024 are presented, where applicable, inclusive of the interest income (expense) arising from the interest rate swaps.

It should, moreover, be noted that the swaps connected with the two aforementioned bonds are treated as hedges of loans in dollars recognized as assets.

Exceptional items

These include capital gains and losses on the sale of property, plant and equipment, and intangible and financial assets.

Note 3 Revenue

Billings are mainly composed of:

- rent received from the building at 133 avenue des Champs-Élysées in Paris, France;
- services invoiced to Groupe companies.

Note 4 Reversal of provisions and expense transfers

Expense transfers mainly include re-invoicing of Groupe companies for the allocation of free Publicis Groupe shares to certain key Groupe managers as part of free share or stock option plans.

Note 5 Personnel costs

In 2021, personnel expenses include the compensation of the Chairman of the Management Board and related expenses. They also include the costs related to 2021 free share or stock option plans, amounting to euro 46,656,677, for which the delivery of existing shares results in a charge to the income statement. In 2020, the costs linked with these plans amounted to euro 36,323,970.

Note 6 Net Financial income (expense)

(in thousands of euros)	2021	2020
Dividends	100,420	105,784
Other income from investments	3,720	72,419
Investment income	**104,140**	**178,203**
Other financial income	2,016	3,290
Foreign exchange gains	84	-
Interest and other financial income	**2,100**	**3,290**
Amortization of the 2024 swap balancing payment	-	2,060
Reversal of impairment for marketable securities	45	288
Reversal of other financial provisions	-	27
Reversal of financial provisions & expense transfers	**45**	**2,375**
Total financial income	**106,285**	**183,868**
Bond-related amortization	(3,763)	(3,995)
Increases in provisions for foreign exchange losses	-	-
Increase in provisions for impairment of marketable securities	(83)	(45)
Increase in other financial provisions	(1)	(2)
Amortization and increases in provisions	**(3,847)**	**(4,042)**
Bond-related expenses	(19,992)	(45,516)
Costs on unwinding of swaps	-	(16,462)
Charges on the drawdown of the euro 2 billion credit line	-	(8,818)
Other financial expenses	(48,885)	(53,508)
Foreign exchange losses	(104)	(5)
Interest and other financial expenses	**(68,981)**	**(124,309)**
Total financial expenses	**(72,828)**	**(128,351)**
Financial income (expense)	**33,457**	**55,517**

Note 7 Exceptional items

There were no exceptional items in financial year 2021. This result was also zero in 2020.

Note 8 Income taxes

The income statement shows a tax income amount of euro 6,210,078. This amount mainly corresponds to the tax consolidation gain recognized as income in the financial statements of the tax group's parent company, in accordance with the tax consolidation agreements signed with the member companies, totaling euro 6,131,378.

The Company, which is the parent company of the French tax group (comprising 20 entities including Publicis Groupe SA), recorded a tax loss of euro 56,158,896 in 2021.

Tax loss carryforwards of the French tax group, which can be carried forward without any time limit, amounted to euro 335,633,560 at December 31, 2021.

Note 9 Non-current assets

9.1 Intangible assets

There were no acquisitions or disposals during financial year 2021. The balance at December 31, 2021 stands at euro 3,498,498, the same as at December 31 of the previous financial year.

9.2 Property, plant and equipment

In the 2021 financial year, euro 875,553 were invested in fixtures.

In 2020, this figure amounted to euro 990,707.

9.3 Long-term equity investments

At December 31, 2021, long-term equity investments amounted to euro 5,637,897,223. This was unchanged from December 31, 2020. The same applies to provisions for impairment, which stood at euro 98,115,000 at December 31, 2021.

9.4 Loans and receivables related to equity investments

(in thousands of euros)	December 31, 2021	December 31, 2020
Loan to MMS Multi Euro Services	-	1,573,634
Loan to MMS France Holdings	30,249	30,249
Loan to Metrobus	8,398	-
Multi Market Services Ireland current account	890	466
MMS France Holdings current account	1,010	144,579
Interest receivable	8,463	8,241
Total	**49,010**	**1,757,169**

The loan granted to MMS Multi Euro Services in 2020 for euro 1,300,000,000 was repaid in October 2021.

The loan granted to MMS Multi Euro Services in 2019 for euro 273,634,036, as part of the financing of the acquisition of Epsilon, was also repaid on July 1, 2021.

Note 10 Marketable securities

Marketable securities broke down as follows at December 31, 2021:

(in thousands of euros)	December 31, 2021	December 31, 2020
Excluding liquidity contract:		
• Treasury shares	229,151	137,803
Held under the liquidity contract:		
• Money UCITS funds	13,942	12,290
• Treasury shares	3,184	2,828
Provisions for impairment:		
• Excluding liquidity contract	-	-
• Held under the liquidity contract	(83)	(45)
Total marketable securities (net amount)	**246,194**	**152,876**

The movements for the financial year and position at the reporting date for available-for-sale securities (excluding the liquidity contract) are summarized in the table below:

(in thousands of euros, except for share data)	Number of shares	Gross book value	Impairment	Net book value
Treasury shares held as available-for-sale securities (excluding the liquidity contract) as at December 31, 2020	2,122,801	137,803	-	137,803
Disposals (exercise of options) and delivery of free shares to employees	(814,401)	(52,965)	-	(52,965)
Share buyback	2,500,000	144,313		144,313
Treasury shares held as available-for-sale securities (excluding the liquidity contract) as at December 31, 2021	**3,808,400**	**229,151**	**-**	**229,151**

In 2021, the liquidity contract with Kepler Cheuvreux was continued.

At December 31, 2021, 53,500 shares were held under this contract (compared to 68,458 at December 31, 2020).

Note 11 Deferred expenses

This line item includes costs linked with the bond issue and the arrangement of the syndicated and other credit lines, for the portion still to be amortized over the remaining period to maturity of the bonds and to expiry of the credit lines.

Deferred expenses at December 31, 2021 were composed of:

(in thousands of euros)	December 31, 2021	December 31, 2020
Bond issuance costs	1,098	1,891
Costs of arranging credit lines	1,990	2,957
Total	**3,088**	**4,848**

Note 12 Bond issue and redemption premiums

The amounts on this line item represent the amounts still to be amortized over the remaining period to maturity of the bonds.

At December 31, 2021, the issue premiums broke down as follows:

(in thousands of euros)	December 31, 2021	December 31, 2020
Eurobond 2021	-	595
Eurobond 2024	1,304	1,731
Eurobond 2023	1,822	2,803
Total	**3,126**	**5,129**

Note 13 Average headcount

The Company's average headcount was one employee.

Note 14 Shareholders' equity

The Publicis Groupe SA share capital has changed as follows over the past two financial years:

		Changes in capital				
		Shares with 0.4 euro nominal value				
Dates	**Capital transactions**	**Number of shares**	**Nominal** (in thousands of euros)	**Additional paid-in capital** (in thousands of euros)	**Successive share capital amounts** (in thousands of euros)	**Total number of company shares**
Position at January 1, 2020					**96,175**	**240,437,061**
2020	Exercise of 20,514 warrants	22,156	9	617	96,184	240,459,217
	Payment of the dividend in shares	7,035,496	2,814	169,274	98,998	247,494,713
	Awarding of free shares to Groupe employees	274,325	110	-	99,108	247,769,038
2021	Exercise of 346,420 warrants	378,789	152	10,414	99,260	248,147,827
	Payment of the dividend in shares	5,018,232	2,007	264,210	101,267	253,166,059
	Awarding of free shares to Groupe employees	296,350	118	-	101,385	253,462,409
Position at December 31, 2021					**101,385**	**253,462,409**

Shareholder's equity changed as follows between January 1, 2021 and December 31, 2021:

(in thousands of euros)	January 1, 2021	Allocation of 2020 net income	Distribution of dividends in shares	Distribution of dividends in cash	Exercise of stock options and creation of shares	2021 net income	December 31, 2021
Share capital	99,108	-	2,007	-	270	-	101,385
Share and merger premium	3,642,866	-	264,210	(429,833)	10,414	-	3,487,657
Statutory reserve	9,617	294	-	-	-	-	9,911
Retained earnings	2,229	63,476	(266,217)	202,381	(119)	-	1,750
Subtotal	**3,753,820**	**63,770**	**-**	**(227,452)**	**10,565**	**-**	**3,600,703**
Net income for the year	63,770	(63,770)	-	-	-	47,387	47,387
Total	**3,817,590**	**-**	**-**	**(227,452)**	**10,565**	**47,387**	**3,648,090**

Note 15 Provisions for liabilities and charges

(in thousands of euros)	Amount at January 1, 2021	2021 increase	2021 reversal (provision used)	2021 reversal (unused provision)	Amount at December 31, 2021
Provision for risks on treasury shares and free share grants not yet vested(1)	14,365	-	(1,017)	-	13,348
Other provisions for risks	2,285	167	(66)	-	2,386
Total	**16,650**	**167**	**(1,083)**	**-**	**15,734**

(1) This provision is made on the one hand to cover the loss resulting from the difference between the subscription price and the cost price of the treasury shares when they have been allocated to the share purchase plans for Groupe employees, and on the other hand to cover the future loss on existing shares under free share plans.
It should also be noted that provisions and their reversals relating to costs borne by Publicis Groupe SA in relation to these plans are presented in the income statement under personnel costs in accordance with Notice no. 2008-17 from the French National Accounting Council.

Note 16 Bonds

Category of bond	Number of shares	December 31, 2021 (in thousands of euros)	December 31, 2020 (in thousands of euros)
Eurobond 2021 – 1.125%	7,000	-	700,000
Eurobond 2024 – 1.625%	6,000	600,000	600,000
Eurobond 2023 – 0.5%	5,000	500,000	500,000
Total excluding accrued interest1		**1,100,000**	**1,800,000**
Accrued interest		832	1,177
Balance sheet total		**1,100,832**	**1,801,177**

Eurobond 2021 – 1.125% and 2024 – 1.625%

This loan, issued on December 16, 2014 for euro 1.3 billion, as part of the financing for the acquisition of Sapient, which took place in February 2015, included two tranches:

- Eurobond 2021 -1.125%: This euro 700 million tranche with a seven-year maturity and a fixed rate of 1.125% was redeemed in full at par upon maturity on December 16, 2021.
- Eurobond 2024 – 1.625%: This euro 600 million tranche has a ten-year maturity and a fixed rate of 1.625%. It is fully redeemable at par upon maturity on December 16, 2024.

The two tranches were subject to cross-currency swaps that were unwound in December 2020, resulting in the payment of a balance of euro 16,462,000 at that date.

Eurobond 2023 – 0.5%

On November 3, 2016, Publicis Groupe SA issued a fixed-rate bond for euro 500 million, maturing in November 2023 (7 years), with a 0.5% annual coupon.

Note 17 Bank borrowings and overdrafts

As part of the acquisition of Epsilon, two loans of euro 150 million each were arranged on July 1, 2019, for four and five years at interest rates of 0.60% and 0.55% respectively.

On March 16, 2021, Publicis Groupe SA repaid early the euro 150 million loan maturing in 2023.

The loan of euro 150 million maturing in 2024 was already repaid early on December 4, 2020.

It should also be noted that in 2020, Publicis Groupe SA preventatively drew euro 2 billion (USD 2.2 billion) from its revolving credit line in order to be prepared for any potential short-term impact of the global pandemic on its activities: for a three-month period beginning on March 20 for the whole line, then a three-month period beginning on June 20 for only half of this amount, *i.e.* USD 1.1 billion. As of December 31, 2020, the credit line had been repaid in full.

Note 18 Other financial liabilities

(in thousands of euros)	December 31, 2021	December 31, 2020
Long-term borrowing from MMS Multi Euro Services[(1)]	930,000	930,000
Current accounts, short-term borrowings from MMS Multi Euro Services and accrued interest	161,622	738,553
Other creditors	524	524
Total	**1,092,146**	**1,669,077**

(1) 55-year subordinated equity loans for euro 300 million and euro 630 million, respectively.

Note 19 Maturity statement for receivables and liabilities

All receivables included in current assets are due to be settled within less than one year.

The maturity statement for liabilities is presented below:

(in thousands of euros)	Total	Less than 1 year	1 to 5 years	More than 5 years
Bonds	1,100,832	832	1,100,000	-
Bank borrowings and overdrafts	-	-	-	-
Other financial liabilities	1,092,146	161,622	-	930,524
Trade payables	3,140	3,140	-	-
Tax and social liabilities	7,999	7,999	-	-
Other creditors	348	348	-	-
Total liabilities	**2,204,465**	**173,941**	**1,100,000**	**930,524**

Note 20 Off-balance sheet commitments

20.1 Off-balance-sheet commitments given

20.1.1 Commitments related to warrants

The exercise of warrants, which can occur at any time from September 24, 2013 to September 24, 2022, will lead to an increase in the Publicis Groupe SA's capital stock. The conversion ratio was adjusted again during the financial year by a factor of 1.116 to reflect the distributions drawn from the Company's reserves and premiums. Following the cancellation of the warrants acquired in previous years or exercised since September 24, 2013, Publicis Groupe SA was, as of December 31, 2021, committed to issuing (in the event that the 529,895 outstanding stock warrants are exercised) 591,363 shares with a nominal value at euro 0.40 and a premium at euro 30.10.

20.1.2 Description of the stock option and free share plans implemented during the financial year

Presentation of the new free share plans for 2021

Four free share plans were created during 2021, with the following features:

Long-Term Incentive Plan known as the "LTIP 2021 Directoire" (March 2021)

As part of this plan, the members of the Management Board were awarded free shares, subject to three conditions:

- a continued presence condition, during the three-year vesting period;
- conditions for achieving the Groupe's revenue growth and profitability targets for the entire period from 2021 to 2023;
- conditions based on progress made on the CSR (corporate social responsibility) policy, in the area of both Diversity, Equality and Inclusion and in the area of combating climate change, for which indicative interim points have been set. At the end of 2023, the percentage of women in key management positions as well as the percentage of change of integration of renewable energies in the Groupe will be assessed against targets set.

The shares ultimately awarded in accordance with the level of achievement of these conditions will be deliverable at the end of a three-year period, *i.e.* in March 2024.

Long-Term Incentive Plan known as the "LTI Epsilon 2021 Plan" (March 2021)

The plan, set up for the exclusive benefit of Publicis Epsilon managers and employees, includes three tranches subject to a continued presence condition for 20% and financial performance conditions for 80% in respect of 2021. They are deliverable in March 2022 (30% of shares), March 2023 (30% of shares) and March 2024 (40% of shares).

Long-Term Incentive Plan known as the "Sapient 2021 Plan" (April 2021)

The plan, put in place for the exclusive benefit of Publicis Sapient executives and employees, is made up of two tranches:

- the first tranche is conditional only upon continued employment and gives rise to the delivery of one-fourth of the shares awarded on the dates of the first four anniversaries of the plan (*i.e.* in April 2022, 2023, 2024 and 2025);
- in addition to the condition of continued employment, the second tranche is conditional upon performance criteria, and the total number of shares delivered shall depend on the level of financial targets achieved for 2021. Delivery will take place at the end of a three-year period, in April 2024.

Long-term incentive plan known as "LTIP 2021" and other plans (March and September 2021)

Under this plan, a certain number of Group managers were granted free shares, subject to three conditions:

- a continued presence condition, during the three-year vesting period;
- conditions for achieving the Groupe's revenue growth and profitability targets for 2021;
- conditions based on progress made on the CSR (corporate social responsibility) policy, in the area of both Diversity, Equality and Inclusion and in the area of combating climate change, for which indicative interim points have been set. At the end of 2021, the percentage of women in key management positions as well as the percentage of change of integration of renewable energies in the Groupe will be assessed against targets set.

The shares ultimately awarded in accordance with the level of attainment of these performance targets will be deliverable at the end of a three-year period, *i.e.* in March 2024 (or September 2024, depending on the date on which said shares were awarded).

Moreover, the Management Board, at its meeting of September 2021, decided to implement a specific individual plan, subject to only a three-year continued presence condition during the vesting period, whose shares will be deliverable in September 2024.

For the beneficiaries of the 2019 Special Retention Plan, this new plan replaces the second tranche whose shares were subject to performance conditions to be measured during the 2021 financial year. For the beneficiaries concerned, the LTIP 2021 plan was treated as a replacement plan in accordance with IFRS 2. The expense of the initial 2019 Special Retention plan has been retained for tranche 3 of said plan. As a reminder, the shares of the first tranche, in connection with 2020 performance, had been canceled at the end of the 2020 financial year.

Performance measurement of previous plans

In addition, the performance of the following plans was assessed in March 2021:

- Sapient 2018, 2019 and 2020 Plans: the performance targets set for 2020 were 100% achieved;
- Epsilon 2019-2021 replacement Plans: the performance targets set for 2020 were achieved at an average of 64%. However, the Management Board decided on an exceptional basis that the performance taken into account would be 100%;
- Epsilon 2020 Plan: the performance targets set for 2020 were achieved at an average of 61%.

Publicis Groupe share subscription or purchase option plans

/ Characteristics of the Publicis Groupe stock option plans as at December 31, 2021

Plans	Type[(1)]	Date of grant	Option exercise price (in euros)	Options outstanding at January 1, 2021	Options cancelled, lapsed or transferred[(2)] in 2021	Options exercised in 2021	Options outstanding at December 31, 2021	Of which exercisable at December 31, 2021	Exercise deadline	Remaining contract life (in years)
Lionlead 2 stock options	A	04/30/2013	52.76	1,078,211	40,629	(100,285)	1,018,555	1,018,555	04/30/2023	1.33
Total				**1,078,211**	**40,629**	**(100,285)**	**1,018,555**	**1,018,555**		

(1) A = stock options
(2) Adjustment of the number of options in 2021, following the transfer of rights for certain participants that had not been taken into account previously.

The vesting period for the above plans has been completed, but the exercise of options remains subject to a continued presence condition until the date of exercise of the options.

/ Movements in Publicis Groupe stock option plans over the last two financial years

	2021		2020	
	Number of options	Average exercise price (in euros)	Number of options	Average exercise price (in euros)
Options at January 1	**1,078,211**	**52.76**	**1,091,937**	**52.76**
Options exercised[(1)]	(100,285)	52.76	-	
Options canceled, lapsed or transferred	40,629	52.76	(13,726)	52.76
Options outstanding at December 31	**1,018,555**	**52.76**	**1,078,211**	**52.76**
Of which exercisable	*1,018,555*	*52.76*	*1,078,211*	*52.76*

(1) Average share price on exercise (in euros)

Publicis Groupe free share plans

/ Characteristics of Publicis Groupe free share plans outstanding at December 31, 2021

Plans	Date of grant	Shares yet to vest as of January 1, 2021 or shares granted in 2021	Shares cancelled, lapsed or transferred[1] in 2021	Shares vested in 2021	Shares yet to vest at December 31, 2021	Vesting date	Remaining contract life (in years)
Sapient 2017 Plan (4 years)	06/15/2017	36,120	(1,765)	(34,355)	-	06/15/2021	-
LTIP 2018 Plan	04/17/2018	306,650	(10,300)	(296,350)	-	04/17/2021	-
Sapient 2018 Plan (4 years)	04/17/2018	78,741	(4,290)	(38,190)	36,261	04/17/2022	0.29
Sapient 2018 Plan (3 years)	04/17/2018	148,612	(4,127)	(144,485)	-	04/17/2021	-
Sprint to the Future 2018-2021 – Excluding Management Board	05/18/2018	48,340	-	(48,340)	-	12/20/2021	-
LTIP 2019 Plan	05/28/2019	149,225	(10,000)	-	139,225	05/28/2022	0.41
Sapient 2019 Plan (4 years)	05/28/2019	153,899	(10,926)	(48,801)	94,172	05/28/2023	1.41
Sapient 2019 Plan (3 years)	05/28/2019	227,737	(19,759)	-	207,978	05/28/2022	0.41
LTI 2019-2021 Directoire Plan	06/14/2019	170,000	(9,927)	-	160,073	06/14/2022	0.45
Star Growth Performers Plan/2019 Special Plan	05/28/2019	228,400	(16,317)	-	212,083	05/28/2022	0.41
2019 Epsilon Replacement Plan	07/15/2019	336,971	(22,316)	(162,666)	151,989	03/31/2022	0.25
2019 Special Retention Plan[2]	11/15/2019	510,070	(18,145)	-	491,925	03/16/2024	2.21
Sapient 2020 Plan (4 years)	05/19/2020	224,117	(18,156)	(53,156)	152,805	05/19/2024	2.38
Sapient 2020 Plan (3 years)	05/19/2020	321,160	(30,644)	-	290,516	05/19/2023	1.38
LTI Epsilon 2020 Plan	07/20/2020	1,231,720	(648,619)	(184,123)	398,978	03/31/2023	1.25
"LTIP 2021" and other specific plans[3]	03/16/2021[4]	590,391	(18,632)	-	571,759	03/16/2024[5]	2.21
LTIP 2021 Directoire Plan	03/16/2021	151,577	-	-	151,577	03/16/2024	2.21
LTI Epsilon 2021 Plan	03/16/2021	632,348	(32,521)	-	599,827	03/31/2024	2.25
Sapient 2021 Plan (4 years)	04/13/2021	241,787	(14,700)	-	227,087	04/13/2025	3.28
Sapient 2021 Plan (3 years)	04/13/2021	362,687	(22,051)	-	340,636	04/13/2024	2.28
Total free share plans		**6,150,552**	**(913,195)**	**(1,010,466)**	**4,226,891**		

(1) These relate to any transfers between French and foreign plans due to the geographic mobility of beneficiaries.
(2) The shares in the second tranche correspond to those allocated under the new LTIP 2021 plan. The shares of the third tranche were kept at the same level as the initial plan. The delivery date of this last plan (March 31, 2023) was extended and aligned with that of the LTIP 2021 plan.
(3) Excluding beneficiaries of the Special Retention Plan for whom their shares are presented on the line corresponding to the initial plan, the second tranche of which was replaced by the LTIP 2021 plan.
(4) Grant date on September 15, 2021 and delivery date on September 16, 2024 for the specific individual plan.

The vesting of free shares under the above plans is conditional on continued employment throughout the vesting period.

Vesting also remains subject to non-market performance conditions for the LTIP 2019 and 2021 plans (including specific plans), the LTIP 2019-2021 Directoire and LTIP 2021 Directoire plans, the Sapient 2018 to 2021 Plans with a three-year vesting period, the 2019-2021 Epsilon replacement plan, the 2019 Special Retention Plan and the LTI Epsilon 2020 and 2021 Plans.

7

/ Movements in Publicis Groupe free share plans over the last two financial years

	2021	2020
Grants at January 1	**4,171,762**	**4,595,712**
Grants during the year	1,978,790	1,849,923
Vesting	(1,010,466)	(1,348,507)
Grants lapsed	(913,195)	(925,366)
Grants at December 31	**4,226,891**	**4,171,762**

20.1.3 Contractual guarantees given

- Joint and several guarantee of the debts of Publicis Groupe Holdings and Publicis Holdings;
- Counter-guarantee given to CIC for the first demand guarantee given by the latter on behalf of Metrobus to RATP in the amount of euro 26,800,000;
- Guarantees given to multiple banks on behalf of MMS USA Investments Inc. and MMS Ireland to finance the acquisition of Epsilon for a total of USD 4,435,000,000 for maturities between 2022 and 2031;
- Guarantee given to OPG Bastille on behalf of Resources France and MMS France Holdings for euro 104,000,000 for the “Parisquare” building in the Bastille district.

20.2 Off-balance-sheet commitments received

- Multi-currency syndicated loan credit facility of euro 2 billion maturing in July 2024.

  This facility was undrawn at December 31, 2021.
- Confirmed bilateral credit facilities of euro 344 million.

  These facilities were undrawn at December 31, 2021.

Note 21 Subsequent events

None

Note 22 Fees of the statutory auditors

The fees paid by the Groupe for each of the statutory auditors of Publicis Groupe SA for the 2021 and 2020 financial years were:

	Ernst & Young		Mazars		Total	
	Amount (excl. taxes)		Amount (excl. taxes)		Amount (excl. taxes)	
(in thousands of euros)	2021	2020	2021	2020	2021	2020
Statutory auditors						
Publicis Groupe SA (parent company)	**684**	**774**	**419**	**357**	**1,103**	**1,131**
Account certification	684	674	419	357	1,103	1,031
Other services	-	100	-	-	-	100

Note 23 List of subsidiaries and long-term equity investments at December 31, 2021

A) Subsidiaries and long-term equity investments with a carrying amount exceeding 1% of the share capital of Publicis Groupe (1)

Companies	Share capital	Reserves and retained earnings	% interest	Gross book value	Net book value	Loans and receivables	Revenue	Net income	Dividends received
1- Subsidiaries									
Publicis Groupe Holdings BV	517	11,073,172	100.00	5,344,146	5,344,146	-	141,631	544,018	100,000
Joop Geesinkweg 209 1114 AB Amsterdam Duivendracht The Netherlands									
MMS France Holdings	3,500	(96,264)	100.00	274,801	176,686	39,717	-	13,524	-
133, avenue des Champs-Élysées 75008 Paris France SIREN 444 714 786									
Metrobus	1,840	(9,054)	32.30	17,508	17,508	8,403	131,103	14,426	-
1 Rond-Point Victor Hugo 92137 Issy les Moulineaux SIREN 327 096 426									

(1) Based on the unaudited provisional financial statements.

B) General information on all subsidiaries and long-term equity investments

	Subsidiaries		Long-term equity investments	
	French	Foreign	French	Foreign
Carrying amount of shares held:				
• Gross	292,535	5,345,362	2	-
• Net	194,420	5,345,362	2	-
Amount of dividends received	420	100,000	-	-

/ Detail of marketable securities at December 31, 2021

	% interest	Net book value (in thousands of euros)
I- Long-term equity investments		
A. French long-term equity investments		
11,665,471 shares in MMS France Holdings	100.00%	176,686
37,146 shares in Metrobus	32.30%	17,508
9,100 shares in Publicis Finance Services	100.00%	186
3,700 shares in Publicis Groupe Services	100.00%	37
Investments with a carrying amount less than euro 15,000 aggregate		3
Total French investments		**194,420**
B. Foreign long-term equity investments		
516,712 Publicis Groupe Holdings shares	100.00%	5,344,146
990 MMS Communications Saudi Arabia shares	99.00%	1,216
Investments with a carrying amount less than euro 15,000 aggregate		-
Total foreign investment		**5,345,362**
Total investments		**5,539,782**
II- Other non-current securities		
Total other non-current securities		**-**
III- Other securities		
C. Other securities of French companies		
3,861,900 Publicis Groupe SA treasury shares	1.52%	232,252
Money UCITS funds		13,942
Investments with a carrying amount less than euro 15,000 aggregate		5
D. Other foreign securities		14
Total other securities		**246,213**
Total securities		**5,785,995**

7.5 RESULTS OF PUBLICIS GROUPE SA OVER THE PAST FIVE FINANCIAL YEARS

Information type	2021	2020	2019	2018	2017
I. Share capital at year-end					
Share capital (in thousands of euros)	101,385	99,108	96,175	94,100	92,251
Number of shares in issue	253,462,409	247,769,038	240,437,061	235,249,801	230,627,725
Maximum number of future shares to be issued:					
• under free share plans	1,248,860	625,875	1,106,125	2,706,043	5,602,010
• as a result of the exercise of warrants	591,363	947,297	957,813	1,104,916	1,178,932
II. Operations and results for the financial year					
Pre-tax revenue	28,775	24,650	27,016	19,549	11,604
Net income before taxes, depreciation, amortization and provisions	46,244	62,651	174,996	22,797	37,376
Income tax (credit)	(6,210)	(5,133)	(13,855)	(29,928)	(48,522)
Net income after taxes, depreciation, amortization and provisions	47,387	63,770	187,926	42,848	82,349
Income distributed for the financial year[1]	608,310	495,538	274,165	492,852	454,130
III. Earnings per share (in euros)					
Net income after taxes, but before depreciation, amortization and provisions	0.21	0.27	0.79	0.22	0.37
Net income after taxes, depreciation, amortization and provisions	0.19	0.26	0.78	0.18	0.36
Dividend per share	2.40	2.00	1.15	2.12	2.00
IV. Employees					
Average headcount	1	1	1	1	1
Payroll expense	3,052	2,299	2,450	1,780	4,175
Benefits (social security, other employee benefits, etc.)	754	593	635	517	795

(1) For 2021, estimate on the basis of shares outstanding at December 31, 2021, including treasury shares and subject to the approval of the General Shareholders' Meeting to be held on May 25, 2022. Payment will be made in cash.

7.6 STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

Year ended December 31, 2021

This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.

This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to the shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Annual General meeting of Publicis Groupe SA,

Opinion

In compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying financial statements of Publicis Groupe SA for the year ended December 31, 2021.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31, 2021 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditors' Responsibilities for the Audit of the Financial Statements'* section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code *(Code de commerce)* and the French Code of Ethics *(Code de déontologie)* for statutory auditors for the period from January 1, 2021 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) no. 537/2014.

Justification of assessments – Key audit matters

Due to the global crisis related to the Covid-19 pandemic, the financial statements for this period have been prepared and audited under special circumstances. Indeed, this crisis and the exceptional measures taken in the context of the healthy emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties regarding their future prospects. Some of these measures, such as travel restrictions and remote working, have also had an impact on companies' internal organization and on the performance of audits.

It is in this complex, evolving context that, in accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code *(Code de commerce)* relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

Valuation of investments and related loans and receivables

(Notes 2 "Investments and other financial assets", 9.3 "Long-term equity investments" and 9.4 "Loans and receivables related to equity investments" to the financial statements)

Risk identified	Our response
As of December 31, 2021, investments are accounted for at a net book value of euro 5 540 million, or 94% of the total assets. They are accounted for at the acquisition price of the securities excluding ancillary expenses. The loans and receivables owed by associates and non-consolidated companies amount to euro 49 million, or 0,8% of the total assets. We believe that the valuation of investments and loans and receivables owed by associates and non-consolidated companies constitutes a key audit matter, given their materiality in the assets of your Company, and because the valuation of their recoverable amount, often based on projected discounted future cash flows, involves judgements from management, and the use of numerous economic assumptions related to your Company's growth forecasts.	We assessed the process used to value the recoverable amount of your Company's investments and loans and receivables owed by associates and non-consolidated companies as well as the valuations carried out by the Company, and supported by an independent expert; we ensured that the assumptions and estimates used in the reporting were based on an appropriate assessment of the valuation method, and of the figures retained. We involved our valuation experts in order to assess the consistency of the assumptions used with the economic environment at closing and on the date the financial statements were prepared. We also compared the figures used for the impairment tests on Investments with the entities' source data, as well as the result of our audit work or analytical procedures on these entities. We have examined: • the compliance of shareholders' equity with the financial statements of the subsidiaries subject to audit or analytical procedures, and the evidence related to adjustments made, when applicable, on such shareholders' equity; • the consistency of projected future cash flows for the relevant subsidiaries' activities, as prepared by their operational management, with the companies' growth forecasts taken from the latest strategic plans; • the adjustments made to the present value of projected future cash flows to account for the indebtedness of the relevant company. We have assessed the recoverability of the related loans and receivables owed by associates and non-consolidated companies in the light of the analyses performed on the Investments. We have assessed the appropriateness of the information related to Investments and loans and receivables owed by associates and non-consolidated companies, as set out in the Notes to the financial statements.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations.

Information given in the management report and in the other documents with respect to the financial position and the financial statements provided to the shareholders

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Management Board approved on and in the other documents with respect to the financial position and the financial statements provided to the shareholders.

We attest the fair presentation and the consistency with the financial statements of the information relating to payment deadlines mentioned in Article D. 441-6 of the French Commercial Code *(Code de commerce)*.

Report on Corporate Governance

We attest that the Supervisory Board's Report on Corporate Governance sets out the information required by Articles L. 225-37-4, L. 22-10-10 and L. 22-10-9 of the French Commercial Code *(Code de commerce)*.

Concerning the information given in accordance with the requirements of Article L. 22-10-9 of the French Commercial Code *(Code de commerce)* relating to the remuneration and benefits received by, or allocated to the directors and any other commitments made in their favor, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from companies controlled thereby, included in the consolidation scope. Based on these procedures, we attest the accuracy and fair presentation of this information.

With respect to the information relating to items that your Company considered likely to have an impact in the event of a takeover bid or exchange offer, provided pursuant to Article L. 22-10-11 of the French Commercial Code *(Code de commerce)*, we have agreed this information to the source documents communicated to us. Based on these procedures, we have no observations to make on this information.

Other information

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of voting rights has been properly disclosed in the management report.

Report on other legal and regulatory requirements

Format of preparation of the financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by statutory auditor regarding the annual and consolidated financial statements prepared in the European single electronic format, that the preparation of the annual financial statements intended to be included in the annual financial report mentioned in article L. 451-1-2 of the French Monetary and Financial Code *(code monétaire et financier)*, prepared under the responsibility of Chairman of the Management Board, complies with the single electronic format defined in the Commission Delegated Regulation (EU) no. 2019/815 of December 17, 2018.

On the basis of our work we have performed, we conclude that the preparation of the financial statements intended to be included in the annual financial report complies, in all its material respects, with the European single electronic format.

We have no responsibility to verify that the annual financial statements that will ultimately be included by your company in the annual financial report filed with the AMF (*Autorité des marchés financiers*) agree with those on which we have performed our work.

Appointment of the statutory auditors

We were appointed as statutory auditors of Publicis Groupe SA by Annual General Meeting held on June 25, 1981 for Mazars and on June 4, 2007 for ERNST & YOUNG et Autres.

As at December 31, 2021, Mazars and ERNST & YOUNG et Autres were in the 41th year and 15th year of total uninterrupted engagement respectively (ERNST & YOUNG Audit having served as statutory auditor of Publicis Groupe SA previously, from 2001 to 2006).

Responsibilities of Management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Management Board.

Statutory auditors' responsibilities for the audit of the financial statements

Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code *(Code de commerce)*, our statutory audit does not include assurance on the viability or the quality of management of the affairs of your Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management in the financial statements;
- assesses the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit Committee

We submit to the Audit Committee a report which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report significant deficiencies, if any, in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) no. 537/2014, confirming our independence within the meaning of the rules applicable in France as set out in particular in Articles L. 822-10 to L. 822-14 of the French Commercial Code *(Code de commerce)* and in the French Code of Ethics *(code de déontologie)* for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris La Défense, April 21, 2022

The Statutory Auditors

French original signed by

Mazars		**Ernst & Young**	
Olivier Lenel	Ariane Mignon	Nicolas Pfeuty	Valérie Desclève

CHAPTER

8 COMPANY INFORMATION AND CAPITAL STRUCTURE

8.1 INFORMATION ABOUT THE COMPANY

8.1.1 Company name and trading name

Publicis Groupe SA (the "Company") does business under the trade name Publicis.

8.1.2 Registration place and number, legal entity identifier (LEI)

542 080 601 RCS Paris; APE code – NAF 7010Z; LEI number: 2138004KW8BV57III342.

8.1.3 Date of incorporation and term

Incorporation date: October 4, 1938.

Term: October 3, 2037, unless extended.

8.1.4 Registered office, legal structure, applicable legislation, jurisdiction, address and telephone number of registered office, website

Publicis SA is a French limited liability company (*société anonyme*) with a Management Board and a Supervisory Board, governed by articles L. 225-57 to L. 225-93 and L. 22-10-1 to L. 22-10-78 of the French Commercial Code.

The Company's registered office is located at 133, avenue des Champs-Élysées, 75008 Paris, France. Publicis Groupe's registered office phone number is +33 (0) 1 44 43 70 00.

The Publicis Groupe SA website can be accessed at the following address: www.publicisgroupe.com. The information on said website does not form part of this Universal Registration Document, unless incorporated by reference.

8.1.5 Financial year

From January 1 to December 31 each year.

8.1.6 Deeds of incorporation and bylaws

Corporate purpose (article 2 of the bylaws)

The Company's corporate purpose is to:

- produce and derive added value in any manner from advertising and publicity in any format or of any type;
- organize shows and radio or television broadcasts, set up radio, television and other programming, use movie theaters, recording or broadcasting studios and projection and viewing rooms, publish paper documents and edit music, sketches, scripts and theater productions; and
- generally, all commercial, financial, industrial and real and intangible property transactions of any type relating directly or indirectly to the above in order to foster the development and growth of the Company's business.

The Company may conduct operations in any country on its behalf or on behalf of third parties, either alone or jointly, with other companies or persons and carry out in any form, directly or indirectly, activities in line with its corporate purpose.

The Company may also acquire interests in any form in any other French or foreign businesses or companies, whatever their corporate purpose.

Management Board (articles 10 to 12 of the bylaws)

The Management Board oversees the Company's management. It is fully empowered to act on the Company's behalf in all circumstances. These powers may only be exercised within the limit of the corporate purpose and subject to the powers that are by law reserved for the Supervisory Board and Shareholders' Meetings. The Management Board is appointed by the Supervisory Board and must have at least two but no more than seven members. Each member is appointed for a period of four years and must be a natural person, but may or may not be a shareholder. Its members may be re-appointed. The terms of office of each Management Board member ends at the Annual Ordinary General Shareholders' Meeting following their 75th birthday. The Supervisory Board appoints one of the members of the Management Board as Chairman and may appoint one, several or all the other members of the Management Board as Chief Executive Officer(s).

The members of the Management Board may be dismissed either by the Supervisory Board or by a General Shareholders' Meeting.

Rights attached to each share (article 8 of the bylaws)

With regard to ownership of corporate assets and the sharing of profit, each share shll entitle its owner to an amount proportionate of the number of existing shares. The shareholders may be held liable, even with regards to third party, only up to the value of the shares that they hold. When it is necessary to hold several shares to exercise any right, shareholders must be personally responsible for consolidating the required number of shares.

Threshold crossing disclosure (article 7 III of the bylaws)

Any individual or legal entity, acting alone or in concert, who holds or comes to hold a fraction equal to, greater than or less than 1% of the share capital or voting rights, or any multiple of this percentage, must inform the Company of the number total shares and voting rights that it owns as well as securities giving access to the share capital and the voting rights that may be attached thereto.

Powers of the Management Board with respect to share buybacks (article 7 IV of the bylaws)

The Extraordinary General Shareholders' Meeting may authorize the Management Board to purchase a specified number of Company shares in order to cancel them by way of a share capital reduction in accordance with article L. 225-206 of the French Commercial Code.

In addition, the Company may acquire its own shares in accordance with the provisions of article L. 22-10-62 of the French Commercial Code.

General Shareholders' Meetings (article 19 of the bylaws)

General Shareholders' Meetings are open to all shareholders regardless of the number of shares held. The procedures for providing notice of meetings and holding meetings are prescribed by French law. Meetings take place at the Company's registered office or at any other location specified in the above-mentioned notice and set by the notifier. If so decided by the Management Board when calling the meeting, the meeting may be publicly broadcasted by videoconferencing or any other means of telecommunication, including over the Internet.

Representation and admission to General Shareholders' Meetings (article 20 of the bylaws)

Any shareholder may participate, personally or through an authorized representative, in General Shareholders' Meetings, justifying his/her identity and his/her ownership of the securities, under the conditions provided for by the law.

Any shareholder may, if so permitted by the Management Board when calling the General Shareholders' Meeting, participate in the meeting by videoconferencing or any other means of telecommunication including over the Internet, subject to applicable laws and regulations. Any such shareholder is deemed present for the purposes of calculating the quorum and majority.

Voting rights (article 21 (5) to (8) of the bylaws)

Each member of the Meeting shall have as many votes as he or she owns or represents shares, without restriction. However, in accordance with a resolution approved at the Extraordinary General Shareholders' Meeting on September 14, 1968, shares registered with the same shareholder for at least two years or which have only been transferred during that period from one registered owner to another within the framework of an intestate estate, of testamentary succession, of division of community of property between spouses, of donation *inter vivos* for the benefit of a spouse or a relative entitled to inherit, are entitled to double voting rights. The Extraordinary General Shareholders' Meeting has the possibility to purely and simply cancel the double voting right. However this cancellation will only become effective after the approval of a special meeting of shareholders who hold double voting right shares.

In the event of the division of ownership of Company shares, the limited owners and bare owners of shares can freely distribute voting rights at Extraordinary or Ordinary General Shareholders' Meetings provided they notify the Company beforehand, by providing a certified copy of their agreement at least 20 calendar days before the first General Shareholders' Meeting is held following the above-mentioned ownership division by registered mail. Failing notification within this period, the distribution will be implemented *ipso jure* in accordance with article L. 225-110, paragraph 1, of the French Commercial Code.

Any shareholder may vote by post in accordance with and in the manner provided for in prevailing laws and regulations. When so decided by the Management Board, and indicated in the meeting notice published in the BALO (*Bulletin des annonces légales obligatoires*), shareholders may vote by any means of telecommunication including over the Internet, subject to the laws and regulations prevailing as of the moment of its use.

Amendments to the bylaws (article 23 of the bylaws)

An Extraordinary General Shareholders' Meeting may make any change to any provision of the bylaws that is permissible under the law. Such changes to the share capital include, but are not limited to: increasing or reducing the share capital, consolidating shares or splitting shares into shares with a lower par value.

8.2 SHAREHOLDING STRUCTURE

8.2.1 Major shareholders and voting rights

At December 31, 2021, to the best of Publicis' knowledge, no person held, directly or indirectly, individually or jointly, 5% or more of its shares (a "Major Shareholder") except those disclosed below. Publicis' bylaws state that all its shareholders have the same proportional voting rights with respect to the shares they hold, except that shares owned by the same shareholder in registered form for at least two years carry double voting rights. The Company has not issued any preferred shares or any securities without voting rights.

/ Distribution of the Company's share capital and voting rights

At December 31, 2021	Shares held	% of the share capital[1]	Voting rights	% of voting rights[2]
A/ Shareholders holding more than 5% of the share capital				
Élisabeth Badinter and family holding companies[3]	16,700,967	6.59%	22,535,787	8.57%
Blackrock, Inc.[4]	12,769,433	5.04%	12,769,433	4.86%
B/ Treasury shares	3,861,900	1.52%	-	-
C/ Public (registered and bearer shares)	220,130,109	86.85%	227,621,232	86.57%
Total	**253,462,409**	**100.00%**	**262,926,452**	**100.00%**

(1) Percentages are calculated based on the total number of shares issued by the Company, including treasury shares.
(2) Percentages are calculated based on the total number of shares issued by the Company (percentage of voting rights exercisable at General Meetings), and take into account the double voting rights attached to certain shares.
(3) Élisabeth Badinter fully owns 2.30% of the shares (representing 4.44% of the voting rights). The Badinter family holding companies fully own 10,866,147 shares (representing 4.13% of the voting rights).
(4) Acting as an investment adviser for managed funds and clients.

/ Reminder of the distribution of the Company's share capital and voting rights for the prior two years

At December 31, 2020	Shares held	% of the share capital(1)	Voting rights	% of voting rights(2)
A/ Shareholders holding more than 5% of the share capital				
Élisabeth Badinter(3)	16,700,967	6.74%	33,401,934	12.36%
Harris Associates LP(4)	13,255,005	5.35%	13,255,005	4.90%
B/ Treasury shares	2,191,259	0.88%	-	-
C/ Public (registered and bearer shares)	215,621,807	87.03%	223,666,898	82.74%
Total	**247,769,038**	**100.00%**	**270,323,837**	**100.00%**

(1) Percentages are calculated based on the total number of shares issued by the Company, including treasury shares.
(2) Percentages are calculated based on the total number of shares issued by the Company (percentage of voting rights that can be exercised at the General Shareholders' Meeting), excluding treasury shares with no voting rights, and counting the double voting rights attached to some shares.
(3) Élisabeth Badinter fully owns 2.35% of shares (4.32% of voting rights) and is the beneficial owner of 4.39% of shares with her children having bare ownership of the underlying shares (8.04% of voting rights).
(4) Acting as an investment adviser for managed funds and clients.

At December 31, 2019	Shares held	% of the share capital(1)	Voting rights	% of voting rights(2)
A/ Shareholders holding more than 5% of the share capital				
Élisabeth Badinter(3)	16,700,967	6.95%	33,401,934	12.85%
Harris Associates LP(4)	19,728,885	8.20%	19,728,885	7.59%
B/ Treasury shares	3,480,234	1.45%	-	-
C/ Public (registered and bearer shares)	200,526,975	83.40%	206,729,723	79.56%
Total	**240,437,061**	**100.00%**	**259,860,542**	**100.00%**

(1) Percentages are calculated based on the total number of shares issued by the Company, including treasury shares.
(2) Percentages are calculated based on the total number of shares issued by the Company (percentage of voting rights that can be exercised at the General Shareholders' Meeting), excluding treasury shares with no voting rights, and counting the double voting rights attached to some shares.
(3) Élisabeth Badinter fully owns 2.43% of shares (4.49% of voting rights) and is the beneficial owner of 4.52% of shares with her children having bare ownership of the underlying shares (8.36% of voting rights).
(4) Acting as an investment adviser for managed funds and clients.

The Company and the AMF were notified, in accordance with article L. 233-7 of the French Commercial Code, that legal thresholds had been crossed in the following cases by:

- the company BlackRock Inc., acting on behalf of clients and funds under management, which declared by letter received on:
  - January 21, 2021, that it had crossed over the threshold of 5% of the Company's share capital on January 20,
  - January 25, 2021, that it had crossed under the threshold of 5% of the Company's share capital on January 22,
  - March 15, 2021, that it had crossed over the threshold of 5% of the Company's share capital on March 12,
  - March 17, 2021, that it had crossed under the threshold of 5% of the Company's share capital on March 16,
  - May 12, 2021, that it had crossed over the threshold of 5% of the Company's share capital on May 11,
  - May 14, 2021, that it had crossed under the threshold of 5% of the Company's share capital on May 13,
  - May 20, 2021, that it had crossed over the threshold of 5% of the Company's share capital on May 19,
  - May 21, 2021, that it had crossed under the threshold of 5% of the Company's share capital on May 20,
  - May 28, 2021 and May 31, 2021, that it had crossed over the threshold of 5% of the Company's share capital on May 27,
  - June 9, 2021, that it had crossed under the threshold of 5% of the Company's share capital on June 8,
  - June 10, 2021, that it had crossed over the threshold of 5% of the Company's share capital on June 9,
  - June 15, 2021, that it had crossed under the threshold of 5% of the Company's share capital on June 14,
  - June 17, 2021, that it had crossed over the threshold of 5% of the Company's share capital on June 16,
  - June 18, 2021, that it had crossed under the threshold of 5% of the Company's share capital on June 17,
  - June 21, 2021, that it had crossed over the threshold of 5% of the Company's share capital on June 18,
  - July 1, 2021, that it had crossed under the threshold of 5% of the Company's share capital on June 30,
  - July 5, 2021, that it had crossed over the threshold of 5% of the Company's share capital on July 2,
  - July 6, 2021, that it had crossed under the threshold of 5% of the Company's share capital on July 5,
  - July 9, 2021, that it had crossed over the threshold of 5% of the Company's share capital on July 8,
  - July 13, 2021, that it had crossed under the threshold of 5% of the Company's share capital on July 12,
  - July 15, 2021, that it had crossed over the threshold of 5% of the Company's share capital on July 14,
  - July 16, 2021, that it had crossed under the threshold of 5% of the Company's share capital on July 15,
  - July 27, 2021, that it had crossed over the threshold of 5% of the Company's share capital on July 26,
  - July 28, 2021, that it had crossed under the threshold of 5% of the Company's share capital on July 27,
  - August 3, 2021, that it had crossed over the threshold of 5% of the Company's share capital on August 2,
  - August 6, 2021, that it had crossed under the threshold of 5% of the Company's share capital on August 5,
  - August 9, 2021, that it had crossed over the threshold of 5% of the Company's share capital on August 6,
  - August 16, 2021, that it had crossed under the threshold of 5% of the Company's share capital on August 13,
  - December 27, 2021, that it had crossed over the threshold of 5% of the Company's share capital on December 24;
- the company JP Morgan Chase & Co., which declared by letter received on:
  - June 10, 2021, that it had crossed over the threshold of 5% of the Company's share capital and voting rights on June 7 and that JP Morgan Securities plc had individually crossed over the same thresholds,
  - June 23, 2021, that it had crossed under the threshold of 5% of the Company's share capital and voting rights on June 21 and that JP Morgan Securities plc had individually crossed under the same thresholds;
- the company Harris Associates LP acting on behalf of clients and funds under management, which declared by letter received on:
  - January 28, 2021, that it had crossed under the threshold of 5% of the Company's share capital on January 26;
- the "family concert" composed of Élisabeth Badinter and family holding companies, who declared in the letter received:
  - on July 29, 2021, that it had crossed over the thresholds of 5% of the Company's share capital and voting rights on July 29, and that Élisabeth Badinter individually crossed under the thresholds of 10% of the voting rights and 5% of the share capital and voting rights.

The share of capital held by individual shareholders, according to the last comprehensive survey available on December 6, 2021, was 3.1%.

8.2.2 Control of the Company

At December 31, 2021, to the best of its knowledge, the Company was not controlled and was not subject to any agreement nor commitment linking one or several shareholders, company, foreign government or other natural or legal person operating individually or conjointly with regard to the direct or indirect holding of its share capital or under its control, and there existed no agreement of which the fulfillment could cause a change in the Company's control at a later date.

8.2.3 Agreements concerning a possible change of control or that might influence a takeover bid

The information required by article L. 22-10-11 of the French Commercial Code can be found in this Universal Registration Document as follows: the capital structure is described in Sections 3.2.3, 8.2 and 8.3, the existence of double voting rights provided for in the Company's bylaws (article 21) is mentioned in Section 8.1.6, rules applicable to the appointment and replacement of members of the Management Board, as well as the amendment of the Company's bylaws, are specified in the Company's bylaws (articles 10 to 12 and 23) and summarized in the aforementioned Section 8.1.6, the existence of authorizations and delegations granted by the Company's General Shareholders' Meeting to the Management Board regarding share issuance and buyback is mentioned in Sections 8.3.1 and 8.3.3.

It is also specified that, to the best of the Company's knowledge, no agreements exist requiring payment of indemnities, in the event of a takeover bid, to the members of the Management Board or employees if their employment should end as a result of this takeover bid.

Certain loan agreements include change in control clauses.

8.3 INFORMATION ON THE SHARE CAPITAL

8.3.1 Issued share capital and share classes

Composition of share capital

On July 6, 2021, Publicis Groupe SA paid out the dividend voted by the Combined Shareholders' Meeting of May 26, 2021, with each shareholder having the option between cash and shares, which resulted in a capital increase of euro 2,007,292.80 through the creation of 5,018,232 new shares with a par value of euro 0.40.

During the 2021 financial year, 296,350 new shares with a par value of euro 0.40 were created as a result of a free share plan, the "LTIP 2018" plan, representing an overall capital increase of euro 118,540.

378,789 new shares with a par value of euro 0.40 were also created as a result of warrant exercises, representing a total capital increase of euro 151,515.60.

As of December 31, 2021, the share capital totaled euro 101,384,963.60, divided into 253,462,409 fully paid-up shares with a par value of euro 0.40, of which 13,325,943 shares carried double voting rights.

/ Table of delegations of authority and authorizations granted to the Management Board regarding financial matters

Type of delegation or authorization	Date of the meeting	Duration of the authorization / Expiry	Amount authorized	Used in 2021
Share buybacks				
Authorization to trade in the Company's shares	May 26, 2021 (20th resolution)	18 months/ *November 26, 2022***	No more than 10% of the share capital Maximum overall budget: euro 2,106,036,823 Maximum unit purchase price: euro 85	see details in Section 8.3.3
Cancellation of shares				
Authorization to reduce share capital through the cancellation of treasury shares	May 26, 2021 (Resolution 21)	26 months/ *July 26, 2023*	No more than 10% of capital per 24-month period	None
Equity issues				
Delegation to increase share capital by issuing shares or equity securities giving access to the capital, with preferential subscription rights*	May 27, 2020 (21st resolution)	26 months/ *July 27, 2022***	Maximum par value: euro 30,000,000(1) Maximum par value of debt securities: euro 1,200,000,000(2)	None
Delegation to increase share capital by issuing shares or equity securities giving access to the capital, without preferential subscription rights, through public offerings other than those made pursuant to article L. 411-2 of the French Monetary and Financial Code*	May 27, 2020 (22nd resolution)	26 months/ *July 27, 2022***	Maximum par value: euro 9,000,000(1)(3) Maximum par value of debt securities: euro 1,200,000,000(2)	None
Delegation to increase share capital by issuing shares or equity securities giving access to the capital, without preferential subscription rights, through public offerings made pursuant to paragraph I of article L. 411-2 1° of the French Monetary and Financial Code*	May 27, 2020 (23rd resolution)	26 months/ *July 27, 2022***	No more than 20% of the share capital per year Maximum par value: euro 9,000,000(1)(3) Maximum par value of debt securities: euro 1,200,000,000(2)	None
Delegation to increase the number of securities to be issued in the event of a capital increase decided pursuant to the 21st to 23rd resolutions of the General Shareholders' Meeting of May 27, 2020*	May 27, 2020 (24th resolution)	26 months/ *July 27, 2022***	Up to a limit of 15%(1)(3) of the initial issue and at the same price as this issue	None
Authorization to set the issue price of equity securities issued without preferential subscription rights, pursuant to the 22nd and 23rd resolutions of the General Shareholders' Meeting of May 27, 2020*	May 27, 2020 (25th resolution)	26 months/ *July 27, 2022***	No more than 10% of the share capital per year	None
Delegation to increase the share capital by incorporating reserves, earnings, premiums or other sums	May 27, 2020 (26th resolution)	26 months/ *July 27, 2022***	Maximum par value: euro 30,000,000(1)	None
Delegation to issue shares or other securities, without preferential subscription rights, in the event of a public offering initiated by the Company, within the limit of 10% of the share capital per year*	May 27, 2020 (27th resolution)	26 months/ *July 27, 2022***	Maximum par value: euro 9,000,000(1)(3) Maximum par value of debt securities: euro 1,200,000,000(2)	None

Type of delegation or authorization	Date of the meeting	Duration of the authorization / Expiry	Amount authorized	Used in 2021
Delegation to issue shares or other securities, without preferential subscription rights, in consideration for contributions in kind granted to the Company, except in the case of a public exchange offer *	May 27, 2020 (28th resolution)	26 months/ *July 27, 2022***	Within the limit of 10% of the share capital(1)(2)(3)	None
Issues reserved for Company or Groupe employees and managers				
Authorization to grant new or existing free shares to employees and/or corporate officers of the Company or companies within the Groupe	May 30, 2018 (27th resolution)	38 months/ *July 30, 2021****	No more than 3% of the share capital (including 0.3% of the share capital for executive corporate officers)	Grant of 961,082 shares, existing or to be issued
Authorization to grant new or existing free shares to employees and/or corporate officers of the Company or companies within the Groupe	May 26, 2021 (22nd resolution)	38 months/ *July 26, 2024*	No more than 3% of the share capital (including 0.3% of the share capital for executive corporate officers)	None
Authorization to grant stock options to employees and/or corporate officers of the Company and Groupe companies	May 29, 2019 (25th resolution)	38 months/ *July 29, 2022***	No more than 3% of the share capital (including 0.3% of the share capital for executive corporate officers)(4)	None
Delegation to increase capital for the benefit of subscribers to a company savings plan	May 26, 2021 (23rd resolution)	26 months/ *July 26, 2023***	Maximum par value: euro 2,800,000(1)(5)	None
Delegation to increase capital for the benefit of certain categories of beneficiaries located outside France in order to establish a shareholder or savings plan for them	May 26, 2021 (24th resolution)	18 months/ *November 26, 2022***	Maximum par value: euro 2,800,000(1)(5)	None

(1) This amount counts toward the euro 30,000,000 maximum ceiling for all capital increases set forth by the GM of May 27, 2020 in its 21st resolution.
(2) This amount counts toward the euro 1,200,000,000 maximum ceiling for all debt security issues set by the GM of May 27, 2020 in its 21st resolution.
(3) This amount counts towards the euro 9,000,000 maximum par value of capital increases without preferential subscription rights set forth by the Extraordinary Shareholders' Meeting of May 27, 2020 in its 22nd resolution.
(4) This amount counts towards the 3% maximum set forth by the GM of May 26, 2021 in its 22nd resolution.
(5) This maximum amount applies to all possible capital increases under the 23rd and 24th resolutions of the GM of May 26, 2021.
* Unless there is prior authorization by the General Shareholders' Meeting, the Management Board cannot use this authorization or delegation from the moment a third party has filed a public offer for Company shares, up to the end of the offer period.
** This delegation or authorization is set to expire, for the unused portion and the remaining time period, upon adoption of a resolution pertaining to a new authorization or delegation with a similar purpose by the GM of May 25, 2022.
*** This authorization expired at the GM of May 26, 2021 and was replaced, for the unused portion and the unexpired period, by the 22nd resolution of the GM of May 26, 2021.

It should be noted that the delegations that expired in 2021 and that were not used during that financial year are not included in the above table, namely the 23rd resolution of the General Shareholders' Meeting of May 29, 2019, and the 29th and 30th resolutions of the General Shareholders' Meeting of May 27, 2020.

The share buybacks in 2021 under the authorization approved in the 20th resolution of the General Shareholders' Meeting of May 27, 2020, which expired at the General Shareholders' Meeting of May 26, 2021, are discussed in Section 8.3.3.

8.3.2 Existence of non-representative shares, their amount and main features

All shares are representative of the Company's share capital.

8.3.3 Number, carrying amount and par value of shares held by the issuer itself or on its behalf, or by its subsidiaries

Current share buyback authorization

The General Shareholders' Meeting of May 26, 2021, in its 20th resolution, authorized the Management Board to buy or sell Company shares, as part of the implementation of a share buyback program.

The maximum total amount of this authorization will not exceed euro two billion one hundred and six million thirty-six thousand eight hundred and twenty-three (2,106,036,823), net of costs.

The maximum share purchase price is set at euro 85, excluding purchase costs, it being noted that this price does not apply to share buybacks used to satisfy free share grants involving employees and/or corporate officers of the Company and of the Groupe or options exercised by the latter.

This authorization for a period of 18 months canceled, for the unused portion and the remaining time period, and replaced, that previously granted by the 20th resolution of the General Shareholders' Meeting on May 27, 2020.

The description of the share buyback program implemented in 2021 pursuant to the 20th resolution of the Ordinary General Shareholders' Meeting of May 26, 2021 was posted on the Publicis Groupe website.

The table below, prepared in accordance with Article L. 225-211 of the French Commercial Code, summarizes the transactions carried out under the various buyback programs since 2017.

/ Summary table of purchases under various buyback programs since 2017

	Amount	Average purchase price (in euros)
Period from 01/01/2017 to 12/31/2017	6,060,021	64.33
Period from 01/01/2018 to 12/31/2018	1,176,616	55.25
Period from 01/01/2019 to 12/31/2019	915,880	45.35
Period from 01/01/2020 to 12/31/2020	4,064,184	31.53
Period from 01/01/2021 to 12/31/2021	7,205,354	54.26

As part of the share buyback program implemented by the Company pursuant to the authorization granted by the General Shareholders' Meeting of May 26, 2021, in 2021, the Company repurchased 2,500,000 shares for an amount of euro 144,313,099.

This program is designed to fulfill the commitments in connection with the current free share plans awarded to employees, the shares of which will be delivered in 2022, 2023, 2024 and 2025. Details of the implementation of the share buyback program for 2021 are available on the Publicis website (www.publicisgroupe.com).

In 2021, the Company delivered 714,116 shares under free share plans and 100,285 existing shares under stock option plans.

Under the liquidity contract signed with Kepler Cheuvreux, the Company acquired 4,705,354 shares in 2021 at an average price of euro 52.42, and sold 4,720,312 shares at an average price of euro 52.60.

The trading fees and other expenses incurred by the Company during 2021 for transactions performed pursuant to the share buyback program, authorized by the 20th resolution of the General Shareholders' Meeting on May 27, 2020, and then by the 20th resolution of the General Shareholders' Meeting on May 26, 2021, amounted to euro 70,000.

/ Summary table of trading by the Company in Publicis Groupe SA shares in 2021

	Deliveries of free share plans	Deliveries of stock options	Purchases (liquidity contract)		Sales (liquidity contract)	
At December 31, 2021	**Quantities** (in shares)	**Quantities** (in shares)	**Quantities** (in shares)	**Average price** (in euros)	**Quantities** (in shares)	**Average price** (in euros)
Under the 20th resolution of the General Shareholders' Meeting of May 27, 2020	582,620	-	2,389,822	48.54	2,414,052	48.65
Under the 20th resolution of the General Shareholders' Meeting of May 26, 2021	131,496	100,285	2,315,532	56.42	2,306,260	56.74
Total	**714,116**	**100,285**	**4,705,354**	**52.42**	**4,720,312**	**52.60**

At December 31, 2021, Publicis Groupe SA owned 3,861,900 shares with a par value of euro 0.40, representing 1.52% of its own share capital, for an overall cost price of euro 232,335,586 and an average price per share of euro 60.16. These shares are broken down into 53,500 shares held under the liquidity contract and 3,808,400 shares allocated to free share plans or stock options.

Description of the new share buyback program, submitted for authorization to the Ordinary General Meeting of May 25, 2022

The description of this program presented below, prepared in accordance with Article 241-3 of the General Regulation of the AMF, will not be the subject of a specific publication, in the event of the implementation of a share buyback program.

As the authorization granted to the Management Board by the General Meeting of May 26, 2021 to trade in the Company's shares, expiring on November 26, 2022, the shareholders will be asked to approve the draft seventeenth resolution of the Shareholders' Meeting of May 25, 2022 and to once again authorize the Management Board to trade in the Company's shares.

This authorization would be granted for a period of 18 months from the General Shareholders' Meeting of May 25, 2022 and would supersede, as from that same date, for the unused portion at that date, the authorization granted to the Management Board to the effect of trading in the Company's shares, by the General Shareholders' Meeting of May 26, 2021.

This authorization would enable the Management Board to acquire a maximum of 10% of the Company's share capital in order to:

- to grant or transfer shares to employees and/or corporate officers of the Company and/or of its Groupe, in accordance with the terms and conditions and procedures provided for by applicable regulations, in particular as part of a statutory profit-sharing in the Company's expansion, by allotting free shares or granting stock options, or through company savings plans or inter-company savings plans, or by any other method of compensation in shares, in accordance with legal requirements;
- delivering shares to honor obligations in connection with instruments or securities that may confer entitlement to equity rights, whether by redemption, conversion, exchange, presentation of a warrant or by any other means that confer entitlement to the allocation of ordinary shares in the Company;
- to hold and subsequently deliver shares for exchange in a merger, spin-off or asset contribution, for payment, or other, in external growth operations;
- encouraging the secondary market or the liquidity of Publicis Groupe SA shares through the intermediary of an investment services provider acting pursuant to a liquidity agreement and in compliance with market practices accepted by the AMF (as modified, where applicable);
- to cancel all, or some, of the shares acquired, under the conditions permitted by law, pursuant to the authorization granted by the 21st resolution of the Combined Shareholders' Meeting of May 26, 2021.

This program would also enable the Company to deal in its own shares for any other purpose or any other market practice that is currently authorized or accepted or may be authorized or accepted in the future by the laws and regulations in force. In such a case, the Company would inform its shareholders through a press release.

Maximum number of shares

The maximum number of shares that can be purchased during the buyback program must not exceed 10% of the shares making up the Company's share capital on the date of each repurchase. This percentage will apply to the share capital as adjusted to reflect transactions affecting the share capital carried out subsequent to this General Shareholders' Meeting. In accordance with the provisions of Article L. 225-209 of the French Commercial Code, when the shares are repurchased to promote liquidity under the conditions defined by the AMF General Regulation, the number of shares taken into account for the calculation of the 10% limit will correspond to the number of shares purchased, less the number of shares sold during the term of the authorization.

The number of shares purchased with a view to their retention or future delivery in connection with merger, spin-off or contribution transactions will not exceed 5% of the Company's share capital.

Minimum purchase price

The maximum unit purchase price will be euro eighty-five (85), excluding acquisition costs, it being specified that this price will not apply to share buyback used for allocating free shares to employees and/or corporate officers of the Company and the Groupe or when they exercise stock options. The Company's total amount used for share buyback under this authorization will not exceed euro two billion one hundred and fifty-four million four hundred and thirty thousand four hundred and seventy-six and fifty cents (2,154,430,476.50) net of costs. In the event of a change in the par value of the Company's shares or in the event of transactions affecting its share capital, the aforementioned purchase price may be adjusted to take into account the impact of these transactions on the value of the share.

Terms of buyback

The Company will be entitled to purchase its own shares, and sell or transfer shares redeemed, directly or through an investment service provider, in one or more transactions, at any time and by any means authorized by the regulations in force, or that may come into force in the future, on regulated stock markets, multilateral trading facilities (MTFs), through systematic internalizers or over the counter, and, notably, by buying or selling blocks of shares (without limitation on the portion of the buyback program that may be carried out in block transactions), sale and repurchase agreements, through takeover bids or securities exchange bids, by using option mechanisms, derivative financial instruments, warrants or, more generally, securities granting entitlement to shares in the Company. The Company may also hold the shares purchased and/or cancel them subject to authorization by an Extraordinary General Shareholders' Meeting and in compliance with the applicable regulations.

The General Shareholders' Meeting grants the Management Board all powers, including the right to sub-delegate its authority, as permitted by laws and regulations and in accordance with the Company's bylaws, to determine the modes and conditions of implementation, to allocate or reallocate the shares acquired to the various objectives in view in compliance with applicable laws and regulations, to execute all instruments, enter into all agreements, carry out all formalities and file all declarations with any organization, and, more generally, to do everything necessary to implement the seventeenth resolution put to vote at the General Shareholders' Meeting of May 25, 2022.

Duration of the buyback program

The program would run for eighteen months from the approval of the resolution presented to the General Shareholders' Meeting of May 25, 2022, *i.e.* until November 25, 2023.

Authorization to cancel shares

The General Shareholders' Meeting of May 26, 2021, in its twenty-first resolution, authorized the Management Board, for a period of twenty-six months, *i.e.* until July 26, 2023, to reduce the share capital by canceling, on one or more occasions, within the limit of 10% of the share capital authorized by law (this limit applies to an amount of the Company's share capital which will, if necessary, be adjusted to take into account transactions affecting the Company's share capital subsequent to this Meeting), for periods of twenty-four months, of all or part of the Publicis Groupe SA shares acquired under the share purchase programs authorized by the General Shareholders' Meeting.

8.3.4 Total amount of convertible or exchangeable securities and equity warrants, including the specified terms and conditions for conversion, exchange or subscription

The allocation of share capital at December 31, 2021, on the basis of full dilution resulting from financial instruments issued by the Company, is the following:

At December 31, 2021	Shares held	%	Voting rights	%
Élisabeth Badinter and family companies	16,700,967	6.51%	22,535,787	8.47%
Blackrock, Inc.(1)	12,769,433	4.98%	12,769,433	4.80%
Treasury shares	3,861,900	1.51%	0	0.00%
Public (registered and bearer shares)	220,130,109	85.80%	227,621,232	85.58%
Free shares still to be delivered(2)	1,503,890	0.59%	1,503,890	0.57%
Stock warrants outstanding(3)	529,895	0.21%	529,895	0.20%
Stock options outstanding(4)	1,018,555	0.40%	1,018,555	0.38%
Total	**256,576,217**	**100.00%**	**265,978,792**	**100.00%**

(1) Acting as an investment adviser for managed funds and clients.
(2) Out of the 4,226,891 shares to be delivered under the current free share plans, 2,723,001 may be delivered in existing shares and the balance of 1,503,890 shares may be delivered in new shares.
(3) In-the-money instruments at December 31, 2021 for a total number of 529,895 warrants. A factor of 1,116 is applicable to these instruments for share subscription.
(4) In-the-money instruments at December 31, 2021.

A shareholder, holding 1% of Publicis Groupe SA's share capital at December 31, 2021, would hold 0.99% of Publicis Groupe SA's share capital on that date, in the event of the exercise or conversion of rights attached to equity securities convertible to equity (stock warrants, free shares awarded but not yet delivered).

The terms of conversion of equity warrants are described in Note 27 to the consolidated financial statements in Section 6.6 of this document.

8.3.5 Pledges, guarantees and sureties

There is no indirect self-control of the Company. At December 31, 2021, 30,000 registered shares managed by the Company, and 582,946 registered shares administered by others, were pledged, representing a total of 612,946 pledged shares.

No major asset held by Groupe companies was subject to a pledge.

8.3.6 Employee shareholding

Employees' interests in the share capital through the Company savings plans, and according to the definition of article L.225-102 of the French Commercial Code at December 31, 2021 were not significant.

It should be noted that the Publicis Groupe FCPE (mutual fund) held 347,209 Publicis Groupe shares at December 31, 2021. As a result, Publicis Groupe employees owned 0.14% of the share capital via the FCPE at that date.

At December 31, 2021, the total number of options outstanding for all beneficiaries was 1,018,555, all were purchase options and immediately exercisable.

In 2021, the Groupe set up a long-term incentive plan for certain key employees of the Groupe, the "LTIP 2021", which also benefits the members of the Management Board. In addition, the "Publicis Sapient 2021 Stock Incentive", the "Epsilon Replacement Plan" and the "2021 Epsilon LTI plan" have been renewed.

In March 2021, the "LTIP 2021" plan granted 961,082 free shares (including 151,577 free shares to members of the Management Board) to a certain number of key Groupe employees and executives under three conditions. First of all, the shares are subject to a presence condition during the three-year vesting period. In addition, the shares are subject to the conditions for achieving the Groupe's revenue growth and profitability targets for 2021 (for the 2021-2023 period for the members of the Management Board). Lastly, the shares are subject to conditions based on the progress of the CSR (Corporate Social Responsibility) policy on Diversity, Equality and Inclusion and on the fight against climate change for which indicative checkpoints were defined at the end of 2021 (at the end of 2023 for the members of the Management Board).

To facilitate the integration of Sapient and its subsidiaries into the Publicis Groupe, the Management Board created a specific long-term incentive plan. The "Publicis Sapient 2021 Stock Incentive Plan" is divided into two tranches of different durations. The first tranche is subject only to continued employment, and gives rise to the delivery of one-quarter of the shares awarded on the anniversary dates of the first four years of the plan. The second tranche is subject to performance condition, in addition to the continued employment condition; delivery takes place at the end of a three-year period. This plan was launched in April 2021 and awarded 604,474 free shares to a number of Publicis Sapient executives and key employees.

In July 2019, the Epsilon Replacement Plan awarded 628,681 free shares (including 167,386 free shares for 2021) to replace the awards made by the ADS group in 2019 to certain Epsilon employees, which lapsed following the acquisition of Epsilon by Publicis Groupe. One third of the shares are awarded each year over a period of three years, subject to continued employment (for 20%) and performance conditions (for 80%).

The Epsilon LTI plan was set up for the first time in 2020 for the exclusive benefit of Epsilon's managers and employees in order to facilitate their integration into the Publicis Groupe. This plan was renewed in March 2021 ("2021 Epsilon LTI plan") and awarded 632,348 free shares. The shares granted under this plan are subject to a presence condition for 20% and performance conditions for 80% over a total vesting period of three years. The shares are acquired and delivered gradually each year at a rate of 30% at the end of the first year and the second year of the plan and 40% at the end of the third year.

At December 31, 2021, the total number of free shares yet to vest to Groupe employees on condition of employment and, in some cases, performance, amounted to 4,226,891.

All the details concerning the free share plans (description, changes for the financial year, and closing balance) are shown in Note 32 to the consolidated financial statements in Section 6.6 of this document.

8.3.7 History of share capital

Changes regarding the share capital in the last three years are shown below:

Dates	Capital transactions	Number of shares	Par value (in euros)	Share capital (in euros)
12/31/2018	**Share capital at December 31, 2018**	**235,249,801**	**0.40**	**94,099,920**
02/28/2019 04/30/2019 05/31/2019 06/30/2019 07/31/2019 09/30/2019 10/31/2019	Capital increase (equity warrant exercise)	183,068	0.40	73,227
04/17/2019 06/24/2019	Capital increase (delivery of free shares)	522,277	0.40	208,911
07/18/2019	Capital increase (payment of the dividend in shares)	4,481,915	0.40	1,792,766
12/31/2019	**Share capital at December 31, 2019**	**240,437,061**	**0.40**	**96,174,824**
02/29/2020 05/31/2020 11/30/2020 12/31/2020	Capital increase (equity warrant exercise)	22,156	0.40	8,862
05/31/2020	Capital increase (delivery of free shares)	274,325	0.40	109,730
09/28/2020	Capital increase (payment of the dividend in shares)	7,035,496	0.40	2,814,198
12/31/2020	**Share capital at December 31, 2020**	**247,769,038**	**0.40**	**99,107,615**
04/30/2021 06/30/ 2021 12/31/2021	Capital increase (equity warrant exercise)	378,789	0.40	151,516
04/15/2021	Capital increase (delivery of free shares)	296,350	0.40	118,540
07/06/2021	Capital increase (payment of the dividend in shares)	5,018,232	0.40	2,007,293
12/31/2021	**Share capital at December 31, 2021**	**253,462,409**	**0.40**	**101,384,964**

8.4 STOCK MARKET INFORMATION

8.4.1 The trading of Publicis Groupe shares

Although the Covid-19 epidemic once again dominated the news throughout the year, financial markets experienced a breathtaking growth in 2021 with a rise in euros of 30%, a significant rebound after a 35% decrease in 2020. Accordingly, global markets rose sharply, as illustrated by the MSCI World index, but also by the 35% increase recorded by the American markets and a CAC 40 above 7,100 points, up by 28.9% over the year.

On the one hand, the rapid development of vaccines, the rebound in economic activity and the good results of many groups, often driven by a catch-up effect, have enabled the markets to build on a solid base to rebuild their gains.

On the other hand, fears related to the emergence of Sars-cov-2 variants, supply-chain difficulties causing shortages in certain sectors and fears about the acceleration of inflation, linked to the overheated economy and the surge in commodities, will ultimately have been only short jolts in an increasingly promising trend for equity markets.

Two strong sector rotations during the year should be stressed:

- the first from January to March, marked by a strong recovery in industrial, oil and financial stocks, up by 15% while growth stocks rose by 7%;
- then from April to December, with the return of growth stocks up by 34% while cyclical stocks rose by only 14%, *i.e.* a gap of 20% between these two universes.

Strong recovery in economic growth following the global vaccination campaign enabled this rebound. Indeed, in the first half of this year, the United States returned to its GDP level of 2019 with expected growth of +7% and a situation of full employment.

More generally, virtually no major global indexes escaped the euphoria of 2021, and most of them also peaked this year. The pan-European Euro Stoxx 50 index posted an annual increase of more than 21%. In Germany, the Dax rose by around 16%, and the British FTSE 100 rose by more than 14%. In the United States, the S&P 500 broke no less than 70 closing records, rising by more than 27% on December 30. The Dow Jones and the Nasdaq Composite rose by around 20% and 22% respectively. In Asia, the Nikkei grew by almost 5% over the year. On the other hand, China recorded a sharp decline in its stock market in a context of regulatory change. The country also had to deal with the crisis in its real estate market, with a significant impact on its GDP growth rate, which is not expected to exceed +4-5% in the coming years.

The euro lost nearly 7.5% against the US dollar in 2021. The dollar has strengthened steadily since the spring, driven by a faster economic recovery in the United States and by the proactive policy of President Biden, while Europe struggled to find a coordinated response to stem the advance of different variants without hindering recovery. From a monetary point of view, the measures of the ECB and the Fed remained very accommodating, but the acceleration of inflation from the summer prompted them to launch their “tapering”, *i.e.* the reduction of their respective asset buyback programs, from the first quarter of 2022.

Media sector

In a global context of strong market rebound, Stoxx 600 Media gained 31.7% in 2021 compared to 22.2% for the broad Stoxx 600 index, thus reversing the trend of 2020. The prices of the largest advertising agencies all finished the year with an increase in local currency of at least 17%. **Publicis stood out with a performance of +45.2%**, in a buoyant global advertising market.

2021 saw the media/advertising equities most heavily exposed to North America record the best increases in terms of share prices, as the economic impacts of the pandemic were less visible in this part of the world and the measures much larger government stimulus programs, particularly benefiting Publicis, Wolters Kluwer and RELX. We can also note the multiplication of announcements of M&A transactions, such as the consolidation (TF1, M6), the spin-off of UMG by Vivendi for euro 46 billion or the latter’s offer for Lagardère.

8.4.2 Investor relations

Publicis Groupe’s financial communication is based on the principle of providing precise, transparent, true and fair information on the Groupe’s situation to all financial markets within the framework of the current texts, standards and procedures in France: the Financial Security Law, the IFRS (International Financial Reporting Standards). The Publicis Groupe Investor Relations Department maintains a close, ongoing dialog with both brokerage company and investment fund analysts. Publicis Groupe’s financial communications with institutional investors is reflected in the organization of meetings in the world’s major financial markets, and by the participation of Groupe representatives at investor conferences.

In 2021, Publicis Groupe met with close to 800 institutional investors at roadshows and industry investor conferences. As in 2020, almost all meetings were held virtually.

8.4.3 Securities market

The following information regarding the shares and financial instruments comes from the Euronext and Bloomberg websites.

Publicis Groupe shares

- listed on: Euronext Paris (ISIN code: FR0000130577);
- first day listed: June 9, 1970;
- shares traded on Euronext Paris: all shares in the share capital.

On December 27, 2007, Publicis Groupe SA was informed that Publicis Groupe SA shares were now no longer listed on the New York Stock Exchange. This delisting followed the Company's notification on September 17, 2007 to the US market authorities that it no longer wanted Publicis Groupe SA shares listed on the New York Stock Exchange (listed in the form of American Depositary Receipts; ratio: one ADR for every one Publicis share), with average annual trading volumes rarely exceeding 1% of all shares in the share capital.

By default, the share can be traded on the New York Stock Exchange OTCQX market as an American Depositary Receipt; ratio: 4 ADRs for one Publicis share (ticker: PUBGY). The OTCQX platform is an information tool that provides access to US investors, while guaranteeing price transparency.

Changes in the trading price on Euronext Paris during 2021:

- high: euro 61.52 on November 22;
- low: euro 40.44 on January 28;
- average: euro 53.7727 (based on closing prices).

/ Trading volume and Company share price over the last 18 months on Euronext Paris

Period		Number of trading sessions	Average volumes traded per session[1]: Number of shares	Share capital (in thousands of euros)	Monthly price (in euros): First listing	Last listing	Highest	Lowest
2020	October	22	1,132,543	34,170	27.70	29.80	32.45	26.93
	November	21	1,112,042	40,133	29.86	38.09	39.58	29.37
	December	22	880,902	35,694	38.25	40.76	42.63	37.94
2021	January	20	925,582	39,736	41.20	42.76	46.20	40.44
	February	20	798,663	37,487	43.06	48.54	49.36	42.59
	March	23	989,452	50,149	49.00	52.04	53.68	48.02
	April	20	675,013	36,023	52.14	53.86	55.66	50.92
	May	21	552,726	30,498	53.94	55.50	56.58	53.40
	June	22	536,330	29,569	55.62	53.94	57.16	53.24
	July	22	626,310	33,623	54.38	53.22	56.50	50.04
	August	22	394,296	21,476	53.48	55.52	56.10	52.34
	September	22	499,067	28,339	55.94	58.26	58.98	54.18
	October	21	689,058	39,599	57.24	57.94	59.40	55.72
	November	22	689,359	40,610	57.86	57.14	61.52	56.60
	December	23	572,855	33,037	57.50	59.20	59.98	55.24
2022	January	21	578,771	34,688	59.24	59.70	62.58	56.78
	February	20	824,713	51,445	59.98	59.64	66.86	58.24
	March	23	1,189,947	65,838	59.66	55.26	60.24	47.25

(1) Volumes traded on Euronext (excluding alternative platforms).

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Publicis Groupe share warrants

- Listed on: Euronext Paris (ISIN code: FR0000312928);
- First day listed: September 24, 2002;
- Changes in the trading price on Euronext Paris in 2021:
  - high: euro 38.20 on November 22,
  - low: euro 14.00 on January 5,
  - average: euro 28.144 (based on closing prices).

As at December 31, 2021, 529,895 warrants, exercisable until 2022, were outstanding.

Euro 1.3 billion Eurobond issued in two tranches on December 9, 2014 with maturity in 2021 and 2024

Publicis Groupe

- Listed on: Euronext Paris;
- First day listed: December 11, 2014;
- Changes in the trading price on Euronext Paris in 2021:
  - euro 700 million tranche maturing on December 16, 2021, with an annual coupon of 1.125% (ISIN code: FR0012384634):
    - high: euro 101.051 on January 4,
    - low: euro 100.003 on December 15,
    - average: euro 100.408 (based on closing prices);
  - euro 600 million tranche maturing on December 16, 2024, with an annual coupon of 1.625% (ISIN code: FR0012384667):
    - high: euro 106.767 on January 4,
    - low: euro 104.232 on December 31,
    - average: euro 105.638 (based on closing prices).

Euro 500 million Eurobond issued on October 28, 2016 with maturity in 2023

Publicis Groupe

- Listed on: Euronext Paris;
- First day listed: November 3, 2016;
- Changes in the trading price on Euronext Paris in 2021:
  - high: euro 101.898 on January 4,
  - low: euro 101.123 on December 30,
  - average: euro 101.559 (based on closing prices).

Euro 2.25 billion Eurobond issued in three tranches on June 5, 2019 with maturity in 2025, 2028 and 2031

MMS USA Financing Inc.

- Listed on: Euronext Paris;
- First day listed: June 7, 2019;
- Changes in the trading price on Euronext Paris in 2021:
  - a euro 750 million tranche maturing on June 13, 2025, with an annual coupon of 0.625% (ISIN code: FR0013425139):
    - high: euro 102.735 on August 4,
    - low: euro 101.123 on December 30,
    - average: euro 101.911 (based on closing prices);
  - a euro 750 million tranche maturing on June 13, 2028, with an annual coupon of 1.25% (ISIN code: FR0013425147):
    - high: euro 107.487 on August 4,
    - low: euro 103.715 on February 25,
    - average: euro 105.240 (based on closing prices);
  - a euro 750 million tranche maturing on June 13, 2031, with an annual coupon of 1.75% (ISIN code: FR0013425154):
    - high: euro 111.933 on August 5,
    - low: euro 106.762 on February 25,
    - average: euro 108.748 (based on closing prices).

CHAPTER

9 GENERAL SHAREHOLDERS' MEETING

The Combined Shareholders' Meeting of Publicis Groupe SA will be held on May 25, 2022, at the Publiciscinéma, 133, avenue des Champs-Élysées, 75008 Paris.

Prior to this Meeting, in accordance with the legislation in force, the legal documentation and information will be communicated to the shareholders, namely made available by electronic consultation on the Publicis Groupe's website (www.publicisgroupe.com) under the General Shareholders' Meeting section.

The procedures for voting at and conducting the Combined Shareholders' Meeting will be specified in the notice of meeting documents, and available on the Publicis Groupe website. Shareholders are invited to regularly consult the section dedicated to the Shareholders 'Meeting on the Company's website.

CHAPTER

10 ADDITIONAL INFORMATION

10.1 DOCUMENTS AVAILABLE TO THE PUBLIC

During the validity of this Universal Registration Document, the Company's bylaws, minutes of the General Shareholders' Meetings, as well as reports of the Management Board and the statutory auditors, and all other documents addressed or available to shareholders as required by law are available at the registered office of Publicis Groupe SA, 133, avenue des Champs-Élysées, 75008 Paris.

The Company's bylaws are also available on the Publicis Groupe's website (www.publicisgroupe.com).

The parent company financial statements and the consolidated financial statements of Publicis Groupe SA for the financial years ended December 31, 2019, December 31, 2020 and December 31, 2021 are available at the registered office of the Company, in accordance with the laws and regulations in effect, as well as on the Publicis Groupe website (www.publicisgroupe.com) and on the website of the Autorité des marchés financiers (the French Financial Markets Authority, or AMF) (www.amf-france.org).

Furthermore, historical financial information for any direct or indirect subsidiary of the Company for the financial years ended December 31, 2019, December 31, 2020 and December 31, 2021 is available at the registered office of such subsidiary, in accordance with applicable laws and regulations.

10.2 PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT AND DECLARATION

10.2.1 Person responsible for the Universal Registration Document

Arthur Sadoun, Chairman of the Management Board of Publicis Groupe SA ("the Company").

10.2.2 Declaration of the person responsible for the Universal Registration Document

I confirm that, to the best of my knowledge, the information in this Universal Registration Document is true and contains no material omission.

I also confirm that, to the best of my knowledge, the financial statements have been prepared in accordance with applicable accounting standards and provide a true and fair view of the Company's assets, financial position and profit, as well as those of its consolidated subsidiaries, and that the management report, the various components of which are indicated in the cross-referencing table in Section 10.6, provides a fair view of the progress of the business, results and financial position of the Company and all its consolidated subsidiaries, and a description of the main risks and uncertainties that they face.

I have obtained from the statutory auditors an end-of-engagement letter (*lettre de fin de travaux*), in which they state that they have verified the financial position and financial statements herein and have reviewed this Registration Document.

Signed in Paris, on April 25, 2022

Arthur Sadoun

Chairman of the Management Board

10.3 STATUTORY AUDITORS

10.3.1 Principal statutory auditors

Ernst & Young et Autres

Member of the Versailles Regional Company of statutory auditors

Represented by Valérie Desclève and Nicolas Pfeuty

1/2, place des Saisons, 92400 Courbevoie – Paris La Défense 1

Appointed at the General Shareholders' Meeting of June 4, 2007; appointment renewed most recently at the General Shareholders' Meeting of May 29, 2019, for a term of six financial years expiring at the end of the General Shareholders' Meeting called to approve the financial statements for the financial year ending December 31, 2024.

Ernst & Young et Autres replaced Ernst & Young Audit, a company belonging to the same network, which was appointed statutory auditor by the General Shareholders' Meeting of June 14, 2001.

Mazars

Member of the Versailles Regional Company of statutory auditors

Represented by Ariane Mignon and Olivier Lenel

61, rue Henri-Regnault, Tour Exaltis, 92400 Courbevoie

Appointed at the General Shareholders' Meeting of June 25, 1981; appointment renewed most recently at the General Shareholders' Meeting of May 31, 2017, for a term of six financial years expiring at the end of the General Shareholders' Meeting called to approve the financial statements for the financial year ending December 31, 2022.

10.3.2 Alternate statutory auditors

Gilles Rainaut

61, rue Henri-Regnault, Tour Exaltis, 92400 Courbevoie

Appointed at the General Shareholders' Meeting on June 1, 2010; appointment renewed at the General Shareholders' Meeting of May 25, 2016 for a term of six financial years, expiring at the General Shareholders' Meeting that will be called to approve the financial statements for the year ending December 31, 2021.

10.4 FIRST QUARTER 2022 FINANCIAL INFORMATION

10.4.1 Net revenue in Q1 2022

The Groupe published its first quarter revenue on April 14, 2022.

Publicis Groupe's net revenue in Q1 2022 was euro 2,800 million, up 17.1% from euro 2,392 million in 2021. Exchange rates had a positive impact of euro 125 million Acquisitions, net of disposals, accounted for an increase in net revenue of euro 19 million. Organic growth reached +10.5%.

/ Breakdown of Q1 2022 Net revenue by region

	Net revenue			
EUR million	Q1 2022	Q1 2021	Reported Growth	Organic Growth
North America	1,748	1,505	+16.1%	+8.1%
Europe	662	561	+18.0%	+14.9%
Asia Pacific	261	217	+20.3%	+14.4%
Middle East & Africa	75	62	+21.0%	+13.4%
Latin America	54	47	+14.9%	+13.1%
Total	**2,800**	**2,392**	**+17.1%**	**+10.5%**

North America net revenue was up +16.1% on a reported basis in Q1 2022, including a positive impact of the US dollar to Euro exchange rate. Organic growth in the region was +8.1%. In the **U.S.**, organic growth came at +8.0%, confirming the country's strong dynamic in all its activities. Publicis Sapient grew +16.3% organically, as the demand for business transformation continued to accelerate. Media posted double-digit organic increase, while Creative activities saw their net revenue grow mid-single digit, with notably strong Production. Epsilon grew +6.3% organically, absorbing the anticipated impact of supply chain issues that affected its Automotive division, thanks to double-digit growth in digital media and data. **Canada** was up +11.7% organically.

Net revenue in **Europe** was up by +18.0% on a reported basis. It was up by +9.4% on an organic basis, or +14.9% including the contribution of our Outdoor Media activities & the Drugstore. Organic growth in the **U.K.** was +12.0%, with a notable double-digit growth in Media and strong performance from Publicis Sapient, both driven by recent new business wins. Organic growth in **France** stood at +12.3% excluding outdoor advertising in transport and Drugstore. It includes very strong growth in Media and at Publicis Sapient. **Germany** was up +1.2% organically, versus a +6.0% comparable base in the same period last year. **Central & Eastern Europe** was up +14.9% organically, with double-digit growth in Poland, Hungary and Romania.

Net revenue in **Asia Pacific** was +20.3% on a reported basis, and +14.4% organically. **China** grew double-digit organically again this quarter, at +10.6%, supported by new business wins. Organic growth was also above 10% in India and Singapore. It should also be noted that Thailand performed well, largely driven by Publicis Sapient.

In **Middle East & Africa**, net revenue was up +21.0% on a reported basis, and +13.4% organically. Organic growth was largely driven by Media, Publicis Sapient in the Middle-East and Creative in Africa.

Net revenue in **Latin America** was up +14.9% on a reported basis, and +13.1%. organically, with most countries reporting growth this quarter, largely driven by Creative.

10.4.2 Net Debt and liquidity

Net debt totaled euro 718 million at the end of March 2022, compared with euro 76 million at year-end 2021, reflecting the seasonality in the activity. The Groupe's average net debt on a 12-month basis stood at euro 1,277 million at the end of March 2022. The Groupe's liquidity position remains very solid, at euro 5.0 billion.

10.5 CROSS-REFERENCE TABLE FOR THE UNIVERSAL REGISTRATION DOCUMENT

This cross-reference table lists the main information stipulated by Annexes 1 and 2 to Commission Delegated Regulation (EU) no. 2019/980 of March 14, 2019, supplementing Regulation (EU) no. 2017/1129 dated June 14, 2017.

		Page number	Chapter
13.	**Compensation and benefits of corporate officers**		
13.1.	Amount of compensation paid and benefits in kind	88 to 146	3.2.1; 3.2.2
13.2.	Total amounts set aside or accrued by the issuer to provide for pension, retirement or similar benefits	117 to 134 261 to 265; 283 to 286	3.2.2.3; 3.2.2.4; 3.2.2.5; 3.2.2.6; 3.2.2.7 6.6 (notes 22 and 32)
14.	**Board practices**		
14.1.	Date of expiry of current terms of office	50 to 66; 84	3.1.1.1; 3.1.3.4
14.2.	Service contracts between members of the administrative, management or supervisory bodies	66; 84	3.1.1.2; 3.1.3.2
14.3.	Information about the Audit and Compensation Committees	68 to 78	3.1.2
14.4.	Compliance with the applicable corporate governance regime	87 to 88	3.1.6; 3.1.7
14.5.	Potential material impacts on corporate governance	50 to 66; 66 to 67 79 to 83; 84	3.1.1.1; 3.1.1.4 3.1.3.1; 3.1.3.4
15.	**Employees**		
15.1.	Number of employees and breakdown	153 to 162; 246	4.1.1; 6.6 (note 4)
15.2.	Shareholdings and stock options of corporate officers	146 to 147	3.2.3
15.3.	Agreement on employee share ownership	340	8.3.6
16.	**Main shareholders**		
16.1.	Shareholders holding more than 5% of the share capital or voting rights	330 to 332	8.2.1
16.2.	Existence of different voting rights	328 to 330	8.1.6
16.3.	Control of the issuer	332	8.2.2
16.4.	Agreements known to the issuer, the application of which may result in a change in control	333	8.2.3
17.	**Related-party transactions**	149; 287	3.3; 6.6 (note 33)
18.	**Financial information on assets and liabilities, financial position and results**		
18.1.	Historical financial information	214 to 321	5; 6; 7
18.2.	Intermediate and other financial information	350	10.4
18.3.	Auditing of historical annual financial information	294 to 300 322 to 325	6.7 7.6
18.4.	*Pro forma* financial information		N/A
18.5.	Dividend policy	224	5.6
18.6.	Legal and arbitration proceedings	44; 260; 280	2.1-9; 6.6 (notes 21 and 30)
18.7.	Significant change in financial position		N/A
19.	**Additional information**		
19.1.	Share capital	333 to 341	8.3
19.2.	Memorandum of incorporation and bylaws	328; 332 to 333	8.1.2; 8.1.6; 8.2.2; 8.2.3
20.	**Major contracts**	37	1.5
21.	**Documents available to the public**	348	10.1

10.6 CROSS-REFERENCE TABLE FOR THE ANNUAL FINANCIAL REPORT

In order to facilitate the reading of the annual financial report, the following thematic table makes it possible to identify the main information required by article L. 451-1-2 of the French Monetary and Financial Code in this Registration Document.

10.7 CROSS-REFERENCE TABLE FOR THE MANAGEMENT REPORT

Comments on the financial year

	Page number	Chapter
Situation and business activities of the Company and the Groupe	20 to 34	1.1 to 1.3
Business results of the Company and the Groupe	228 to 230; 302; 303 to 304; 319 to 320; 321	6.1 to 6.3; 7.1; 7.2; 7.4 (Note 23); 7.5
Objective and exhaustive analysis of business developments, results and financial position of the Company and the Groupe	35 to 37; 214 to 224	1.4; 5.1 to 5.5
Key performance indicators of a financial and, as the case may be, non-financial nature relating to the Company's specific activity, including information on environmental and employee matters	151 to 211; 216 to 221	4; 5.2 to 5.4
Key events occurring between the reporting date of the financial year and the date the report is prepared	40 to 45; 66 to 67; 73 to 78	2.1; 3.1.1.4; 3.1.2.9
Foreseeable development of the Company and the Groupe	37; 225	1.4.3; 5.7
Dividends distributed over the three preceding years and amount of income distributed during the same years eligible for 40% deduction	224	5.6
Investments or controlling interests in companies headquartered in French territory	26; 35 to 36	1.2.2; 1.4.1

Presentation of the Groupe

	Page number	Chapter
Description of the main risk factors and uncertainties faced by the Company and Groupe	40 to 45	2.1
Indications of financial risks linked to the effects of climate change and presentation of measures taken to reduce them through implementation of a low carbon strategy	188; 196 to 204; 205 to 206	4.2.4.6; 4.3; 4.4
Main features of internal control and risk management procedures relating to the preparation and processing of the accounting and financial information	45 to 47	2.2
Indications of objectives and policy regarding each main category using hedge accounting, and the exposure to risks relating to prices, credit, liquidity and cash flow (use of financial instruments by the Company)	40 to 45; 219 to 221; 236 to 244; 266 to 270; 274 to 277; 277 to 279	2.1; 5.4; 6.6 (Notes 1.3, 23, 28, 29)
Declaration of non-financial performance	151 to 211	4
Duty of Care plan to identify risks and prevent serious infringements in the areas of human rights, fundamental freedoms, health, security and the environment, resulting from the activity of the Company and of the companies it controls and from the activities of sub-contractors and suppliers	186 to 188	4.2.4
Research and development activities	37; 236	1.6; 6.6 (Note 1.3)
Existing branches		N/A

Company information and capital structure

	Page number	Chapter
Transactions in the Company's shares by managers and related persons	148	3.2.4
Details of purchases and sales of treasury shares during the financial year	336 to 338	8.3.3
Any adjustments for securities giving access to the share capital or stock options	273 to 274; 314	6.6 (Note 27); 7.4 (Note 20.1.1)
Major shareholders and treasury shares	330 to 332	8.2.1
Employee shareholding	283 to 286; 315 to 318; 340	6.6 (Note 32); 7.4 (Note 20.1.2); 8.3.6
Notice given to another joint-stock company that the Company owns over 10% of its share capital		N/A
Disposal of shares carried out in order to rectify any situation of reciprocal shareholding		N/A
Injunctions or fines issued by the French Competition authority for anti-competitive practices, and which the authority has ordered, as an additional measure, to be mentioned in the management report		N/A

Elements pertaining to the financial statements

	Page number	Chapter
Company's results over the past five years	321	7.5
Information on supplier and customer payment terms: number and total amount of outstanding invoices received and issued	222 to 224	5.5
Amount of loans granted in accordance with article L. 511-6 of the French Monetary and Financial Code		N/A

10.8 CROSS-REFERENCE TABLE FOR THE CORPORATE GOVERNANCE REPORT

Corporate governance

	Page number	Chapter
List of all offices and functions exercised in any company by each corporate officer of the Company during the financial year	50 to 66; 79 to 83	3.1.1.1; 3.1.3.1
Content of, and conditions for preparing and organizing, the Supervisory Board's work	50 to 66; 70 to 72	3.1.1.1; 3.1.2.4
Description of the diversity policy applied to the members of the Supervisory Board, description of the objectives of this policy, its implementation methods and the results achieved	50 to 66	3.1.1.1
Information on the manner in which the Company seeks gender balance on the committee set up by management to assist it on a regular basis in the performance of its general duties and on the results in terms of gender balance in the 10% most senior positions	50 to 66; 86; 153 to 162	3.1.1.1; 3.1.5; 4.1.1
Potential limitations which the Supervisory Board imposes on powers of the Management Board	70 to 72; 84	3.1.2.4 3.1.3.5
Provisions deviating from the Afep-Medef Code and reasons for this	87	3.1.6
Particular terms and conditions of shareholder participation in General Shareholders' Meetings or provisions in the bylaws covering these terms	328 to 330; 346	8.1.6; 9
Observations of the Supervisory Board on the Management Board report and the financial statements for the financial year	73	3.1.2.8
Agreements between a corporate officer or major shareholder and a subsidiary of the Company (excluding agreements relating to current operations or concluded on arm's length terms)	149; 150	3.3; 3.4
Description of the procedure put in place by the Company for assessing ordinary arm's-length agreements and its implementation	73	3.1.2.7
Summary table of current delegations of authority and authorizations in the area of share capital increases	333 to 335	8.3.1

Elements relating to compensation

	Page number	Chapter
Compensation policy for corporate officers	88 to 114	3.2.1
Report on the compensation of corporate officers	114 to 146	3.2.2
Conditions for exercise and retention of stock options by the executive corporate officers	283 to 286	6.6 (Note 32)
Conditions for retaining free shares attributed to executive corporate officers	92 to 100; 283 to 286	3.2.1.4; 6.6 (Note 32)

Elements likely to be relevant in the event of a public offer

	Page number	Chapter
Structure of the Company's share capital	146 to 147; 330 to 333; 333 to 341	3.2.3; 8.2; 8.3
Limitations in the bylaws on the exercise of voting rights and transfer of shares or clauses in agreements brought to the attention of the Company in application of article L. 233-11 of the French Commercial Code		N/A
Direct or indirect ownership of the Company's share capital of which it is aware, pursuant to article L. 233-7 of the French Commercial Code	330 to 332	8.2.1
List of holders of securities with special rights of control and a description of these rights		N/A
Control mechanisms in a potential employee shareholding system, when controlling rights are not exercised by employees		N/A
Agreements between shareholders of which the Company is aware and which might hinder the transfer of shares and the exercise of voting rights		N/A
Rules applicable to the appointment and replacement of members of the Management Board as well as changes made to the bylaws	50; 79; 328 to 330	3.1; 3.1.3.1; 8.1.6
Powers of the Management Board, in particular regarding the issuance or buyback of shares	84 to 85; 328 to 330; 333 to 335; 336 to 338	3.1.3.5; 8.1.6; 8.3.1; 8.3.3
Agreements concluded by the Company which are modified or come to an end in the event of a change of control	333	8.2.3
Any agreements between the Company and members of the Management Board or employees providing for compensation if they resign or are dismissed without real or serious cause, or if their employment ends because of a public offering	333	8.2.3

Observations of the statutory auditors

	Page number	Chapter
Report by the statutory auditors on the corporate governance report	322 to 325	7.6

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10.9 CROSS-REFERENCE TABLE FOR THE DECLARATION OF NON-FINANCIAL PERFORMANCE

Cross-reference table with articles L. 225-102-1 and R. 225-104 et seq. on the declaration of non-financial performance, as specified in article R. 225-105 of the French Commercial Code.

	Page number	Chapter
I. The Company's business model	8	Introduction; 1.3
II. Analysis of company risks	40 to 45; 186 to 188	2.1; 4.2.4
Main risks associated with the Company's business activity	40 to 45; 186 to 188	2.1; 4.2.4
Policies implemented to mitigate, and prevent the occurrence of, these risks	40 to 45; 186 to 188	2.1; 4.2.4
Outcome of these policies, including key performance indicators	40 to 45; 186 to 188	2.1; 4.2.4
III. A – Declaration of relevant disclosures associated with the main risks/measures mentioned in II	40 to 45; 186 to 188	2.1; 4.2.4
1 - Employee-related information		
Employment		
Total headcount and breakdown of employees by gender, age and geographic region	8 to 11; 173 to 176	Introduction; 4.1.7
Hiring and layoffs	173	4.1.7
Compensation and trends	88 to 148; 170 to 172	3.2; 4.1.5
Organization of work		
Organization of working hours	164 to 169; 173 to 176	4.1.3; 4.1.7
Absenteeism	168; 175 to 176	4.1.7
Health and safety		
Health and safety conditions in the workplace	164 to 169	4.1.3
Frequency and severity of workplace accidents and occupational illnesses	168	4.1.7
Labor relations		
Organization of social dialog, employee information, consultation and negotiation procedures	169 to 170	4.1.4
Review of collective agreements	169 to 170	4.1.4
Training		
Training policies implemented, including on environmental protection	162 to 164	4.1.2
Total number of training hours	162	4.1.2
Gender equality		
Measures taken to promote gender equality	50 to 66; 153 to 162	3.1.1.1; 4.1.1
Measures taken to promote the employment and inclusion of people with disabilities	161	4.1.1
Anti-discrimination policy	155 to 157	4.1.1

	Page number	Chapter
2 - Environmental information		
General environmental policy		
Environmental issues taken into consideration	197 to 199	4.3.1.1; 4.3.2
Environmental assessment or certification	195	4.2.10
Resources devoted to the prevention of environmental risks and pollution	197	4.3.1.2
Circular economy		
Waste prevention and management	201	4.3.4
Preventive measures, recycling, reuse and other forms of waste recovery and disposal	201	4.3.4
Measures to combat food waste	201	4.3.4
Sustainable use of resources		
Water consumption and water supply	201	4.3.4
Consumption of raw materials	201	4.3.4
Measures taken with the aim of using raw materials more efficiently	201	4.3.4
Energy consumption and measures taken to improve energy efficiency	201	4.3.4
Use of renewable energy sources	200	4.3.2
Measures taken to adapt to the consequences of climate change		
Significant greenhouse gas emission items associated with the Company's business activity, products and services	202	4.3.5
Measures taken to adapt to the consequences of climate change	197	4.3.1
Voluntary medium- and long-term reduction targets set to reduce greenhouse gas emissions, and means implemented	197; 198; 200	4.3.1; 4.3.2; 4.3.3
Protection of biodiversity		
Measures taken to protect or restore biodiversity	202; 203	4.3.4; 4.3.6

	Page number	Chapter
3 - Societal information		
Societal commitments to sustainable development		
• Impact of the Company's business activity in terms of local employment and development	11; 14; 173	Introduction; 4.1.7
• Impact of the Company's business activity on neighboring or local communities	193	4.2.9
• Relations with the Company's stakeholders and means of dialog	14; 193	Introduction; 4.2.9
Partnership or philanthropic initiatives	172; 193	4.1.6; 4.2.9
Subcontracting and suppliers		
Consideration of social and environmental issues in procurement policy	190 to 192	4.2.7
Consideration of social and environmental responsibility in relations with suppliers and subcontractors	190 to 192	4.2.7
Fair trade		
Measures taken to promote consumer health and safety	177	4.2.2
Specific information		
Information on combating corruption and measures taken to prevent corruption	188 to 190	4.2.5; 4.2.6
Information on combating tax evasion; measures taken to prevent tax evasion	194	4.2.9.5
Information on human rights with reference to the International Labor Organization's fundamental conventions in relation to		
The respect of freedom of association and the right to collective bargaining	170	4.1.4
Ending discrimination in respect of employment and occupation	155 to 161	4.1.1
Ending forced or compulsory work	187	4.2.4.4
The effective abolition of child labor	187	4.2.4.4
Other human rights initiatives	187	4.2.4.4
Information not published as not relevant or not subject to any significant risk – See Compliance	194 to 195	4.2.10
• *Animal welfare*		
• *Food safety*		
• *Prevention, reduction or reparation of air, water and soil pollution seriously affecting the environment*		
• *Consideration of any form of activity-specific pollution, especially noise and light pollution*		

10.10 HISTORICAL FINANCIAL INFORMATION INCLUDED BY REFERENCE

Pursuant to article 19 of EU Regulation no. 2017/1129 of June 14, 2017, the following information is incorporated by reference into this 2021 Universal Registration Document:

- the consolidated financial statements for the 2020 financial year drawn up in accordance with IFRS, the statutory auditors' report relating thereto, as well as changes in the financial position and earnings from Groupe operations for the 2020 financial year, which are shown respectively on pages 199 to 274 and 186 to 193 of the 2020 Registration Document filed with the AMF on April 9, 2021, under no. D. 21-0284;
- the Company's annual financial statements for the 2020 financial year drawn up in accordance with French accounting standards, the statutory auditors' report relating thereto, as well as the statutory auditors' special report on related-party agreements for the 2020 financial year, which are shown respectively on pages 275 to 302 and 133 of the 2020 Registration Document filed with the AMF on April 9, 2021, under no. D. 21-0284;
- the consolidated financial statements for the 2019 financial year drawn up in accordance with IFRS, the statutory auditors' report relating thereto, as well as changes in the financial position and earnings from Groupe operations for the 2019 financial year, which are shown respectively on pages 183 to 255 and 170 to 178 of the 2019 Registration Document filed with the AMF on April 27, 2020, under no. D. 20-0361;
- the Company's annual financial statements for the 2019 financial year drawn up in accordance with French accounting standards, the statutory auditors' report relating thereto, as well as the statutory auditors' special report on related-party agreements for the 2019 financial year, which are shown respectively on pages 257 to 284 and 124 of the 2019 Registration Document filed with the AMF on April 27, 2020, under no. D. 20-0361.

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PUBLICIS GROUPE

2021

Publicis Groupe SA

French limited liability company (société anonyme) with a Management Board
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