SWELG Holding AB
Org, nr. 556637-4343

Fastställelseintyg

20230719025127

Undertecknad styrelseledamot intygar härmed dels att denna kopia av årsredovisningen och revisionsberättelsen stämmer överens med originalen, dels att resultat- och balansräkningen fastställts på årsstämma 30 Juni 2023. Stämman beslöt också att godkänna styrelsens förslag till resultatdisposition.

Arco Nobels 2023-06-30

The undersigned member of the board hereby certifies that this copy of the annual report and the audit report is in accordance with the original, and that the income statement and balance sheet, was adopted at the Annual General Meeting 30 June 2023. *The meeting also decided to approve the Board's proposal for distribution of profits.*

Arco Nobels 2023-06-30

SWELG Holding AB

Organisationsnummer 556637-4343

Årsredovisning 2022

Styrelsen får härmed avlämna årsredovisning för räkenskapsåret
2022-01-01 - 2022-12-31

14 JULI 2023

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Emelie Bjurklund

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Innehållsförteckning

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Förvaltningsberättelse

Information om verksamheten

Bolaget är moderbolag i svenska Publicis koncern. Genom sina dotterbolag bedriver koncernen verksamhet inom reklam, konsalttjänster, medling och utbildning inom mediesektorn och rådgivning om strategisk kommunikation. I sin division - Re: sources Nordics - tillhandahåller företaget tjänster inom IT för Publicis koncernbolagen.
Företagets säte är Stockholm.

Väsentliga händelser under räkenskapsåret

Under året har koncernbidrag om 735 821,00 SEK (2021: 1 695 886,00) erhållits.
Skulder till koncernbolagen inkluderar lån där villkoren omförhandlas periodiskt.
Under rapporteringsperioden har utdelning från helägda dotterbolag erhållits till ett belopp av 303 713 552 SEK.

Ägarförhållanden

Bolaget är ett helägt dotterbolag till Publicis Groupe S.A. organisationsnummer 542 080 601, med säte i Paris, Frankrike.

Flerårsöversikt (tkr)	2022	2021	2020	2019
Nettoomsättning	9 407	9 303	10 950	10 509
Resultat efter finansiella poster	302 978	1 808	-32 096	-27 722
Balansomslutning	620 948	320 834	379 978	486 121
Soliditet (%)	87,4	75,8	62,9	64,7
Medeltal anställda	4	4	7	8

För definitioner av nyckeltal, se Redovisningsprinciper

Styrelsen föreslår att till förfogande stående vinstmedel

balanserad vinst	239 019 293
årets vinst	303 705 826
	542 725 119
Styrelsen föreslår att	
till aktieägare utdelas	303 705 826
i ny räkning överföres	239 019 293
	542 725 119

Styrelsen har föreslagit en utdelning om 303 705 826 SEK för att beslutas på bolagsstämma. Den föreslagna utdelningen är med tanke på bolagets ekonomiska ställning försvarlig i förhållande till de krav som verksamhetens art omfattning och risker ställer på storleken av bolagets och koncernens egna kapital samt bolagets konsolideringsbehov, likviditet och ställning i övrigt.

Företagets resultat och ställning i övrigt framgår av efterföljande resultat- och balansräkning med tilläggsupplysningar.

Resultaträkning

Belopp i tkr	Not	2022.01.01 2022.12.31	2021.01.01 2021.12.31
Rörelsens intäkter m.m.			
Nettoomsättning		9 407	9 303
Övriga rörelseintäkter		118	38
Summa rörelsens intäkter		9 526	9 341
Rörelsens kostnader			
Övriga externa kostnader	1	-4 609	-4 311
Personalkostnader		-3 235	-4 384
Avskrivningar av materiella och immateriella anläggningstillgångar		-1 404	-985
Övriga rörelsekostnader		-122	-136
Summa rörelsens kostnader		-9 369	-9 796
Rörelseresultat		157	-456
Resultat från finansiella investeringar			
Övriga ränteintäkter och liknande resultatposter		347	5
Räntekostnader och liknande resultatposter	2	-1 230	-1 280
Resultat från andelar i koncernföretag	7	303 714	3 519
Summa finansiella poster		302 821	2 264
Resultat efter finansiella poster		302 978	1 808
Bokslutsdispositioner			
Mottagna koncernbidrag	3	738	1 696
Summa bokslutsdispositioner		738	1 696
Resultat före skatt		303 714	3 504
Skatt på årets resultat		-8	0
Årets resultat		303 706	3 504

Balansräkning

Belopp i tkr	Not	2022.12.31	2021.12.31
TILLGÅNGAR			
Anläggningstillgångar			
Materiella anläggningstillgångar			
Inventarier, verktyg och installationer	4	4 977	3 161
		4 977	**3 161**
Finansiella anläggningstillgångar			
Andelar i koncernföretag	5, 6	306 705	306 705
		306 705	**306 705**
Summa anläggningstillgångar		**311 682**	**309 866**
Omsättningstillgångar			
Kortfristiga fordringar			
Fordringar hos koncernföretag		306 953	8 195
Skattefordringar		1 949	2 103
Övriga fordringar		314	522
Förutbetalda kostnader och upplupna intäkter		48	148
		309 264	**10 967**
Summa omsättningstillgångar		**309 264**	**10 967**
SUMMA TILLGÅNGAR		**620 946**	**320 834**

Balansräkning

Belopp i tkr	Not	2022.12.31	2021.12.31
EGET KAPITAL OCH SKULDER			
Eget kapital			
Bundet eget kapital			
Aktiekapital		100	100
		100	**100**
Fritt eget kapital			
Balanserad vinst		239 019	239 019
Årets resultat		303 706	3 504
		542 725	**242 523**
Summa eget kapital		**542 825**	**242 623**
Kortfristiga skulder			
Leverantörsskulder		922	1 378
Skulder till koncernföretag		75 567	76 034
Övriga skulder		169	328
Upplupna kostnader och förutbetalda intäkter		1 463	471
Summa kortfristiga skulder		**78 121**	**78 211**
SUMMA EGET KAPITAL OCH SKULDER		**620 946**	**320 834**

Förändring av eget kapital

	Aktiekapital	Reservfond	Balanserad vinst inkl. årets resultat	Summa eget kapital
Belopp vid årets ingång 2022-01-01	**100**	**0**	**242 523**	**242 623**
Vinstdisposition enligt årsstämma				
Utdelning till aktieägarna			-3 504	-3 504
Årets resultat			303 706	303 706
Belopp vid årets utgång 2022-12-31	**100**	**0**	**542 725**	**542 825**

Tilläggsupplysningar

Not 1 Redovisningsprinciper och värderingsprinciper

Årsredovisningen är upprättad i enlighet med årsredovisningslagen (1995:1554) och BFNAR 2012:1 Årsredovisning och koncernredovisning (K3)

Fodringar har upptagits till de belopp varmed de beräknas inflyta.

Fodringar och skulder i utländsk valuta har värderats till balansdagens kurs. Kursvinster och kursförluster på rörelsefordringar och rörelseskulder redovisas i rörelseresultatet medan kursvinster och kursförluster på finansiella fordringar och skulder redovisas som finansiella

Övriga tillgångar och skulder har upptagits till anskaffningsvärde där inget annat anges.

Redovisningsvaluta

Årsredovisningen är upprättad i svenska kronor och beloppen anges i tkr om inget annat anges.

Värderingsprinciper m.m.

Tillgångar, avsättningar och skulder har värderats till anskaffningsvärden om inget annat anges nedan.

Uppskattningar och bedömningar

Det finns inga av styrelsens bedömningar som har ett betydande effekt på redovisat belopp i årsredovisningen.

Intäktsredovisning

Intäkter har tagits upp till verkligt värde av vad som erhållits eller kommer att erhållas och redovisas i den omfattningen det är sannolikt att de ekonomiska fördelarna kommer att tillgodogöras bolaget och intäkterna kan beräknas på ett tillförlitligt sätt.

Pågående tjänsteuppdrag

Företaget vinstavräknar utförda tjänsteuppdrag på löpande räkning i den takt arbetat utförs. Pågående, ej fakturerade tjänsteuppdrag, tas i balansräkningen upp till det beräknade faktureringsvärde av utfört arbete och redovisas i posten Övriga fordringar.

Företaget vinstavräknar utförda tjänsteuppdrag med fast pris i takt med att arbetet utförs, så kallade successiv vinstavräkning. Vid beräkning av upparbetat vinst har färdigställandegraden beräknats som nedlagda utgifter per balansdagen i relation till de totala beräknade utgifterna för att fullgöra uppdraget. Skillnaden mellan redovisad intäkt och fakturerad delikvider redovisas i balansräkningen i posten Övriga fordringar.

Anläggningstillgångar

Immateriella och materiella anläggningstillgångar redovisas till anskaffningsvärde minskat med ackumulerade avskrivningar enligt plan och eventuella nedskrivningar.

Avskrivning sker linjärt över den förväntade nyttjandeperioden med hänsyn till väsentligt restvärde.

Följande avskrivningsprocent tillämpas:

Inventarier, verktyg och installationer	20%
Datorer	33%

Koncernförhållanden

Företaget är moderföretag men med hänvisning till undantagsreglerna i årsredovisningslagen 7 kap 2§ upprättas ingen egen koncernredovisning. Det överordnat moderföretaget Publicis Groupe S.A, organisationsnummer 542 080 601, med säte i Paris, Frankrike, upprättar koncernredovisning. Koncernredovisningen finns att hämta på Publicis Groupe S.A:s hemsida, www.publicisgroupe.com.

Leasing

Samtliga leasingavtal klassificeras som operationell leasing vilket innebär att leasingavgiften fördelas linjärt över leasingperioden.

Nyckeltalsdefinitioner

Nettoomsättning

Rörelsens huvudintäkter, fakturerade kostnader, sidointäkter samt intäktskorrigeringar.

Resultat efter finansiella poster

Resultat efter finansiella intäkter och kostnader, men före extraordinära intäkter och kostnader.

Balansomslutning

Företaget samlade tillgångar

Soliditet (%)

Justerat eget kapital (eget kapital och obeskattade reserver med avdrag för uppskjuten skatt) i procent av balansomslutning.

Not 2 Räntekostnader och liknande resultatposter

	2022.12.31	2021.12.31
Räntekostnader till koncernföretag	-1 239	-1 245
Övrigt	0	-15
Summa	-1 239	-1 260

Not 3 Bokslutsdispositioner

	2022.12.31	2021.12.31
Koncernbidrag	738	1 696

Not 4 Inventarier

	2022.12.31	2021.12.31
Ingående anskaffningsvärden	10788	8541
Inköp	3 235	2 248
Utrangering	-31	0
Utgående ackumulerade anskaffningsvärden	13 993	10 788
Ingående avskrivningar	-7627	-6642
Utrangering	14	0
Årets avskrivningar	-1404	-985
Utgående ackumulerade avskrivningar	-9 016	-7 627
Utgående redovisat värde	4 977	3 161

Not 5 Andelar i koncernföretag

	2022.12.31	2021.12.31
Ingående anskaffningsvärde	634 431	690 061
Inköp	0	0
Försäljning	0	-55 630
Utgående ackumulerade anskaffningsvärden	634 431	634 431
Ingående nedskrivning	-327 726	-327 726
Nedskrivningar	0	0
Utgående ackumulerade nedskrivningar	-327 726	-327 726
Utgående redovisat värde	306 705	306 705

Not 6 Specifikation andelar i koncernföretag

Namn	Kapitalandel	Rösträttsandel	Antal andelar	Bokfört värde
Publicis Media Sweden AB	100%	100%	1 027 012	245 543
Kekst CNC AB	100%	100%	1 000	49 900
Publicis Communications Sweden AB	100%	100%	10 000	11 262
				306 705

	Org. Nr	Säte	Eget kapital	Resultat
Publicis Media Sweden AB	556007-9439	Stockholm	95 013	22 176
Kekst CNC AB	556342-1592	Stockholm	52 988	405
Publicis Communications Sweden AB	556614-3585	Stockholm	10 024	291

Not 7 Resultat och nedskrivning från deltagande i koncernföretag

	2022.12.31	2021.12.31
Erhållen utdelning	303 714	0
Vinst vid avyttring av finansiella tillgångar (Monte Rosa AB)	0	3 519
Summa	**303 714**	**3 519**

Not 8 Väsentliga händelser efter räkenskapsårets utgång

Ingen betydande händelse inträffade efter årets slut.

Stockholm, 2023 06-29

Michel-Alain Proch

Arco Nobels
Ordförande

Izabela Lutek

Vår revisionsberättelse har lämnats den
Ernst & Young AB

Håkan Aspenblad
Auktoriserad revisor

14 JULI 2023

Certified true copy

CITCO

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Ãrsredovisningar SWELG 2022 Final

Final Audit Report 2023-06-29

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Building a better working world

Revisionsberättelse

Till bolagsstämman i SWELG Holding AB, org.nr 556637-4343

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för SWELG Holding AB för räkenskapsåret 2022.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av SWELG Holding ABs finansiella ställning per den 31 december 2022 och av dess finansiella resultat för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen.

Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till SWELG Holding AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens ansvar

Det är styrelsen som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen ansvarar även för den interna kontroll som den bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen för bedömningen av bolagets förmåga att fortsätta verksamheten. Den upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om att årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

Som del av en revision enligt ISA använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Dessutom:

- identifierar och bedömer vi riskerna för väsentliga felaktigheter i årsredovisningen, vare sig dessa beror på oegentligheter eller misstag, utformar och utför granskningsåtgärder bland annat utifrån dessa risker och inhämtar revisionsbevis som är tillräckliga och ändamålsenliga för att utgöra en grund för våra uttalanden. Risken för att inte upptäcka en väsentlig felaktighet till följd av oegentligheter är högre än för en väsentlig felaktighet som beror på misstag, eftersom oegentligheter kan innefatta agerande i maskopi, förfalskning, avsiktliga utelämnanden, felaktig information eller åsidosättande av intern kontroll.
- skaffar vi oss en förståelse av den del av bolagets interna kontroll som har betydelse för vår revision för att utforma granskningsåtgärder som är lämpliga med hänsyn till omständigheterna, men inte för att uttala oss om effektiviteten i den interna kontrollen.
- utvärderar vi lämpligheten i de redovisningsprinciper som används och rimligheten i styrelsens uppskattningar i redovisningen och tillhörande upplysningar.
- drar vi en slutsats om lämpligheten i att styrelsen använder antagandet om fortsatt drift vid upprättandet av årsredovisningen. Vi drar också en slutsats, med grund i de inhämtade revisionsbevisen, om det finns någon väsentlig osäkerhetsfaktor som avser sådana händelser eller förhållanden som kan leda till betydande tvivel om bolagets förmåga att fortsätta verksamheten. Om vi drar slutsatsen att det finns en väsentlig osäkerhetsfaktor, måste vi i revisionsberättelsen fästa uppmärksamheten på upplysningarna i årsredovisningen om den väsentliga osäkerhetsfaktorn eller, om sådana upplysningar är otillräckliga, modifiera uttalandet om årsredovisningen. Våra slutsatser baseras på de revisionsbevis som inhämtas fram till datumet för revisionsberättelsen. Dock kan framtida händelser eller förhållanden göra att ett bolag inte längre kan fortsätta verksamheten.
- utvärderar vi den övergripande presentationen, strukturen och innehållet i årsredovisningen, däribland upplysningarna, och om årsredovisningen återger de underliggande transaktionerna och händelserna på ett sätt som ger en rättvisande bild.

Vi måste informera styrelsen om bland annat revisionens planerade omfattning och inriktning samt tidpunkten för den. Vi måste också informera om betydelsefulla iakttagelser under revisionen, däribland de eventuella betydande brister i den interna kontrollen som vi identifierat.

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Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens förvaltning av SWELG Holding AB för räkenskapsåret 2022 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter ansvarsfrihet för räkenskapsåret.

Grund för uttalanden

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till SWELG Holding AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt.

Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget, eller
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

Som en del av en revision enligt god revisionssed i Sverige använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Granskningen av förvaltningen och förslaget till dispositioner av bolagets vinst eller förlust grundar sig främst på revisionen av räkenskaperna. Vilka tillkommande granskningsåtgärder som utförs baseras på vår professionella bedömning med utgångspunkt i risk och väsentlighet. Det innebär att vi fokuserar granskningen på sådana åtgärder, områden och förhållanden som är väsentliga för verksamheten och där avsteg och överträdelser skulle ha särskild betydelse för bolagets situation. Vi går igenom och prövar fattade beslut, beslutsunderlag, vidtagna åtgärder och andra förhållanden som är relevanta för vårt uttalande om ansvarsfrihet. Som underlag för vårt uttalande om styrelsens förslag till dispositioner beträffande bolagets vinst eller förlust har vi granskat styrelsens motiverade yttrande samt ett urval av underlagen för detta för att kunna bedöma om förslaget är förenligt med aktiebolagslagen.

Stockholm den dag som framgår av vår elektroniska underskrift

Ernst & Young AB

Håkan Aspenblad
Auktoriserad revisor

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Björn Håkan Aspenblad
Auktoriserad revisor
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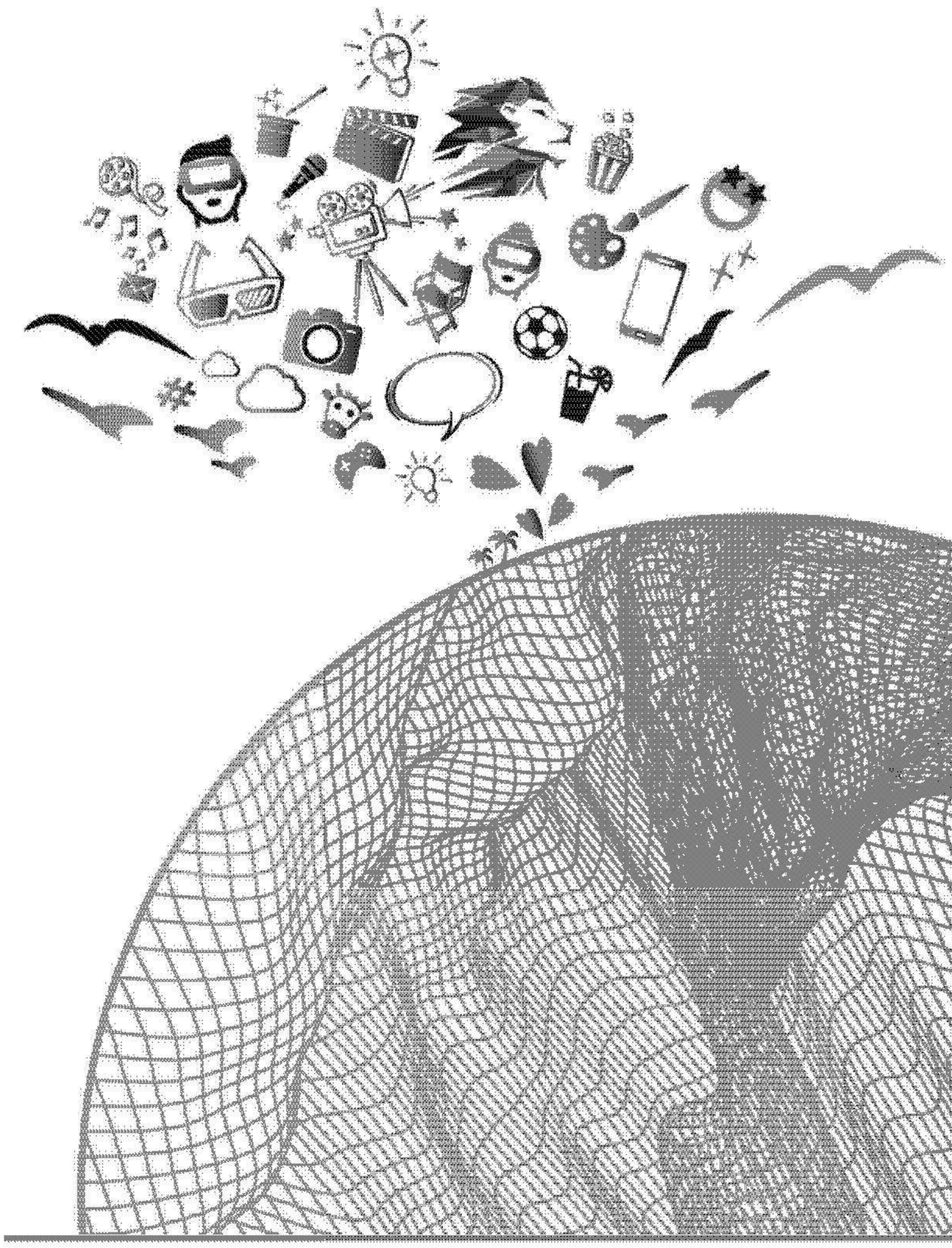
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PUBLICIS
GROUPE



UNIVERSAL REGISTRATION DOCUMENT

ANNUAL FINANCIAL REPORT

2022

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PUBLICIS GROUPE

UNIVERSAL REGISTRATION DOCUMENT

2022

ANNUAL FINANCIAL REPORT

GROUPE PROFILE



The Groupe supports its clients across the entire marketing, communication and digital business transformation value chain, to help them stand out in a more and more competitive world.

Clients have always been at the heart of the Groupe's model. They benefit from a fluid and unified country organization, a dynamic and disruptive offer in creativity, a large-scale targeted media expertise, as well as unique skills in data and technology, to enable them to acquire in-depth knowledge of their consumers and to create direct digital channels with their final clients.

Founded in Paris in 1926, the Groupe is present in over 100 countries and employs over 98,000 professionals.

The Universal Registration Document was filed on April 28, 2023 with the AMF (the French Financial Markets Authority) in its capacity as regulatory competent authority, under Regulation (EU) 2017/1129, without prior approval in accordance with Article 9 of the said regulation.
The Universal Registration Document may be used for the purposes to offer a public of financial basis or the admission of financial basis for trading on a regulated market if supplemented by an operation note (or note relating to financial securities) and, if applicable, a summary and any amendments made to the Universal Registration Document. The assembly is formed and approved by the AMF in accordance with (EU) Regulation 2017/1129.
The Universal Registration Document is a reproduction of the official version of the Universal Registration Document which was established in XHTML and is available on the website www.publicisgroupe.com

MESSAGE FROM THE CHAIRMAN OF THE SUPERVISORY BOARD



Maurice Lévy
Chairman of the Supervisory Board

I wrote here last year that our Groupe has always had this ability to reinvent itself, to imagine the "next world", whatever the environment.

2022 has once again demonstrated that Publicis has exceptional resources within it, delivering remarkable results in a context that is complicated, to say the least, both geopolitically and economically, affected in particular by high inflation. As a result, we are posting record results for the second year in a row with double-digit organic growth, as per 2021.

First of all, I would like to thank Arthur Sadoun, Chairman of the Groupe's Management Board, and express the gratitude of the Supervisory Board for his exemplary work, courage and dedication, at a time when he was facing a personal challenge that could have led him to take a break to focus on his health.

Arthur Sadoun showed remarkable leadership. He has not only spoken openly and publicly about his journey with cancer, but has committed to improving conditions for employees affected by cancer by launching the Working with Cancer global initiative at the beginning of 2023 after making people aware of the importance of the HPV vaccination with the great Michael Douglas. The enthusiasm of hundreds of companies that quickly joined this coalition is a huge step forward for the well-being of employees, families, but also for the companies themselves. Because it is the responsibility of all of us to put the health and protection of employees at the heart of our concerns. This is a strong commitment for Publicis, a societal commitment that is part of the Groupe's history and values.

I am delighted that Arthur is now fully recovered and that this difficult episode is definitely behind him.

« 2022 has once again demonstrated that Publicis has exceptional resources. Arthur Sadoun showed remarkable leadership. »

In 2022, the Groupe not only overcame this period, but also faced a context disrupted by the war in Ukraine. The human and economic consequences of the war, coupled with the resurgence of the pandemic in several parts of the world, have created a particularly complex economic and social environment.

But as I said in this same letter last year, "the abnormal" is becoming the new norm. Given this context, the year was an absolute success on all fronts.

Firstly, from an economic and financial point of view, because the Groupe has clearly stood out from its peers, recording the best organic growth and the best financial ratios in the industry. Then commercially, where Publicis once again ranked at the highest with its New Business wins. Finally, in terms of ESG, where the Groupe has consolidated its leadership position, as evidenced by the number 1 ranking from key rating agencies.

« While the global situation has been particularly complex, new revolutions are also reshuffling the future of the industry. »

This is all proof of the correct and effective bold decisions taken in recent years.

MESSAGE FROM THE CHAIRMAN OF THE SUPERVISORY BOARD

On the one hand, the Groupe's long-standing investments in Data and Technology. By anticipating changes in the digital ecosystem, these investments are now enabling the Groupe's model to make a clear difference for its clients. And today united within the Power of One model, our expertise in Media, Creativity, Data and Tech recorded solid performances.

On the other hand, our transformation, which began very early and has continued with refreshed energy in recent years, is bearing fruit and enabling us to face often unpredictable situations and emerge stronger; reassuring our customers, earning their trust in our ability to support and guiding them in the right direction.

Our model, our ability to anticipate, our responsiveness, our talents, all enable us to understand the future by reinventing ourselves to offer ever more progressive solutions, with significant added value.

While the global situation has been particularly complex against the backdrop of the health crisis and macroeconomic uncertainties, new revolutions are also reshuffling the future of the industry, with structural consequences for our clients.

In view of 2022 achievements, the Groupe is well-equipped to deal with them.

> ***« In view of 2022 achievements, the Groupe is well-equipped to deal with them. »***

Although 2022 has seen a weakening of platforms' positioning, including Google, Meta, Amazon, etc., they are still dominant and still account for 69% of digital advertising investments. But this year has also removed the specter of "disintermediation", which I never believed in, because our support for our clients, with our creative, strategic and innovative capabilities and above all our "agnostic" role, neutral in the distribution of media budgets, make us an essential player in guaranteeing the performance and ROI of our clients' investments.

The founder of the Groupe, Marcel Bleustein-Blanchet, said: "*If you want to project yourself into the future, you must constantly renew your life's plan.*" This is what Publicis is still doing today and will continue to do in the coming years by incorporating all the developments and new tools and channels including Retail Media, the Metaverse or even the much talked about Artificial Intelligence, which is only just beginning to have an impact.

The Supervisory Board has full confidence in the ability of our teams to face and overcome the most complicated situations. It proved this again by renewing the terms of office of Arthur Sadoun and of the members of the Management Board, and by creating the Directoire+. This also demonstrates, if needs be, the exceptional quality of the management team.

> ***« I would like to sincerely pay tribute to the commitment and efforts of our employees, without whom these results would not be what they are. »***

In addition to the exceptional input of the entire management team, I would like to sincerely pay tribute to the commitment and efforts of our employees, without whom these results would not be what they are. The Board naturally supported the Management Board's proposal to grant a bonus to all employees who have been within the Groupe for at least one year.

For 2023, I know that I can count on the involvement of the Management Board, the Directoire+ and all our teams so that the Groupe continues to innovate and adapt to the challenges of the industry. I will end by quoting once again our founder Marcel Bleustein-Blanchet who said that "*Business is worth what people are worth*". This thought has always guided the actions of Publicis, and I have no doubt that we have the talent that will enable us to grow and strengthen further in the coming years and face all the changes to come.

Maurice Lévy
Chairman of the Supervisory Board

MESSAGE FROM THE CHAIRMAN OF THE MANAGEMENT BOARD



Arthur Sadoun
Chairman of the Management Board

As I present the Groupe's activity in 2022, I have a thought for our teams in Ukraine who have continued to show their bravery and strength in the face of a war whose human, social, economic, energy and political consequences have extended far beyond its borders.

We remain by the side and at the support of our Publicis family in Ukraine, with the tremendous help of our employees around the world, who have been able to mobilize impactful programmes through our Marcel platform.

In a global economic context disrupted by the return of inflation, the rise in interest rates and a still-present pandemic, Publicis demonstrated the strength and the resilience of its model in 2022.

We were the only Groupe in the sector to post double-digit organic growth for the second consecutive year, which allowed us to exceed euro 14 billion in revenue for the first time.

Over the past few decades, the Groupe has carried out a profound transformation thanks to the vision of Maurice Lévy. This transformation and our strategic investments have enabled us to build a model that is firing on all cylinders, generating industry-high KPIs again this year.

> *« We were the only Groupe in the sector to post double-digit organic growth for the second consecutive year. »*

Thanks to our expertise in data and technology, which today represent one third of our revenue, we continued to capture the shift in our client investment towards first party data, commerce and digital business transformation.

This was evidenced by the figures of Epsilon and Publicis Sapient, with respective organic growth of +12% and +19% in 2022. This momentum has also positively impacted our Media and Creative activities and is reflected in all our regions.

The success of the Groupe's differentiated model was clearly visible in 2022 and has been so over a sustained period of time, despite the ups and downs that the global economy has experienced over the last three years.

As a result, the Groupe has seen its organic growth increase by +13% compared to 2019 overall, and by +21% and +25% respectively for its data and technology activities.

> *« The Groupe has carried out a profound transformation thanks to the vision of Maurice Lévy. This transformation and our strategic investments have enabled us to build a model that is firing on all cylinders. »*

MESSAGE FROM THE CHAIRMAN OF THE MANAGEMENT BOARD

Our unique go-to-market at Publicis made us a key partner in our clients' transformation, allowing us to gain significant new business market share and positioning us at the top of the industry rankings four times in the last five years.

> *Our platform organization enabled us to maintain the best financial ratios in the sector in 2022.*

Finally, our platform organization enabled us to maintain the best financial ratios in the sector in 2022. Our operating margin rate was 18% and our Free Cash Flow reached euro 1.7 billion. These very solid results enable us to propose to our shareholders, at the General Shareholders' Meeting, a dividend of euro 2.90 per share, up by 21%, which will be paid entirely in cash.

It is important to note that our financial performance has been achieved while maintaining a record high level bonus pool and rewarding all employees within the Groupe, including employees with no variable compensation and who have been with us for at least one year.

> *The Groupe has consolidated its status as an ESG leader in the industry.*

To ensure that our growth continues to be sustainable, we have further strengthened our commitments in 2022 through concrete actions on the three pillars of our ESG strategy: continuing to put Diversity, Equality and Inclusion at the heart of the Groupe, ensuring responsible marketing for our clients, and progressing on the fight against climate change.

Our Marcel platform, named in honor of our founder Marcel Bleustein-Blanchet, continued to deliver impactful solutions and pioneering employee experiences. Its high-quality training has been further enhanced and new experiences have been offered to employees including the Growth Dashboard, a personalized approach to the various content that employees can access based on their professional interests.

> *We approach this new year confident in our ability to continue to deliver profitable growth.*

The Groupe has consolidated its status as an ESG leader in the industry, ranking number 1 in this area by most rating agencies. Our efforts have also enabled us to join two flagship ESG indices this year: the DJSI Europe and the DJSI World.

A lot remains to be done, which is why we are relentlessly pursuing our efforts in these areas, as illustrated by the launch of Working with Cancer at the beginning of this new year. This initiative is the first global coalition, well beyond the borders of the industry, which aims to eliminate the stigma and insecurity around Cancer in the workplace. Launched with the support of key partners, several hundred signatory companies have already joined us in this commitment, one which is particularly close to my heart.

While the uncertainties weighing on 2023 are high, we approach this new year confident in our ability to continue to deliver profitable growth, a unique revenue mix, go-to-market and platform organization. We expect to maintain the momentum we have seen since the pandemic, with organic growth of 3% to 5%, in line with the average rate of the last three years, while maintaining one of the highest operating margins in the sector.

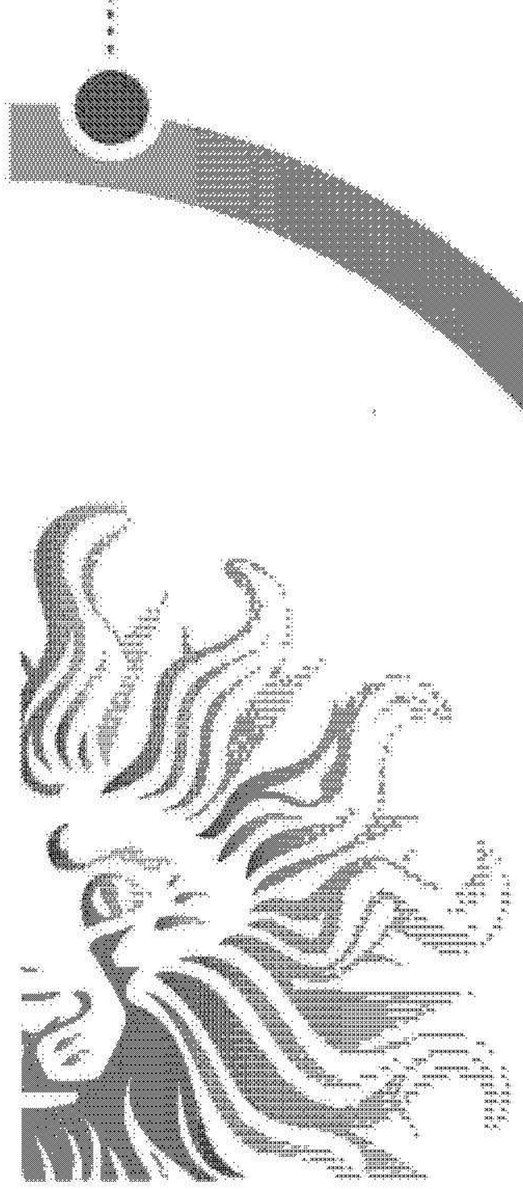
I would like to thank the Supervisory Board for its trust, and in particular its Chairman, Maurice Lévy, whose experience and vision are valuable assets for the whole Groupe and myself in particular, as well as Élisabeth Badinter for her unwavering support. I would also like to thank all our employees for their work and efforts, as well as our clients and shareholders for their renewed or recently won trust.

You can count on our commitment, with the Management Board and the Directoire+, to continue to lead the Groupe by demonstrating ambition and agility, while remaining loyal to the values that have been at the heart of our company for nearly a century.

Arthur Sadoun
Chairman of the Management Board

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

2022
The Group exceeds €14 billion in revenue

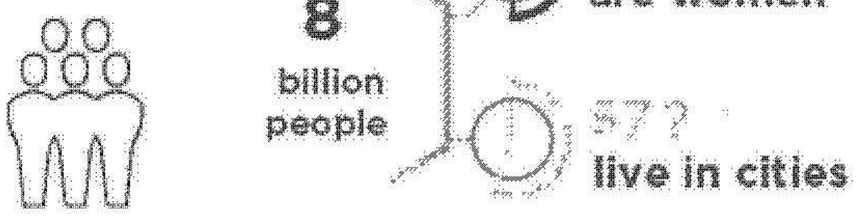
OUTLOOK

The year 2022 was marked by a combination of very significant events. The war in Ukraine, the continuation of the Covid-19 pandemic in several regions of the world, and high inflation in many countries weighed on consumer purchasing power. Adding to this economic and social context, a disastrous series of simultaneous climate disasters, as gigantic fires, historic floods, long and deep droughts, as well as a weakening of the biodiversity.

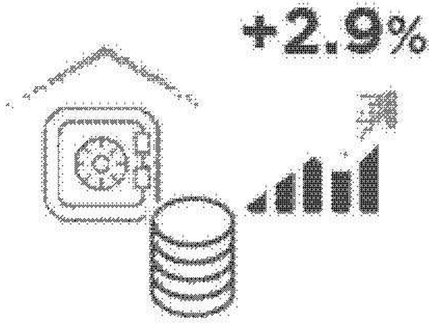
Despite this very contrasted context, the post-pandemic economic rebound has benefited to many businesses and activities. In 2022, the digitalization of companies and organizations continued to accelerate, the consumers have regained some habits while confirming certain changes that have occurred during the pandemic, particularly around e-commerce. Many unique experiences are generated by the infinite offer of possibilities in all areas. Companies, through their brands, products and services, are committed to a race for ultra-personalization in order to differentiate themselves and build customer loyalty. It's in this capacity to deliver large-scale precision that the competitive advantage of Publicis Groupe resides.

IN 2022

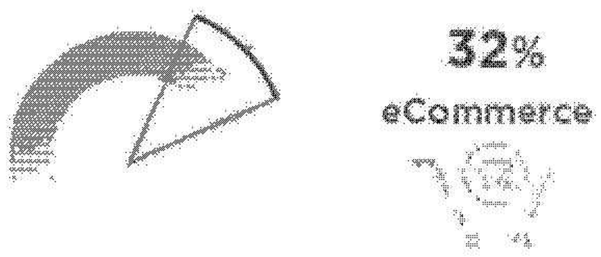
GLOBAL POPULATION (1)



GLOBAL GDP (2)

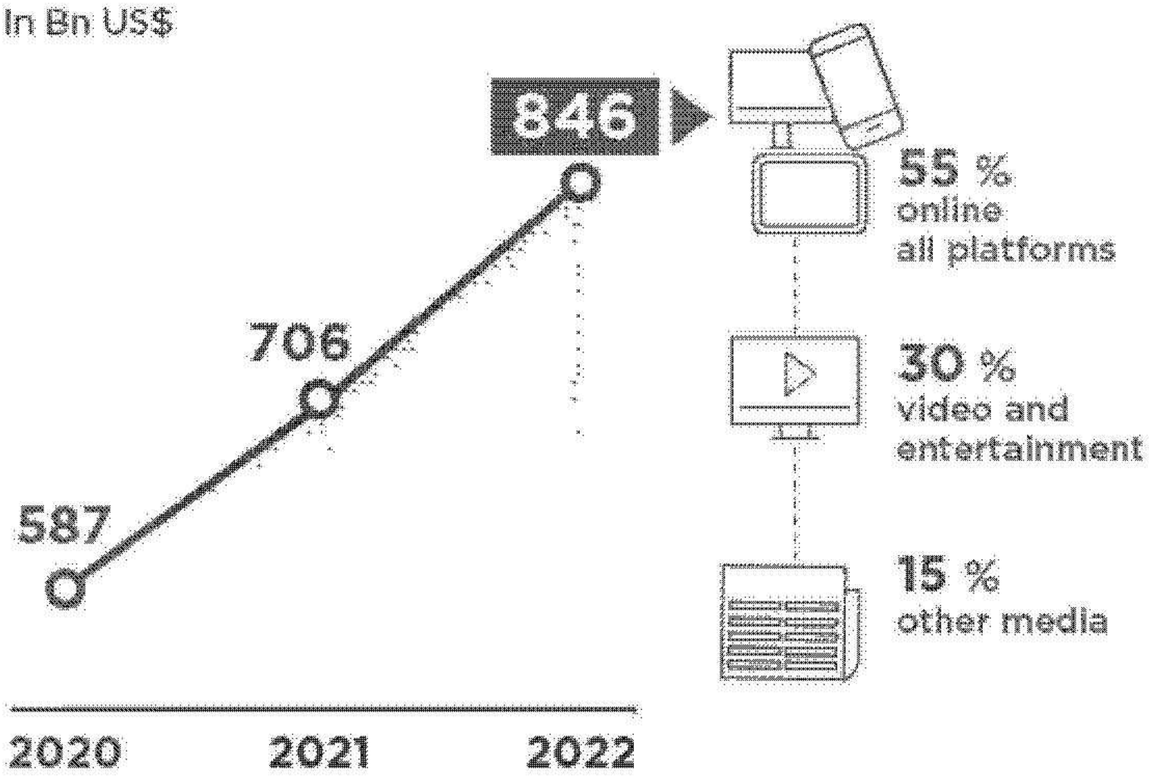


GLOBAL TRADE (3)

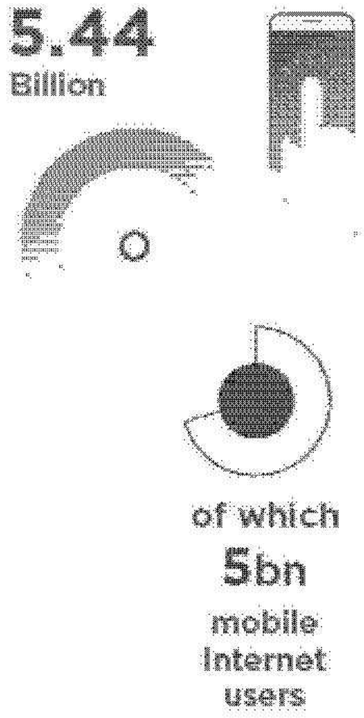


EVOLUTION OF ADVERTISING SPEND IN THE WORLD (4)

In Bn US$

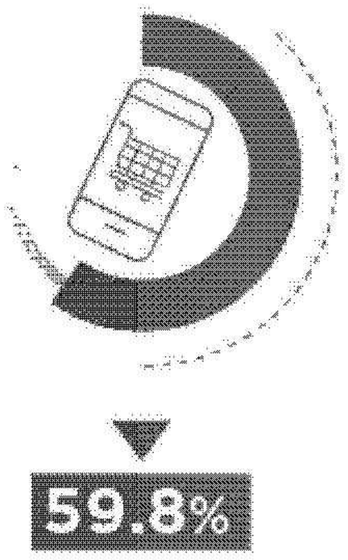


MOBILE PHONE OWNERS (5)

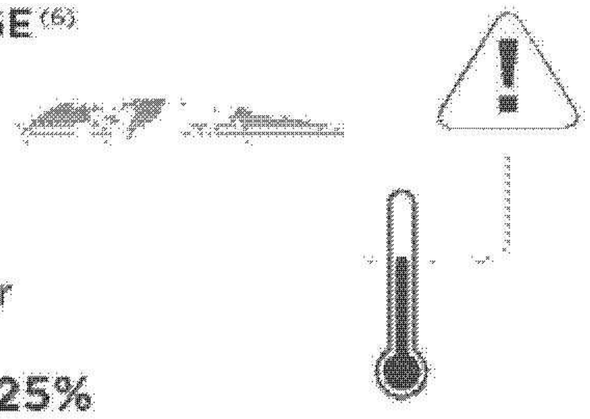


E-COMMERCE

Share of purchases made from a cell phone (5)



CLIMATE CHANGE (6)



2022

Extraordinary year with **record rainfall deficit** of **25%**

ENDANGERED SPECIES (7)

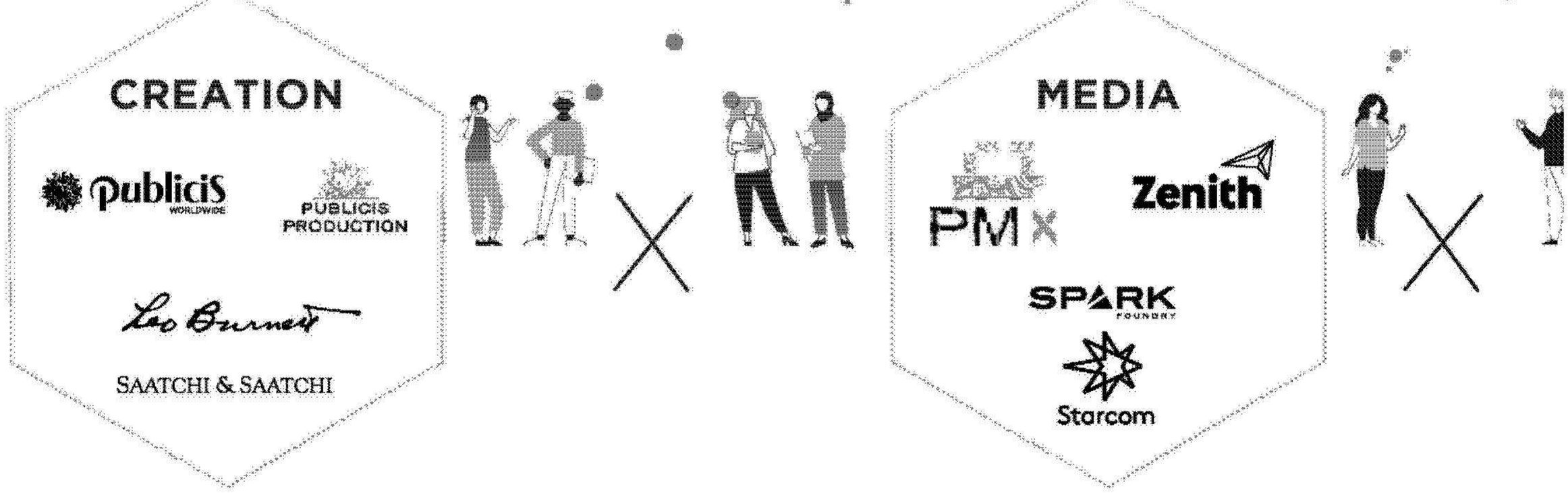


Collapse of the number (8) of **insect species** between 2004 and 2022 ; **63.7%** of which **5 points in 2022**

(1) UN – United Nations Organization 2022
(2) World Bank 2022
(3) UNCTAD 2022
(4) Zenith, December 2022
(5) We are Social 2023
(6) WMO, World Meteorological Organization, November 2022
(7) IUCN – International Union for Conservation of Nature, 2023
(8) Kent Wildlife Trust & Buglife, February 2023

BUSINESS MODEL

Publicis Groupe is one of the world's leading communication companies, present across the entire marketing and communications value chain, from strategic consulting to execution. The Groupe's strategy is to partner with its clients through an integrated approach that enables them to increase their market share and accelerate their development in a new era of commerce.



VALUE CREATION

For all stakeholders in all countries

	HUMAN	INTELLECTUAL
CAPITAL AND RESOURCES	• **98,022** employees • **51.3%** women	• Business excellence for all clients • Partnership with strategic suppliers
ENGAGED ACTIONS	• MARCEL, at the heart of employee training and career paths • Well-being at work, physical and mental health support • Launch of *Working with Cancer*	• Client satisfaction at the heart of the "Power of One" approach • Responsible marketing • Advanced expertise • Investments in application R&D • Partnerships with start-ups • CSR assessment of suppliers
2022 KEY INDICATORS	• **45%** women on the Supervisory Board • **42.5%** women in key leadership positions • **44.1%** women in senior roles • **89%** of employees received training • **€8,211M** personnel costs • Women's Forum: **2,300** attended in Paris and **30,000** attended online WOMEN'S FORUM FOR THE ECONOMY & SOCIETY	• **30,000** talents 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*) • Founder of the *Once & For All Coalition* • **98%** of global Groupe providers assessed in CSR by a third party; +170 new local suppliers evaluated on P.A.S.S[3] • VivaTech 2022: **91,000** visitors present in Paris and **300,000** online VIVA TECHNOLOGY
SDG[1]	3 4 5 8	8 12

(1) SDG : United Nations Sustainable Development Goals. Publicis Groupe has confirmed 8 Common Visions where the Groupe and its people can contribute to make a positive impact (see chapter 4.6).

(2) A.L.I.C.E. : *Advertising Lasting Impact & Carbon Emissions*, proprietary platform.

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

FOUR MAIN EXPERTISES

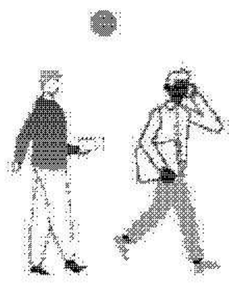
To help our clients develop and activate effective and responsible business strategies

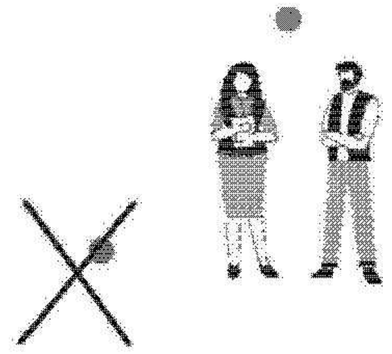
Publicis Groupe's service offering is based on a detailed knowledge of consumer expectations and on a unique base of expertise, with dynamic, diverse and disruptive creativity, a powerful large-scale targeted media offering, as well as data skills and innovative technological solutions. Publicis Groupe helps its clients retain control of their customer data to build their own digital channels and establish a direct dialogue with each and every one of them.



DATA

Epsilon





TECH

publicis sapient

FINANCIAL

- Total balance sheet assets: **€35.9Bn**
- Family shareholders and Corporate Officers: **9.3%** of capital*
- Highest operating margin in the industry
- Strong top-line growth
- Present in more than **100 countries**

- **€14.2Bn** revenue
- **€12.6Bn** net revenue
- **€2,266M** operating margin
- **€1,611M** Headline Groupe net income (4)
- **€1.7Bn** Free Cash Flow(5) (before WCR change)
- **€2.90** dividend per share (6)

SOCIETY

- Ethics & compliance
- Commitment to communities

- **510** *pro bono* campaigns & volunteering actions
- Fight for social justice

- **€430M** taxes paid in 2022
- **€39.5M** equivalent value undertaken in community activities
- **US$25M** invested for *Once And For All Coalition* by *APX Content Ventures*

ONCE & FOR ALL COALITION | POWERED BY PUBLICIS MEDIA

ENVIRONMENTAL

- Switching to renewable energies
- Eco-design of campaigns and digital solutions

- SBTi targets: **1.5°C** scenario
- 2030: **50%** reduction in scopes 1+2+3(7)
- 2040: **90%** reduction in scopes 1+2+3
- NetZero before 2040
- Impact reduction campaigns & digital solutions

- Carbon intensity 2022: **2.2** $TeqCO_2$ *per capita* (-32.2% since 2019)
- **47%** of RE(8) from direct source
- Carbon neutrality on scopes 1+2 (after purchases of RECs and CCVs)(9)
- A.L.I.C.E applicable to all Groupe activities
- Active member of *Ad Net Zero* industry initiative to align carbon emissions calculations

(4) Groupe share
(5) The published net cash flow for 2022 is €1,304m before the payment of an additional tax of €106m made in January 2023 relating to 2022 under the new U.S. Tax Cuts and Jobs Act ("TCJA") on the capitalization of R&D expenses confirmed at the end of December 2022.

(6) Submitted to Shareholders' vote during the Annual General Meeting held on May 31, 2023

(*) See chapters 3.2.3.2.1 and 9.3.6 of the Universal Registration Document

(7) Targets approved by SBTi (Science Based Targets initiative) in March 2021 with 2019 as reference year
(8) RE: Renewable Energy
(9) 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

Anne-Gabrielle Heilbronner
SECRETARY GENERAL
PUBLICIS GROUPE

Arthur Sadoun
CHAIRMAN OF THE MANAGEMENT BOARD PUBLICIS GROUPE

Michel-Alain Proch
CHIEF FINANCIAL OFFICER
PUBLICIS GROUPE

DIRECTOIRE +

Agathe Bousquet
PRESIDENT FRANCE
PUBLICIS GROUPE

Dave Penski
CEO
PUBLICIS MEDIA US

Carla Serrano
STRATEGY DIRECTOR
PUBLICIS GROUPE

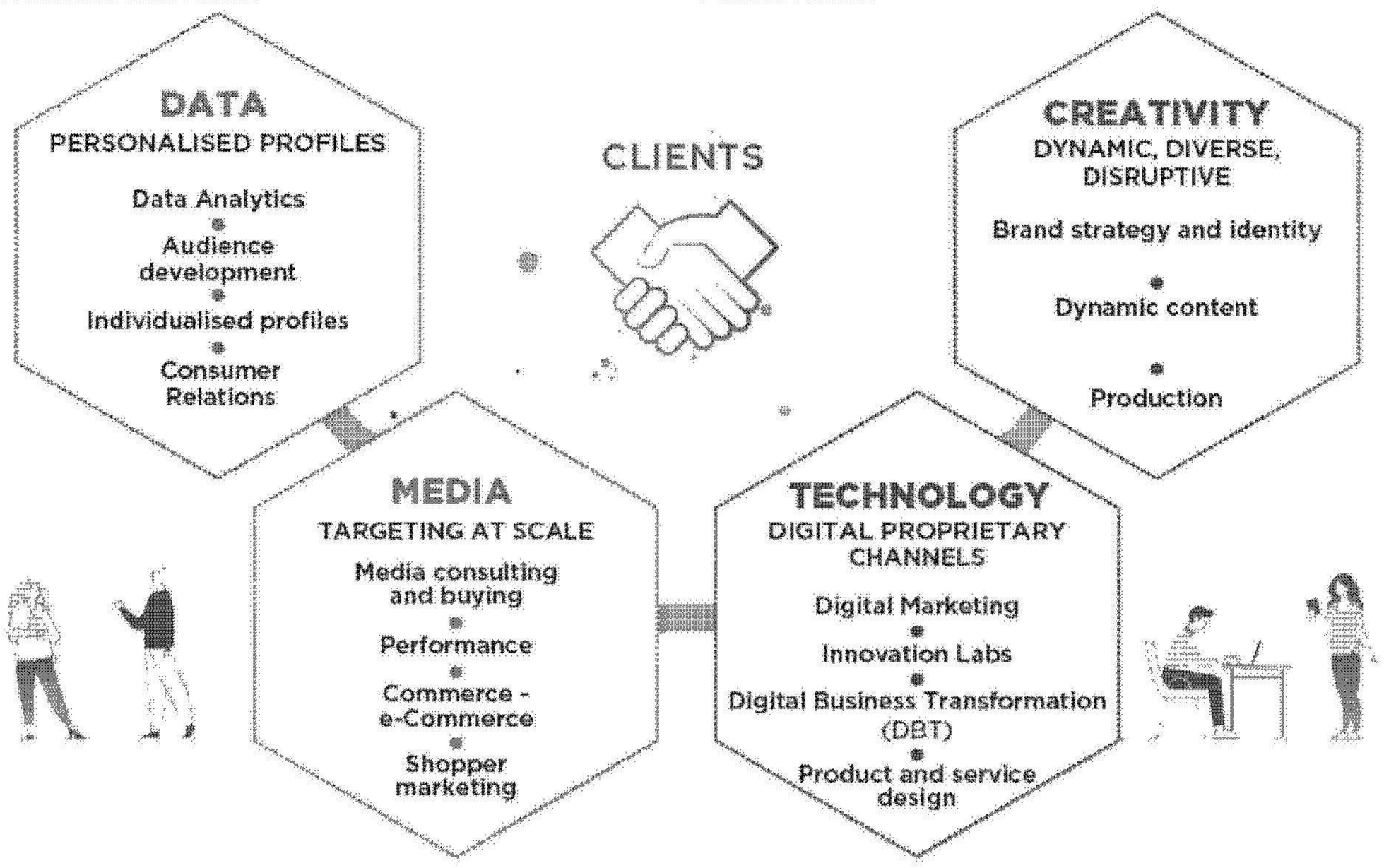
Nigel Vaz
CEO
PUBLICIS SAPIENT

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, Central and Eastern Europe, Western Europe, Latin America) 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 offering clients a cross-functional offering that meets all their needs.

The Groupe's offer is based on four main areas of expertise. Creative, dynamic, diverse and disruptive, 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. Publicis Groupe also has a division entirely dedicated to the healthcare sector, Publicis Health.



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 83,000 unique users

SHARED SERVICES CENTERS
5,000 employees
Support functions

TALENTS

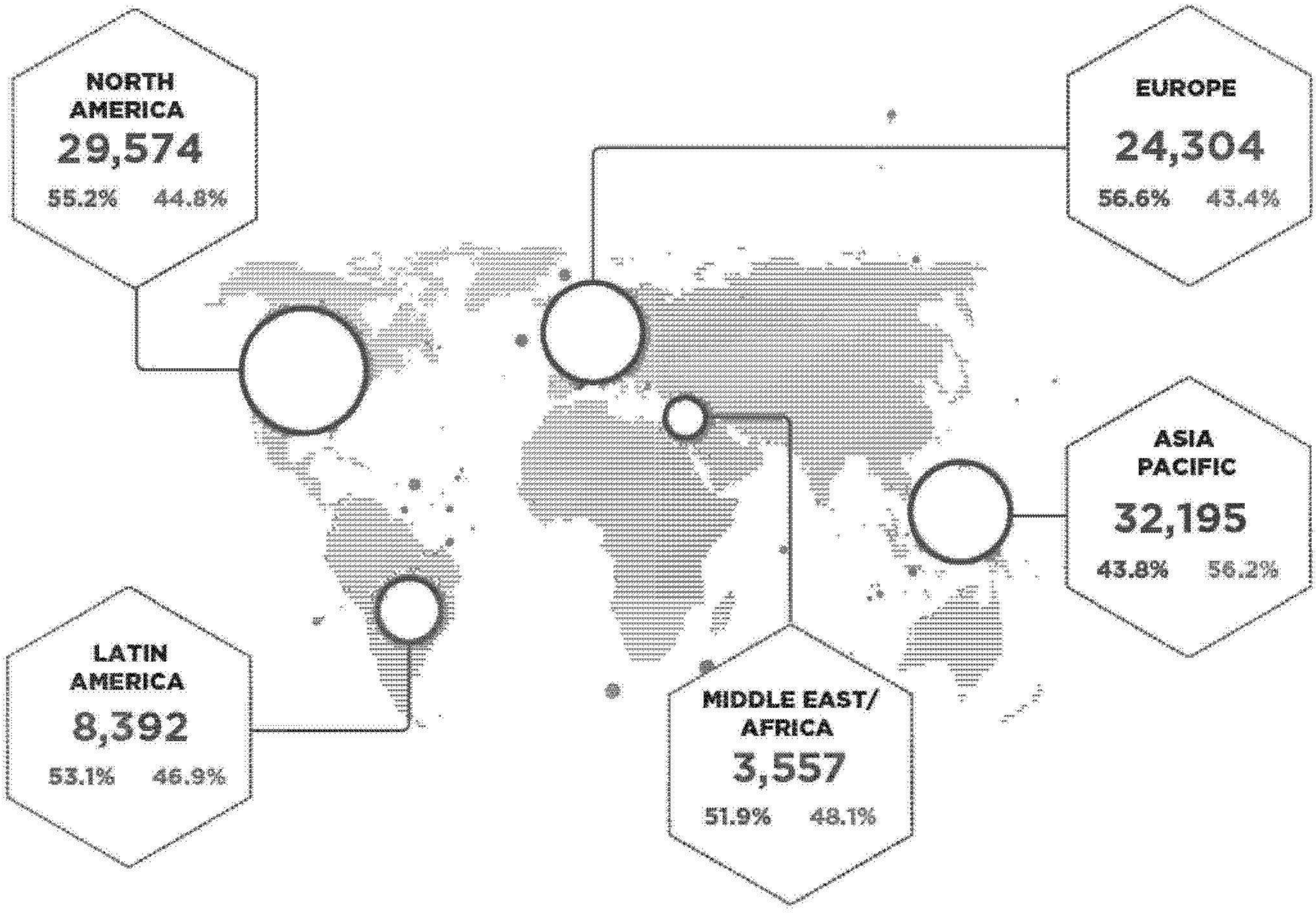
98,022
EMPLOYEES
at December 31, 2022



WOMEN
51.3%



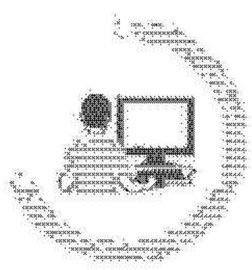
MEN
48.7%



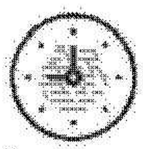
MAIN JOB CATEGORY AND FUNCTIONS

Client Management	**23.3%**	40.3%	59.7%
Engineering	**17.8%**	24.5%	75.5%
Media	**12.7%**	55.9%	44.1%
Creative	**12.0%**	47.1%	52.9%
Support Functions	**11.9%**	66.6%	33.4%
Data & Tech	**8.8%**	39.5%	60.5%
Production	**4.6%**	49.0%	51.0%
Strategy	**4.1%**	59.5%	40.5%
Consulting	**4.0%**	43.6%	56.4%
General Management	**0.8%**	40.3%	59.7%
Healthcare	**0.2%**	70.7%	29.3%

TRAINING



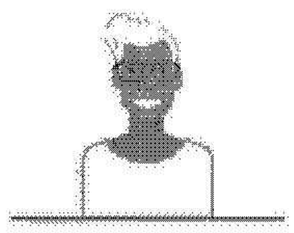
89%
of employees received training in **2022**



Average
21h
per capita

WOMEN

On Supervisory Board
45%*



In key leadership positions
42.5%

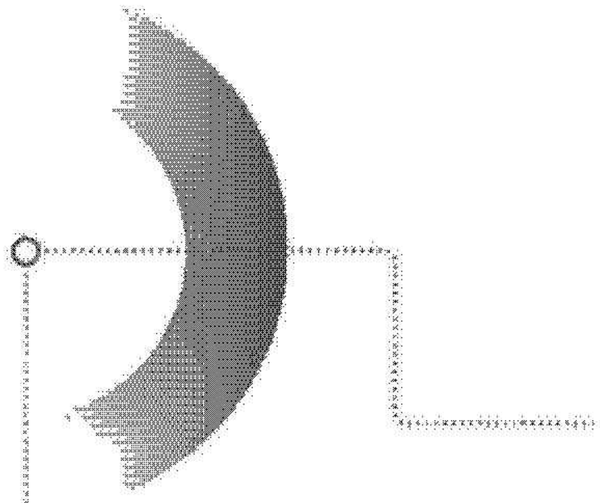
In senior positions
42.5%

(*) Excluding members of the Supervisory Board representing employees

KEY FIGURES

NET REVENUE AND ORGANIC GROWTH

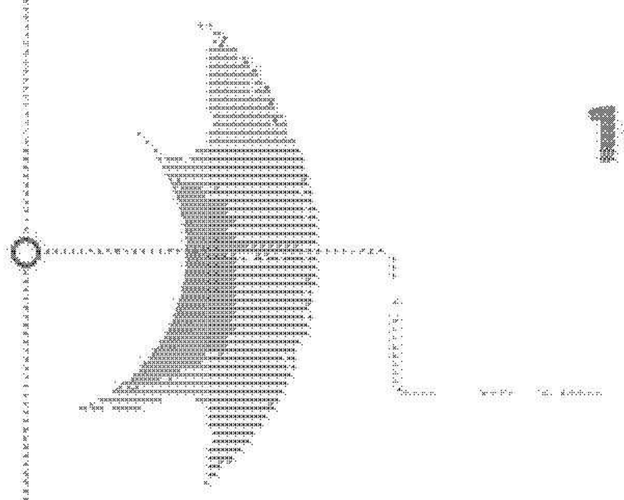
IN 2022



12,572
Million Euros

+10.1%

IN 2021



10,487
Million Euros

+10.0%

IN 2020

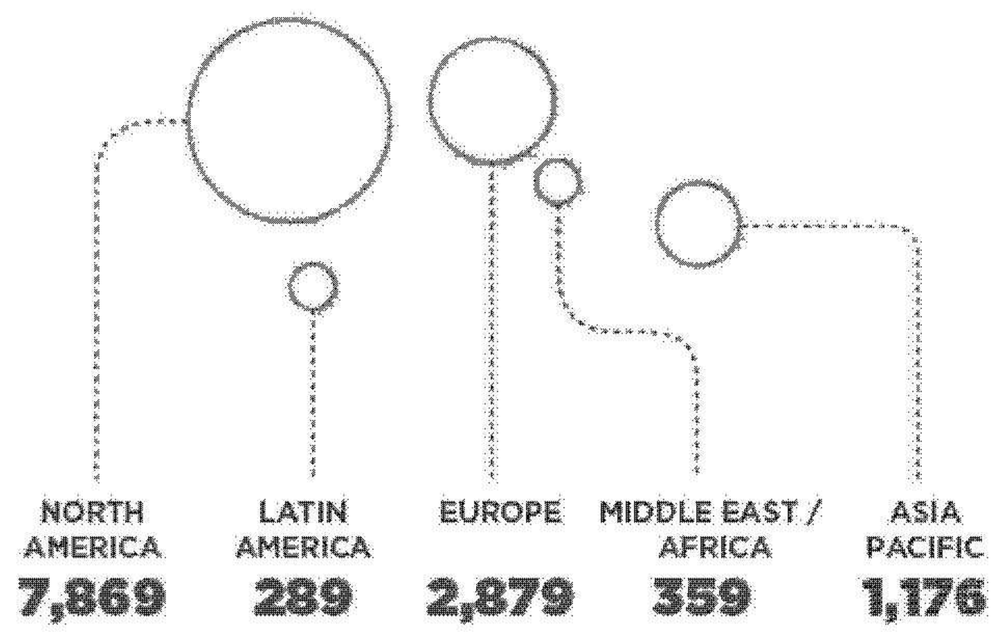
9,712
Million Euros

-6.3%

BREAKDOWN OF 2022 NET REVENUE

BY GEOGRAPHIC REGION

In millions Euros



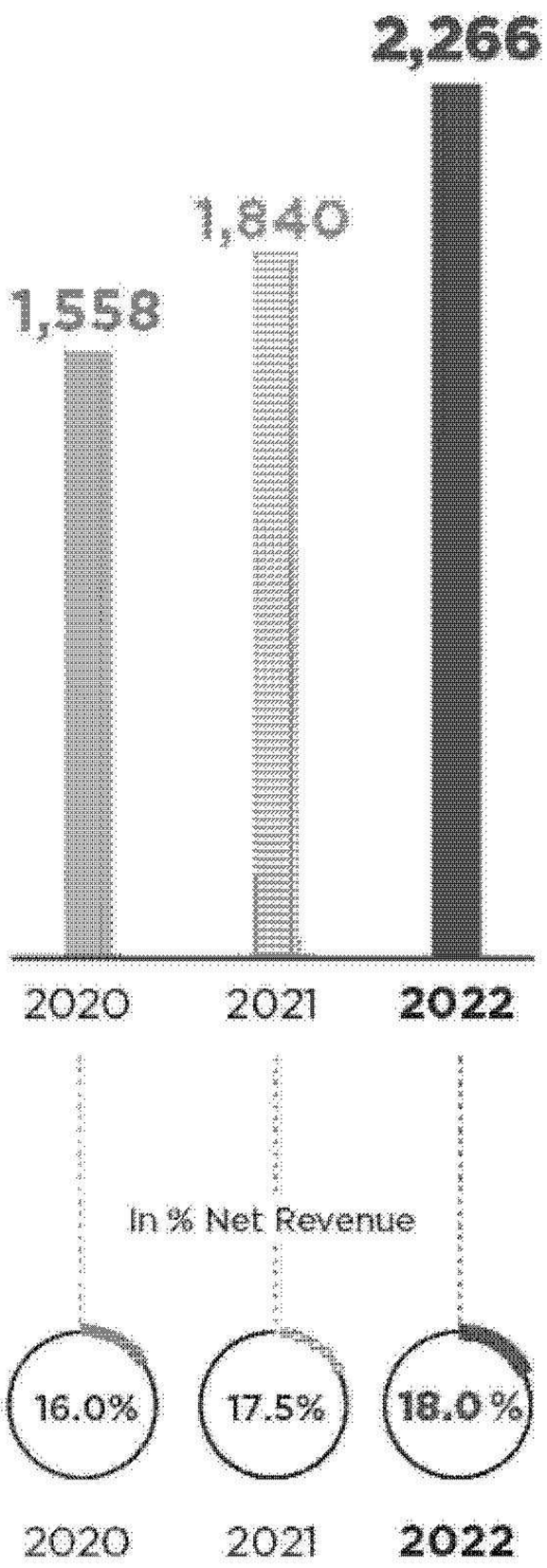
BY CLIENT BUSINESS SECTOR

ON THE BASIS OF **3,620** CLIENTS
representing 92% of the Groupe's total net revenue

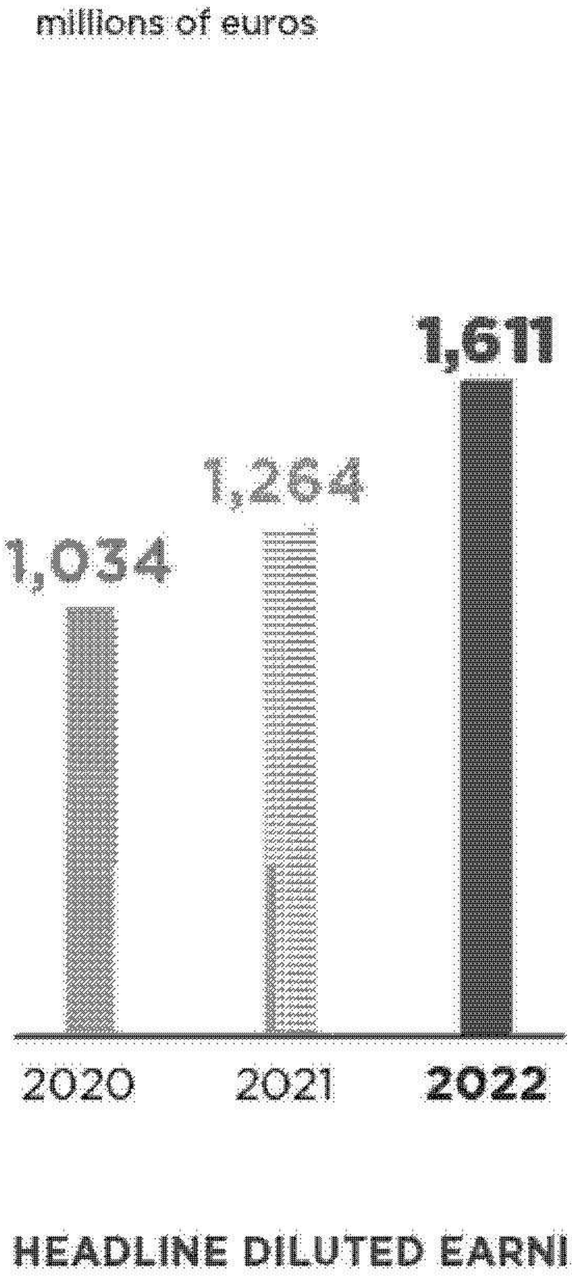


KEY FIGURES

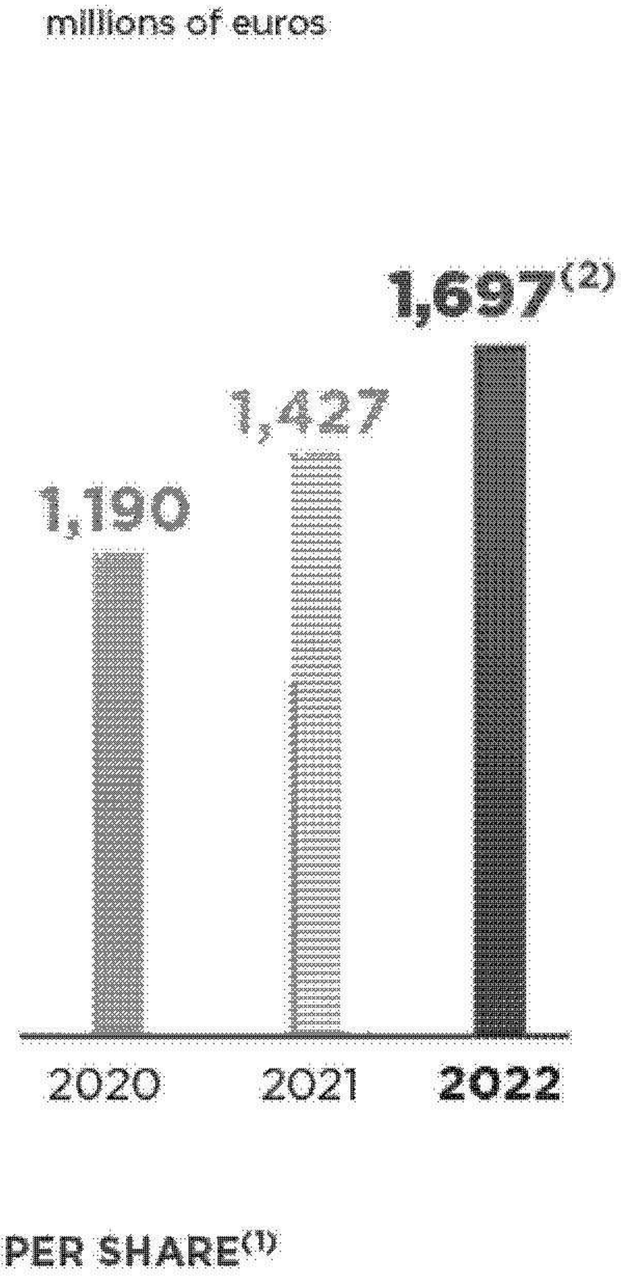
OPERATING MARGIN[1]
millions of euros



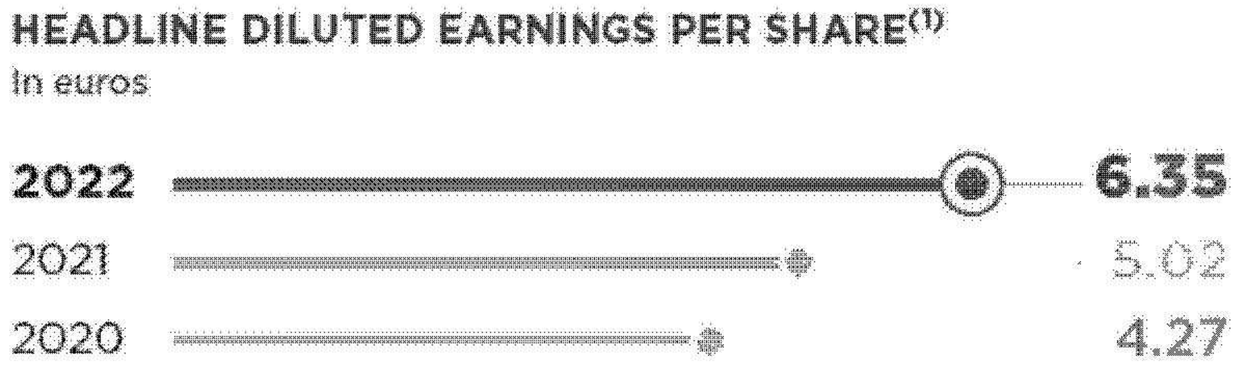
NET INCOME
HEADLINE GROUPE[1]
millions of euros



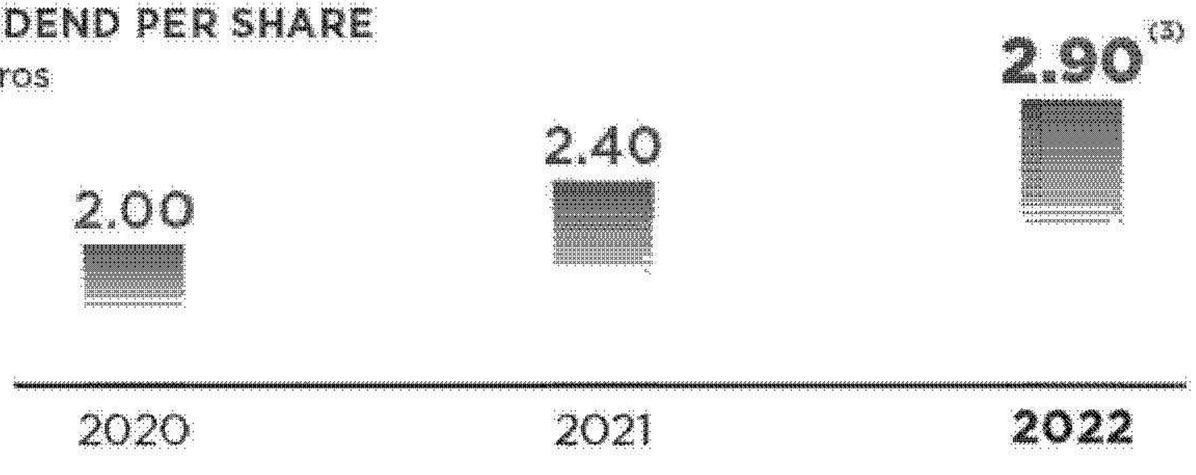
FREE CASH FLOW
BEFORE CHANGE IN WORKING CAPITAL[1]
millions of euros



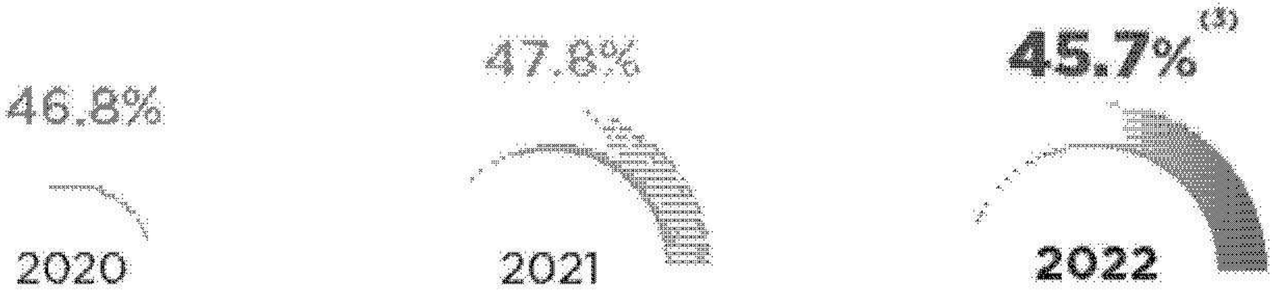
HEADLINE DILUTED EARNINGS PER SHARE[1]
In euros



DIVIDEND PER SHARE
In euros



PAYOUT RATIO
In %



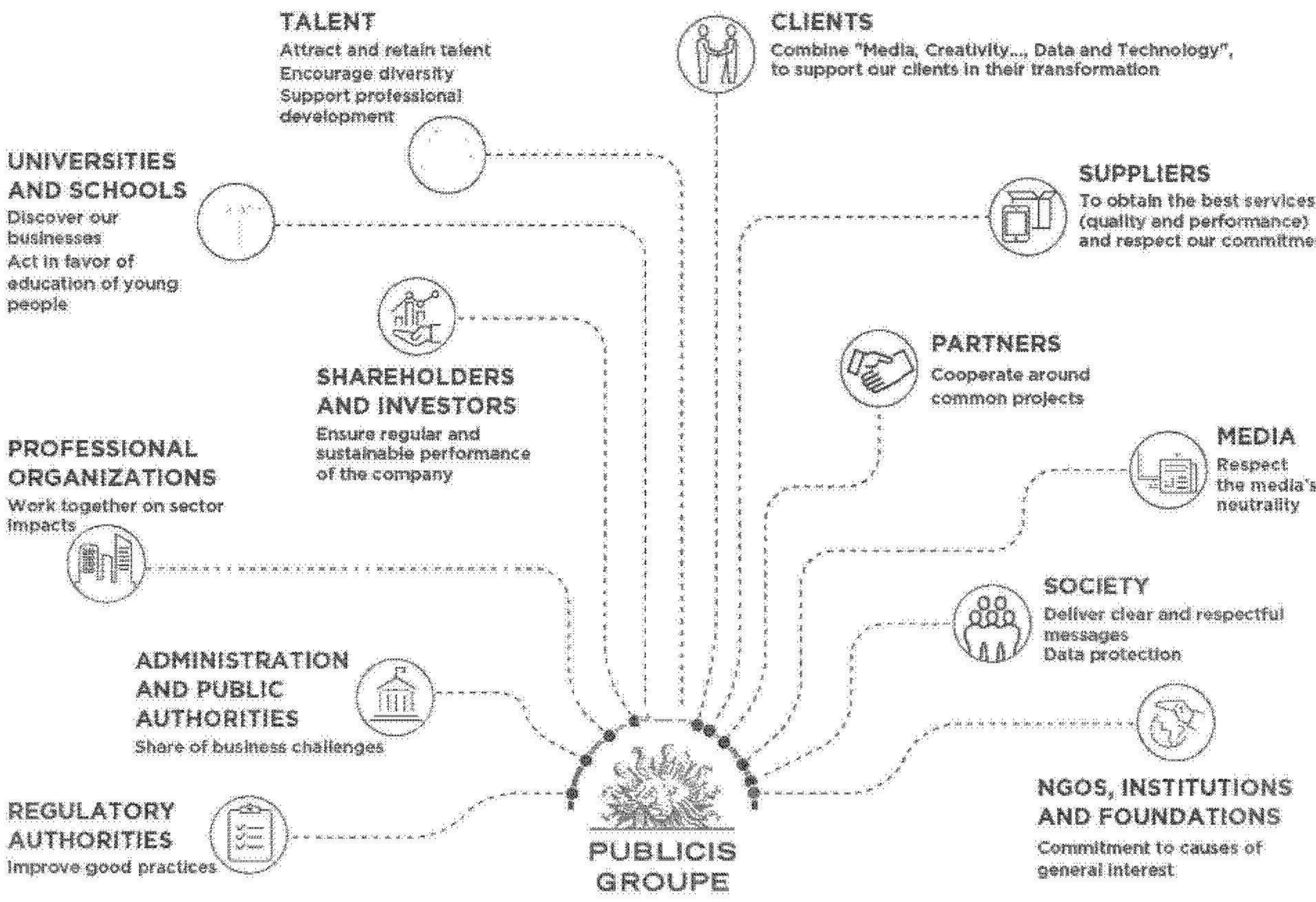
(1) See definitions in the Glossary at the end of the introduction section.

(2) Free Cash Flow published for 2022 is €1,807m before a €110 million tax payment made in January 2023 relative to 2022. This payment reflects the application of the new US "Tax Cuts and Jobs Act (TCJA)" legislation on the capitalization of R&D expenses, confirmed at the end of December 2022.

(3) Submitted to the vote of the General Shareholders' Meeting of May 31, 2023.

STAKEHOLDERS

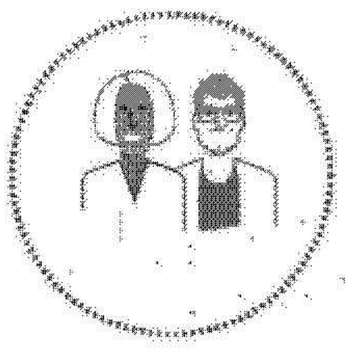
The dialogue with stakeholders takes place at various levels: the Groupe conducts a review every two or three years, in the form of individual interviews with clients and investors, and workshops for employees, to work on feedback from over 100 participants. Countries also have their own dialogue with their stakeholders, as France does through its quarterly Positive Talks conferences, which bring together clients, partners and suppliers, and representatives of institutions and associations to discuss current issues and the role that communication should play in this period of major transformation. In the United Kingdom, the internal Green Council, which brings together the various activities, works with partners, clients and associations to advance practices and support the transition. In the United States, the Global Standard Council provides monthly updates on developments in professional standards and innovations related to ESG issues with internal and external guests (see also chapter 4.2.9).



With the forthcoming implementation of the CSRD (*Corporate Sustainability Responsibility Directive*), which will replace the current NFRD (*Non-Financial Reporting Directive*) in 2024, Publicis Groupe is launching in 2023 a consultation process with its stakeholders in order to gain a better understanding of the double materiality exercise.
The main stakeholders - Clients, Talents and Investors - will be interviewed in several countries, in order to understand more closely the Group's CSR/ESG challenges related to its three priorities:

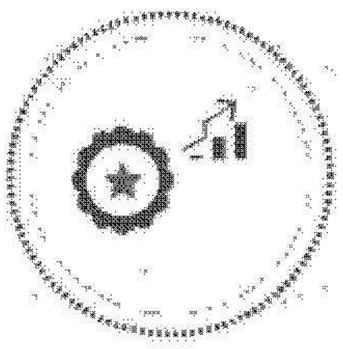
1

Diversity, Equity, Inclusion, and Fight for social justice



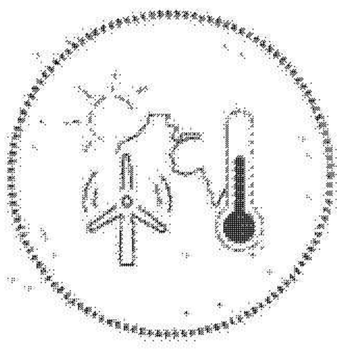
2

Responsible Marketing and Business Ethics



3

Fight against Climate change



GOVERNANCE

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

SUPERVISORY BOARD

45%(1)

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.

ATTENDANCE RATE

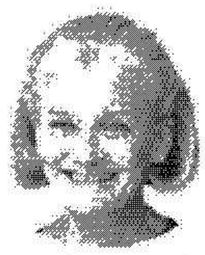
98%

7

MEETINGS IN 2022



MAURICE LÉVY
Chairman of the Supervisory Board
Member of the Nominating Committee, of the Strategy and Risk Committee and of the Compensation Committee



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 Audit Committee, of the Compensation Committee and of the Strategy and Risk 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 Committee
Member of the Audit Committee and of the Nominating Committee



DR ANTONELLA MEI-POCHTLER
Independent Member
Member of the Compensation Committee, of the Strategy and Risk Committee and of the ESG Committee



TIDJANE THIAM
Independent Member
Member of the Audit Committee and of the Strategy and Risk Committee



PIERRE PÉNICAUD
Member representing employees
Member of the Strategy and Risk Committee



PATRICIA VELAY-BORRINI
Member representing employees
Member of the Compensation Committee and of the ESG Committee

MANAGEMENT BOARD

33%

ARE WOMEN

ATTENDANCE RATE

97%

15

MEETINGS IN 2022



ANNE-GABRIELLE HEILBRONNER
SECRETARY GENERAL PUBLICIS GROUPE



ARTHUR SADOUN
CHAIRMAN OF THE MANAGEMENT BOARD & CEO 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 products 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 Groupes 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: three-year growth calculated as follows: ([1 + organic growth (n-2)] * [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 before 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, and revaluation of earn-outs.

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 20

1.2 ORGANIZATION CHART 25

1.3 ACTIVITIES AND STRATEGY 26

1.4 INVESTMENTS 35

1.5 MAJOR CONTRACTS 37

1.6 RESEARCH AND DEVELOPMENT 37

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 government-owned 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 Groupe 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' well-established position in the United States, LBi's strong presence in Europe and the strong position of both networks 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 PlaftormTM, 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 and completed in early 2015. 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.

Publicis Sapient is part of the new organization 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 media accounts this year. Publicis Groupe was one of the most exposed of the major communication Groupes. 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 – acts as the sole point of contact and account manager who can draw on our pool of almost 84,000 talent 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 allows us to keep pace with the rhythm of change that shows no signs of slowing down;
- a 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 Groupes 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.

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.

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 (client manager dedicated to a client), 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 Groupe 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 largest 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 roll-out 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 corporate 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%, 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 very strong 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.

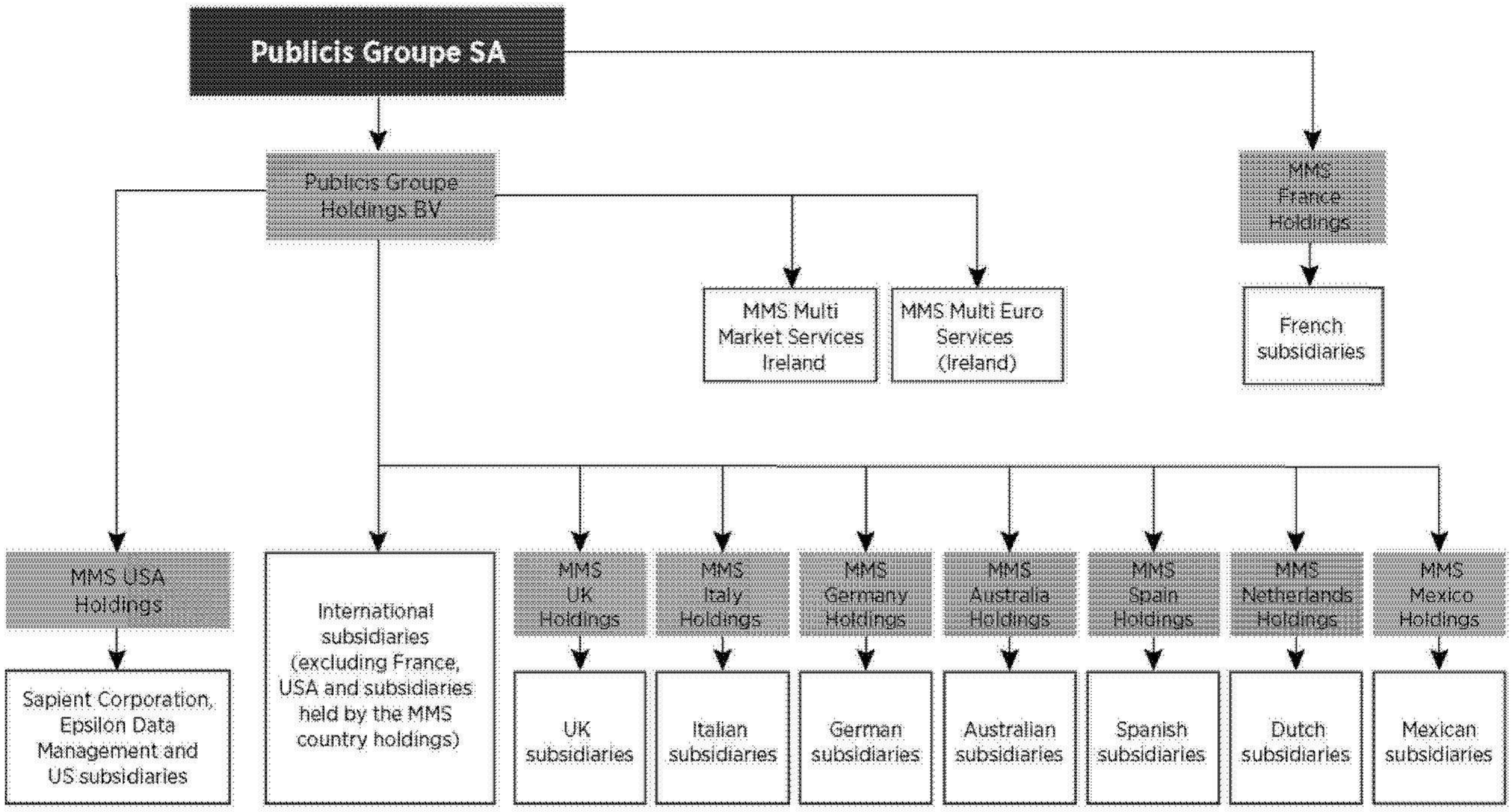
In 2022, the Groupe set new records, despite a difficult macroeconomic context marked by the conflict in Ukraine, the return of inflation and the Covid-19 pandemic, still present around the world. The Groupe's revenues exceeded euro 14 billion for the first time and net revenue euro 12 billion, driven in particular by double-digit organic growth for the second consecutive year. This performance reflects the strong momentum of the Data & Tech activities, which represent one-third of the Groupe's revenue, and their integration into the creative and media businesses, which uniquely positions our offer to clients. Thanks to its assets, the Groupe was able to continue to capture the change in client spend towards first-party data management, increasingly targeted Media and the development of client-specific ecosystems. All this in a context of media landscape fragmentation, which has seen the growth of platforms slow down and other digital channels emerge, such as Retail Media.

At the same time, the Groupe maintained its financial ratios, which are among the highest in the sector, with an operating margin of 18%, while increasing bonuses to a level never before achieved by the Groupe. The Groupe also continued to invest in its talent by recruiting nearly 9,700 people in order to respond to strong business growth, thus reaching a total of circa 98,000 employees at the end of the year.

In terms of ESG, the Groupe maintained its position as an industry leader by remaining number one for the vast majority of rating agencies, and made its entry into the Dow Jones Sustainability World Index and Dow Jones Sustainability Europe Index. In addition, the Groupe has laid the foundations for a major initiative, #WorkingWithCancer aimed at eradicating the stigma of cancer in the workplace, by supporting affected employees or those whose relatives are affected by the disease. Many companies have joined the project since the beginning of 2023.

1.2 ORGANIZATION CHART

1.2.1 Brief description of the Groupe



1.2.2 Main subsidiaries

Information concerning Publicis' principal consolidated subsidiaries at December 31, 2022 is provided in Note 35 to its consolidated financial statements in Chapter 6 of this Universal 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 at December 31, 2022 have been sold as of the date of this document.

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 35 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 2022, 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, established in 1926 when Marcel Bleustein-Blanchet created what was essentially a start-up.

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 nearly 100 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.

In 2022, the Groupe operates in more than 100 countries, has more than 98,000 employees and has become the second largest Groupe in the global communications sector(1).

1.3.2 Strategy

The Groupe has always placed client needs at the heart of its model. In an increasingly personalized world, Publicis is positioning itself as a privileged partner in their transformation, whether in marketing or digital.

Publicis supports its clients from consulting to execution thanks to its expertise grouped within four main activities: Communication, Media, Data, and Technology, with a unified and fluid organization.

To this end, the Groupe has continuously invested in its offer and organization over the years.

First, because of structural changes that make our clients' media and marketing context increasingly complex and fragmented, creating huge challenges but also many opportunities have been created, especially in Commerce.

In just a few years, mobile and digital technologies have greatly strengthened the power of consumers, disrupting balances and facilitating the emergence of new competitors for our clients. Their relationship with their own customers has been transformed by the explosion of social platforms and networks, creating new advertising ecosystems such as Google, Facebook, Youtube, Instagram and TikTok, to name just a few. Consumption habits have also changed drastically with the emergence of e-commerce platforms, as customers are now accustomed to having one-click access to all products at any time. In fact, Direct-to-Consumer brands, born on the Internet, have created the need for established brands to build a direct relationship with their consumers in order to get to know them better while respecting the rules of confidentiality and data protection. As third-party cookies are set to disappear by 2024, advertisers can capitalize on their in-depth knowledge of their customers and benefit from the strong development of new advertising channels such as Retail Media and connected television. In addition, brands are gradually transforming their own model in order to be equipped for a world that is increasingly personalized, fragmented and focused on the commercial experience.

(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 clients relevant solutions to develop their business model, particularly in terms of Direct-to-Consumer.

Since then, the Groupe has continued to strengthen its differentiation by investing in new data and technological assets in high-growth segments, such as connected television with the launch of PMX Lift in the United States, and Retail Media with the acquisition of CitrusAd in 2021, then commerce with the acquisition of the Profitero platform in 2022.

At the same time as it is transforming its offering, 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 clients 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, etc.

Production

Publicis Groupe offers global expertise, available 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 experience

If in 2020, the various lockdown measures in many countries to combat the Covid-19 pandemic accelerated digital penetration, they have only accelerated a fundamental shift in consumer habits.

Publicis has developed a 100% digital offering, through its Razorfish, Digitas and Moxie brands, among others, to support clients 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, Salterbaxter, 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.

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, the agency creates 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 mobile 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.

In 2022, Publicis strenghtened its expertise through the acquisition of Profitero, a world-leading SaaS platform for e-commerce intelligence enabling brands to analyze and optimize their sales, marketing and operating performance for 70 million products sold online through more than 700 e-commerce sites worldwide.

Data expertise at the heart of the Groupe's offer, for in-depth knowledge of consumers

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.

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 and delivery experts 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 once again to the end of 2024 on the main browser) and the changes related to mobile identifiers (IDFA) are profoundly changing the way in which consumers 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 2022, Epsilon made a significant contribution to new contract wins, particularly in Media. At the same time, Epsilon further strengthened its operations by launching its activity in Latin America with the acquisition of Retargetly, by acquiring Yieldify, an e-commerce customization technology Company based in London.

The year was rich in developments in the booming field of Retail Media, in which the Groupe established itself as one of the leaders after its acquisition of CitrusAd in 2021. In June, Publicis launched *CitrusAd, powered by Epsilon*, the industry's leading self-service platform offering a unified Retail Media offer both on-site (on e-commerce sites) and off-site (on publisher sites). In November, Publicis and Carrefour announced that they were joining forces to create a leader in Retail Media in continental Europe and Latin America. The two Groupes intend to create a joint venture in which the advanced technologies of Publicis will be combined – *CitrusAd powered by Epsilon* – with the power of data and the Retail Media expertise of Carrefour Links.

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 20,000 employees.

Publicis Sapient helps its clients build a strategy that puts experience and technology at the heart to accelerate growth, create a strong customer experience based on data, and develop innovative and agile technological solutions (infrastructures, applications, etc.), set up and run data projects, and transform working approaches to design new high value-added digital products and services.

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 transportation & automotive, consumer products, energy & raw materials, retail, financial services, healthcare, media & telecommunications, and travel & hospitality.

After the reorganization of its North American activities in 2019, Publicis Sapient focused on the digital transformation of companies in a context of growing demand for this expertise. On this solid foundation, Publicis Sapient made a significant contribution to the Groupe's growth, with an organic increase in its overall net revenue of 13.8% in 2021 and 18.5% in 2022.

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 generic product development, including 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 concern 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.

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 and Latin America.

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 transversal offer that meets all 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 specific 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 expertise 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.

The GCL's role is to strengthen and perpetuate the relationships forged between Publicis Groupe and its clients around the world with the aim of facilitating their access to the Groupe's talent and diversity of its expertise, with a view to simplifying the organization.

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, Media and Production. The 650 talent of Tremend, a company based in Romania and acquired by the Groupe in January 2022, 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, media invoicing and payment, accounting, treasury, legal, human resources, procurement, 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.

In 2022, Publicis Re:Sources supported the return to the office and hybrid working methods thanks to a mix of technological and real estate solutions.

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. 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 or 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 Work Your World program), apply for an assignment on a project 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). Lastly, Marcel is the platform supporting the Groupe's collaborative processes through a unified and intelligent user experience making it possible, for example, to search for content thanks to an elastic search engine using inference, to collaborate around a production project, discuss with a client to validate a proof, etc. Marcel is structured as a Platform As a Service, offering more applications each year to serve our clients 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 36% 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 2022 are listed below:

Europe

Asda; British Telecom; GSK; Lloyds Banking Group; L'Oréal; Procter & Gamble; Renault; Samsung; Stellantis; Walt Disney

North America

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

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; Mondelez

Middle East/Africa

Neom; Nestlé; McDonald's; Samsung; Abu Dhabi Culture; Vodafone; Stellantis; Majid Al Futtaim Group, Beiersdorf, Etisalat

In 2022, the breakdown of the business sectors of the Groupe's clients as a percentage of total net revenue was as follows:

- Automotive: 15%;
- Financial: 15%;
- TMT: 13%;
- Healthcare: 13%;
- Food and beverage: 12%;
- Non-food consumer products: 11%;
- Retail: 10%;
- Public sector & other: 4%;
- Leisure and travel: 4%;
- Energy & Industry: 3%.

On the basis of 3,620 clients representing 92% 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 intentions (purchase of space) by advertisers. These estimates are expressed in billings and do not as such represent advertising agencies' potential revenue. A quarterly or semi-annual 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

2022 Global advertising market	Advertising spend in 2022 (in millions of US dollars)[1][2]	% of global advertising spend in 2022[1][2]	% of Publicis Groupe's net revenue in 2022
North America	338,375	40%	63%
Europe	158,973	19%	23%
Asia Pacific	286,884	34%	9%
Middle East & Africa	19,784	2%	3%
Latin America	42,413	5%	2%
Total	**694,346**	**100%**	**100%**

(1) In current prices and at 2022 average exchange rates.
(2) Zenith forecasts for Publicis Groupe markets.

/ Geographical breakdown of Publicis Groupe's net revenue

(in millions of euros)	2021	In %	2022	In %
North America	6,368	61%	7,869	63%
Europe	2,534	24%	2,879	23%
Asia Pacific	1,038	10%	1,176	9%
Middle East & Africa	304	3%	359	3%
Latin America	243	2%	289	2%
Total	**10,487**	**100%**	**12,572**	**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.

1.3.7 Competition

In 2022, the Groupe rose to the number 2 position in the global ranking of communications groups (ranking by revenue, source: companies' annual reports).

See the table below for the published net revenue and revenue of the top four groups in 2022:

(in millions)[1]	WPP	Publicis	Omnicom	Interpublic
Net revenue in local currency	GBP 11,799	EUR 12,572	n/a	USD 9,449
Net revenue in dollars	USD 14,584	USD 13,250	n/a	USD 9,449
Revenue in local currency	GBP 14,429	EUR 14,196	USD 14,289	USD 10,928
Revenue in dollars	USD 17,834	USD 14,963	USD 14,289	USD 10,928

(1) Exchange rate: 1 euro = USD 1.054; 1 euro = GBP 0.853.

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.

Generally speaking, the advertising and communications markets are highly competitive and the Groupe competes with many international agencies.

Publicis Groupe also faces competition from a large number of independent local advertising agencies around the world.

Furthermore, 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.

The Groupe expects competition to remain intense, in particular due to the potential consolidation of the advertising budgets of major international advertisers, which are working with an increasingly small number of agencies. Also of note, the considerable changes in the communication sector are reflected in the emergence of new competitors from the consulting and high-tech sectors.

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. For example, 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.

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.

Publicis Groupe is governed by the data protection laws and regulations in the majority of countries it is active in. The Groupe updated its personal data privacy policy to align with current regulations such as the EU General Data Protection Regulation (Regulation [EU] 2016/679 of April 27, 2016, GDPR). After Brexit, the United Kingdom incorporated the GDPR into its legislation via the "UK GDPR". Just as it tightened obligations incumbent on companies, the GDPR and UK GDPR also created and strengthened the rights of individuals, in particular with regard to their right to information on how their data is processed. These regulations also lay down the framework for transfers of personal data outside the EU to ensure that individuals enjoy a sufficient and appropriate level of protection. European supervisory authorities are evidencing increased vigilance and 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.

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. This Directive, as well as its transposition into French law by Law no. 2004-575 For Confidence in the Digital Economy, 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. The CNIL has made cookie compliance one of its main areas and has sanctioned several companies for non-compliance.

Since the implementation of the GDPR, an increased number of countries across the globe are adopting personal data protection regulations. In the United States, in the absence of federal regulations, California adopted the California Consumer Privacy Act (CCPA), which came into force in January 2020 and was supplemented in October 2020 by the California Privacy Rights Act (CPRA) which came into force in January 2023 and will be applied as from July 1, 2023. The CCPA requires the implementation of opt-out mechanisms allowing the user to refuse the use of their personal data and the CPRA strengthens the requirements relating to the way in which companies are authorized to use the personal information of consumers in California. The states of Virginia, Colorado, Connecticut and Utah also adopted privacy laws in 2021/2022, all of which will come into force on different dates in 2023. These laws incorporate some of the concepts of the GDPR and the CCPA. A dozen other US states are in the process of proposing their own draft laws on personal data protection which, if adopted, will continue to complicate the situation with the fragmentation of the legislative landscape.

In 2021, Brazil and the People's Republic of China adopted their personal data protection laws. In 2022, India, Australia and Saudi Arabia introduced more substantial personal data protection laws.

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". These are centered around the Digital Market Act (DMA), the Digital Services Act (DSA) and the Data Governance Act (DGA). The DMA aims to regulate the behavior of platforms that have a significant impact on the European market, particularly with regard to competition law. This text contemplates obligations relating to the use of personal data for targeted advertising. The DSA aims to regulate the operation of platforms, regardless of their size, and in particular the content published on the Internet.

The DGA aims to increase trust in data sharing, strengthen mechanisms to increase data availability and overcome technical barriers to data reuse. The DMA and DSA entered into force in November 2022 and the DGA entered into force in June 2022.

Artificial Intelligence (AI) has been developing rapidly in recent times and is commonly used by companies for advertising-related activities. It is receiving increased attention from regulators in both the European Union and the United Kingdom. In April 2021, the European Commission proposed an AI law and the United Kingdom's data protection regulator, the ICO, published guidelines and made AI one of its three main strategic priorities.

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 step with the rapid changes in consumer behavior and technologies.

1.4.1 Main investments and divestments during the past three years

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 USD 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 expertise in e-commerce sites combined with Epsilon's Retail Media offer for publishing sites, both powered by the CORE ID, enables Publicis Groupe to lead the new generation of identity-led Retail Media, with completely transparent performance measurement, validated directly by transactions. This acquisition was completed on September 1. While the growth of Retail Media is exponential, this acquisition aims to enable Publicis Groupe's clients to accelerate their growth in this very dynamic sector. Clients will thus have complete visibility on the consolidated performance of their media investments and unparalleled access to first-party data from e-commerce sites, enabling them to prepare for a world without cookies.

Publicis also completed the acquisition of **Boomerang** in Benelux, strengthening its dynamic creativity and content offer 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 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.

In 2022, the Groupe made several acquisitions to strengthen its capabilities in Data, Digital Business Transformation and Commerce. In digital transformation, the Groupe acquired **Tremend**, a Company of 650 engineers and developers, founded 16 years ago and based in Bucharest (Romania), to develop the new Publicis Sapient global distribution center in Europe. The Groupe also acquired **Tquila ANZ**, one of the leading multi-cloud solution consulting firms in Australia, with the aim of strengthening the Salesforce expertise of Publicis Sapient. In Commerce, the Groupe acquired the SaaS platform, **Profitero**. With 300 employees, this world leader in e-commerce intelligence enables brands to analyze and optimize their sales, marketing and operational performance on 70 million products sold online on more than 700 e-commerce sites worldwide. In Data, the Groupe acquired **Retargetly** and **Yieldify** and integrated them within Epsilon. Retargetly works with distributors and publishers to combine first-party data with partner data for personalized targeting and audience measurement on digital channels. This acquisition enabled Epsilon to launch its activities in Latin America. In addition, the acquisition of Yieldify strengthened the Epsilon PeopleCloud offering with solutions that improve the personalization of sites and the optimization of conversions and the client experience.

In Retail Media, the **Carrefour Group and Publicis** announced their intention to create a **joint venture** to address this fast-growing segment in Continental Europe and Latin America. By combining the "CitrusAd powered by Epsilon" technology of Publicis with the knowledge and Retail Media expertise of Carrefour Links, this new joint venture will build a complete media player that will cover the entire Retail Media value chain. The platform will develop the technology to create advertising spaces and access the data for distributors and will go as far as the full marketing of media and data solutions with advertisers, relying directly on transactions, in Continental Europe, Brazil and Argentina. The joint venture will be held 51% by Carrefour and 49% by Publicis. It is expected to start operations during the first half of 2023, subject to the usual regulatory conditions and legal consultations.

Following the conflict between Ukraine and Russia, Publicis announced in March 2022 its **withdrawal from Russia**, with the transfer of control 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 stopped its business and investments in Russia, and the cession was effective immediately. This disposal, effective immediately, led to an exceptional loss on disposal of euro 87 million. Russia has been deconsolidated since April 1, 2022.

Total acquisition costs for entities integrated during 2022 (gross payments, after excluding cash and cash equivalents acquired) came to euro 523 million, including euro 119 million in earn-out payments. In addition, euro 49 million was paid out as part of the disposal of Russia (cash of divested entities).

1.4.2 Main ongoing investments and divestments

There are no other 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, 2022 the Groupe also had commitments of euro 185 million under earn-out payments and euro 30 million for non-controlling interest buy-outs, a total of euro 215 million, of which euro 69 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 business, 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 PhD students work within the Groupe, most of them at Sapient and Epsilon.

In particular, at Epsilon, more than 60 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). In addition, two recent initiatives enable the internal community of engineers to work together more effectively: one the one hand, an internal collaborative space where several teams of engineers can collaborate on the same project; and, on the other hand, an agnostic solution for the Cloud, for artificial intelligence/machine learning projects that bring together engineers and data scientists to gain in efficiency and speed for large-scale solutions.

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 modelling 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

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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 Universal 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 to be 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 their potential impact and likelihood of occurrence, after taking into account the control measures implemented. The significance of the risks, as assessed by Publicis Groupe, may be amended at any time in light of changes in the Groupe's activities and circumstances.

At the date of filing of this Universal Registration Document, the geopolitical environment remains marked by the continuation of the conflict between Russia and Ukraine. The Groupe's low direct exposure to these two countries (0.5% of net revenue in 2021) was reduced during 2022 following the disposal of the activities in Russia to local management on March 15, 2022. Activities in Russia alone represented 0.4% of net revenue in 2021.

The Covid-19 epidemic seemed to gradually ease during 2022, which enabled in particular a lifting of restrictions in China at the end of the year. A possible resurgence of the epidemic and geopolitical tensions in other regions of the world could have an impact on the markets in which Publicis Groupe operates.

In general, all of the risks identified below must be considered in light of an uncertain macroeconomic context marked by high inflation and a rise in central bank interest rates.

Risk factors

Categories	Risk factors	Potential impact
Industry-related risks	• Particular sensitivity to the economic conditions	High
	• Highly competitive industry	High
	• Agility of the advertising and communication sector	High
Operational risks	• Risks related to employees	High
	• Risks associated with client portfolios	High
	• Cybercrime and IT systems failures	High
	• Risks related to mergers and acquisitions	Medium
Regulatory and legal risks	• Confidentiality of personal data	High
	• Risks of litigation, governmental, legal and arbitration proceedings	Medium
Financial risks	• Groupe's liquidity and financial rating	Low

1. Particular sensitivity to the economic conditions

High ✓ **Medium** **Low**

The advertising and communication sectors are particularly sensitive to changes in the budget of advertisers, whose activity may be affected by recessionary periods in certain countries or business sectors, due to macroeconomic factors such as inflation, rate increases or the resurgence of Covid-19. Although periods of slowdown are increasingly perceived by clients as opportunities to grow their market shares through appropriate communication or in-depth changes, an unfavorable economic environment could lead to a reduction in their advertising budgets and transformation and therefore have an adverse impact on the Groupe.

In addition, the Groupe's cost structure largely consists of employee compensation. As a result, macroeconomic factors such as high inflation over a long period could have an adverse impact on the margin, an impact that the Groupe has so far managed through the implementation of efficiency measures through its platform organization.

2. Highly competitive industry

High ✓ **Medium** **Low**

The advertising, communication and consulting industries are highly competitive and are expected to remain so. In addition, in a volatile economic environment, there is greater pressure from clients on their costs, adding to competitive pressure.

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 niches 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 the Groupe's clients' or prospects' specific marketing and communication needs.

The Groupe competes with these companies and agencies to both maintain existing client relationships and to win new clients and accounts. Growing competition could have a negative impact on the Groupe's revenue and earnings.

3. Agility of the advertising and communication industry

High ✓ **Medium** **Low**

Changes to regulations and market practices on the management of personal data may disrupt the advertising industry, in particular on data processing and analysis. The development of programmatic digital media buying, the possible internalization of some activities as well as the expansion of the Internet giants could lead to the capture of the Groupe's activities by other players. Finally, the disruption to 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 offer these clients the best possible service within adequate time frames and at scale, its financial position and results could be affected.

4. Risks related to employees

High ✓ Medium Low

Employee health and well-being is at the heart of the Groupe's concerns. In the context of a post-Covid-19 world and a widespread use of remote working, the Groupe's talent face health and psychological risks in their professional activities. They may also be exposed to other risks that may have a physical or moral impact on them.

The advertising and communication industry is known for high turnover among its management and talent. Technology companies and the Internet sector attract certain profiles that the Groupe would like to recruit or retain. Talent retention and attraction remain difficult for certain areas of expertise due to their scarcity on the market and the intensity of competition. Nonetheless, significant recruitment took place. The Groupe is working on measures to improve the onboarding of new talent and then retain them, particularly in the remote working context. The loss of these talent could damage the Groupe. In fact, Publicis' success depends mostly on the skills and expertise of its teams as well as on the quality of its relationships with clients.

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

Finally, the rapid changes in our business require our talent to continuously develop their skills. The absence of an adequate plan could impact the implementation of certain projects and lead to a lack of resources in specific areas of expertise.

The Groupe has launched ambitious action plans around diversity, equity and inclusion both at global and local level. 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 was no longer able to actively attract, retain and motivate valuable managers or employees, its prospects, business, financial position and results could be highly affected.

5. Risks associated with client portfolios

High ✓ Medium Low

Contracts may be challeneged easily: clients are free to terminate their contracts, after a relatively short notice period. In addition, unfavorable economic conditions could lead to a more frequent contracts renegociations.

Moreover, competitive bids for advertising and media contracts with the Groupe's clients may occur at shorter intervals.

There is also a trend towards operating on a project-by-project basis, a gradual reduction in the number of agencies working with a client, and to a certain extent, the concentration of advertising budgets among a few leading agencies. The internalization of some activities may impact our ability to retain clients. Each of these factors increase the risk that a single event with impact on a client can have significant consequences.

A significant percentage of the Groupe's revenue is derived from its major clients. In 2022, the Groupe's top 5, 10, 30 and 100 clients accounted for 12%, 21%, 36% and 57% 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 communication agencies, or to curtail its spending on advertising or even suspend it, at any time, with relatively short notice, and without having to justify it. A substantial decline in the advertising and communication spending of the largest clients, or the loss of any of these accounts, could have a negative impact on the Groupe.

6. Cybercrime and IT systems failures

High ✓ **Medium** **Low**

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

Systems failures can be the result of malicious events, natural events and technical breakdown. These failures may directly impact the Groupe or one of its partners or suppliers. This can potentially lead to long periods of malfunction and impede the Groupe's ability to serve its clients.

Malicious activities 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. 2020 marked an acceleration and a significant professionalization in the context of the pandemic and the major changes in the way of working. These attacks have the ability to obstruct normal business operations and even suspend them momentarily, while infecting client deliverables and even their own network environments, causing significant damages.

The increased use of outsourced software and IT infrastructures (Cloud Computing) extends the Groupe's "attack surface" and complicates securing data and tools.

Insider threats, although normally not malicious, can also be seriously detrimental to normal business operations. Untrained or uninformed staff can unwittingly share sensitive or personal information, or innocently fall prey to a variety of cyberattacks (targeted or other phishing, CEO fraud, etc.). The malicious or disgruntled insider, even though this situation is rare, can also inflict serious reputational or financial damage by voluntarily releasing confidential and sensitive information or by committing acts of sabotage resulting in technical failure.

These risks of cybercrime and information system failures can have adverse consequences, including in terms of costs (cost of remediation, contractual penalties due to clients, fines or liability claims), loss of revenue or loss or reputation for the Groupe.

7. Personal data confidentiality

High ✓ **Medium** **Low**

Advertising and communication activities involve the processing of a significant volume of personal data. Regulations governing personal data protection are complex, constantly evolving, differ from country to country and generate significant and growing compliance costs. European supervisory authorities are evidencing increased vigilance by imposing penalties that are increasingly significant. Control policies, regulatory interpretation and restrictions on cross-border data transfers are becoming increasingly stringent. The European Union also introduced 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, Data Governance Act and ePrivacy regulation.

Since the implementation of the General Data Protection Regulation (EU) 2016/679 of April 27, 2016 of the European Union (GDPR), an increased number of countries across the globe are adopting personal data protection regulations. In the absence of a federal regulation in the United States, California adopted the California Consumer Privacy Act (CCPA), which came into force in January 2020; it was supplemented in October 2020 by the California Privacy Rights Act (CPRA) which came into force in January 2023. The CCPA provides consumers a right to opt-out, allowing them to suspend the sale of their personal data. The CPRA strengthens the requirements in connection with how companies are authorized to use personal data of consumers in California. Other US states have adopted or are on a path to proposing their own draft laws on the protection of personal data, which, if passed, will continue to make the situation complex by further fragmenting the legislative landscape. A draft federal law on the protection of personal data could be reintroduced in 2023.

In 2021, Brazil and the People's Republic of China passed their personal data protection laws. In 2022, other countries such as India, Australia and Saudi Arabia introduced more substantial laws on personal data protection.

Any unauthorized loss or disclosure of personal data may lead to significant damages for the persons concerned, who may sue the Groupe. The Groupe, which deals with an increasing quantity of personal data, could be subject to increased scrutiny by supervisory bodies. Any breach of applicable regulations may, on top of any liability suits and sanctions against the Groupe, including pecuniary penalties, create a loss of client confidence and have a an adverse impact on the Groupe's reputation and activities.

8. Risks related to mergers and acquisitions

High Medium ✓ Low

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

Part of the Groupe's strategy aims at enriching its range of services around advertising, communication, consulting, data, digital transformation and commerce and at developing 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 constitute 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 2022 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 balance sheet for acquired companies may be subject to impairment.

Large sums have been recognized on the Groupe's balance sheet at December 31, 2022 (with euro 12,546 million in goodwill and euro 1,247 million in intangible assets). Given the nature of its business, the Groupe's most important assets are, generally, intangible, and are recorded as such. Each year, the the Groupe carries out an assessment of goodwill and intangible assets so as to determine whether they should be impaired. The hypotheses made in order to estimate the forecasted earnings and cash flows during these reassessments may not be confirmed by subsequent actual results. If the Groupe were to record any such impairment, the loss could affect the Groupe's results and financial position. Analysis of goodwill and intangible assets recorded on the Groupe's balance sheet 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 bodies, or consumer associations. 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 have a negative impact on the results of the Groupe. Moreover, Publicis' reputation could be negatively affected by such allegations.

The Groupe may face an increased reputation risk associated with working for clients perceived to be harmful to the environment.

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 Groupe is subject to strict anti-corruption regulations. As the Groupe operates in a number of countries where the risk of corruption has been considered high, a breach of these regulations (including due to a compliance failure by a partner) could occur despite the Groupe's anti-bribery and anti-corruption program. 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. Groupe's liquidity and 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 stable 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.

In a context of rising interest rates that could weaken certain banks, the Groupe mainly uses leading international banks (core banks).

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 regarding the achievement of the Groupe's objectives in relation to:

- the reliability of financial and non-financial information;
- compliance with laws and regulations in force;
- the management of strategic, operational and financial risks;
- the efficacy and efficiency 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:

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

The Groupe has set up a Secretary General office, which allows an organized and centralized monitoring of the activities that constitute the internal control system. The Secretary General is a member of the Groupe's Management Board. This function includes the Legal Department (managed by the General Counsel), the Internal Audit, Internal Control and Risk Management Department (managed by the VP of Internal Audit, Risk & Control), the Human Resources Department (compensation and employee benefits, human resources information system management, employee-related matters and mobility) and Corporate Social Responsibility (CSR). The Secretary General attends all meetings of the Strategy and Risk Committee. The Secretary General and the VP of Internal Audit Risk & Control attend all Audit Committee meetings and have easy access to its Chair and each of its members. Similarly, the Audit Committee has direct access to the Groupe's risk management and internal control department. Expertise that enables a broader vision of risks and action levers are thus brought together, which supports the effort to improve risk management throughout the entire organization.

The Groupe's internal control and risk management system bases its structure 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 long established a framework (called "Janus") setting the Groupe's values, the principles and practical rules of ethical conduct and social responsibility, as well as other practices enabling the Groupe's entities to carry out their activities in compliance with laws, regulations and best practices. The content of "Janus" is regularly updated. These guidelines are applicable and communicated to all Groupe hierarchy levels and in all business lines and countries. They are also always accessible online to all Groupe employees. It is the foundation of the Groupe's control environment.

The procedures relating to the preparation of accounting and financial information, the information systems security and major operational processes are detailed in order to ensure consistency at all levels of the Groupe and the various networks.

The control environment is also strengthened through a network of shared service centers (Re:Sources) systematically implemented by the Publicis 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, financial, employment matters and benefits functions of the shared service centers respectively under the functional responsibility of the Groupe's Legal, Finance and Human Resources Departments. The network of shared service centers covers more than 99% of Groupe revenue as of December 31, 2022.

The use of the same management application (ERP) in the large majority of the Groupe's agencies, as well as a single financial consolidation system for all entities, also ensures a good internal control quality through standardized processes and the sharing of best practices.

The Management Board, the Secretary General, the Finance Department, the shared service centers, as well as the teams dedicated to IT, real estate, insurance and mergers and acquisitions, the Internal Audit, Risk Management and Internal Control Departments and the networks' operational managers are all involved in deploying the internal control system.

For companies acquired by the Groupe, the deployment of the internal control system is rapidly launched and is generally completed within 12 months of the acquisition date. In addition, acquisitions are given particular attention when defining the annual audit plan.

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 VP Internal Audit, Risk & Control regularly report to the Audit Committee and to the Management Board on the quality of the Groupe's internal control system. The VP Internal Audit, Risk & Control meets the Chair of the Audit Committee one-on-one at least once a year, which guarantees its independence.

2.2.3.1 Internal audit assignments

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

The missions and responsibilities of the auditors are described in the internal audit charter, which is included in the Groupe policy manual (Janus). This charter highlights the independence of the internal audit function and stipulates the duties and prerogatives of the auditors and audited entities.

The internal audit team is composed of around fifteen experienced auditors, including, since 2021, auditors dedicated to information systems audits. They all carry out internal control assessments that encompass various financial and operational processes within the Groupe's entities, based on an annual audit plan. This audit plan is based on an assessment of the risks impacting the various entities (including corruption risk), as well as past events, specific requests from Senior Management and consultation interviews with management of the countries and regions; this annual plan is approved by the Management Board and validated by the Audit Committee.

The Internal Audit Department conducted approximately 100 assignments in 2022, mainly entity audits, but also special assignments covering specific and cross-functional issues at various levels within the Groupe, as well as internal investigations of cases of suspected fraud or alerts reported through the Groupe's internal whistleblowing system. In the first quarter of 2022, due to the COVID pandemic, on-site travel was not possible. However, the internal audit function was able to operate satisfactorily even though the review and testing could not be performed on site and the practical difficulties were significant.

To carry out their assignments, the internal audit teams use a dedicated IT tool. The internal auditors' work programs are aligned with the Groupe's main ERP systems and use specific extracts and reports, in addition to the contribution of a dedicated tool for data analytics.

Internal audit assignments are systematically reported, among others, to the Chairman of the Groupe's Management Board. A summary of all reports issued from one year to the next is presented at each Audit Committee meeting.

The action plans proposed by the auditees based on the audit recommendations are monitored systematically by the central team using a dedicated IT application. Additionally, specific on-site follow-up assignments are launched for the most critical reports or when action plan indicators clearly contradict the commitments made by the audited entities. A report on the implementation status 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 requested when needed to support the Internal Audit Department, where special skills or techniques are necessary to conduct internal investigations.

The Internal Audit Department of Publicis Groupe works in accordance with the international professional standards issued by the IIA (global Institute of Internal Auditors) and first obtained the certification of its activities from the IFACI (French Institute for Audit and Internal Control) in March 2017. This certification confirms the ability of the Publicis Groupe Internal Audit Department to fully carry out its duties. It was renewed in March 2020 and confirmed in March 2021 and March 2022 as a result ofannual follow-ups.

2.2.3.2 Internal financial control framework

Publicis Groupe has set up a program called Financial Monitoring Controls (FMC), which is based on a list of key controls for the main processes contributing to financial and non-financial reporting.

These controls are implemented in all Groupe entities. Their implementation is monitored at two levels:

- a monthly self-assessment, submitted by all Groupe entities via a common tool, contributes to accountability and transparency on the effectiveness of controls;
- teams dedicated to FMC reviews are established at the regional level. These teams are linked to the Finance Department of each region and functionally to the Groupe's Internal Audit, Risk Management and Internal Control Department, which oversees them, coordinates their work, and compiles their results. These teams follow a systematic review plan covering about 70% of the Groupe's consolidated revenue each year.

Furthermore, a review of the key Corporate controls over financial reporting (Consolidation, Treasury, Tax, Legal, etc.) is conducted on an annual basis by the Internal Audit Department.

2.2.3.3 Monitoring by the Legal and Compliance departments

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 or finalized internal investigations, where relevant, are also discussed at each Audit Committee meeting.

The Compliance Department is managed by the Groupe's Chief Compliance Officer, who reports to the Secretary General. Its objectives are to promote an ethical culture within the Groupe and to design, deploy and monitor the implementation of compliance programs in all Groupe entities.

This Department is supported by a network of compliance members operating at the local level. Under its supervision, they are responsible for coordinating and ensuring the effective deployment of compliance programs within their scope (see Section 4.2.10 of this document).

2.2.4 Risk management framework

In coordination with senior management, the business management teams of the countries/regions/business lines as well as the shared service centers are heavily involved in monitoring risks which the Groupe faces. 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, external growth strategy, management of the liquidity position, foreign currencies, changes in the Groupe's debt or tax position are monitored by the Finance Department, in cooperation with the senior management.

The risks associated with accounting and financial information are also monitored via the FMC program, managed by the Internal Audit, Risk Management and Internal Control Department.

The formalised monitoring of the Groupe's risks began in 2008 through a risk mapping. The main risks that may have an impact on the Groupe's accounting and financial information, operations or image are recorded. The impact and probability of occurrence are estimated for each risk identified; a level of risk is determined, which takes into account the various related control systems.

Thus, pursuant to article L. 225-102-1 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 non significant impact. However, the Groupe is mindful of measuring the environmental risks and finding solutions to reduce them (See Chapter 4 of the Universal Registration Document on CSR).

The risk map is updated on a regular basis to allow a dynamic enhancement of the risk management framework. Particularly for 2022, the Groupe's risk map was updated and presented to the Strategy and Risk Committee meeting in March 2022. The "Risk Management" department has also carried out a quantified risk mapping on cybersecurity risks as well as an update of the corruption risk map and contributed to the work performed within the Groupe to comply with the Sapin 2 law.

These maps helped define the internal audit plan for 2023 in addition to other elements.

2.3 INSURANCE AND RISK COVERAGE

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 complementarity of guarantees and thus a better risk management accross all the countries in which Publicis is present.

On a local level, mainly through the Re:Sources shared service centers, entities must purchase 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 free provision 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 program.

In June 2022, the Groupe sets up Publicis Ré SA, a captive reinsurance Company within the meaning of article L.310-1-1 of the French Insurance Code. Publicis Ré is a wholly-owned French subsidiary dedicated to the reinsurance of the Groupe's risks. It was approved on October 10, 2022 by the French Prudential Supervision and Resolution Authority (ACPR), to operate as a non-life reinsurer.

This reinsurance captive was created to facilitate the coverage of cybersecurity risks and professional liability in an increasingly tight insurance market context.

CHAPTER

3 GOVERNANCE AND COMPENSATION

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3.4 STATUTORY AUDITORS' REPORT ON RELATED-PARTY AGREEMENTS 156

The report on corporate governance, within the competence of the Supervisory Board, Groupes 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 developments 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 December 2022. 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*). The quality of its governance and compliance with the principles and rules governing its activities are central to the concerns of Publicis Groupe and the Supervisory Board.

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 an ESG Committee (environmental, social and governance issues).

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. It 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 human resources 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.

The Management Board and the Supervisory Board maintain a relationship of trust based on mutual respect for the prerogatives of each body as well as on an open and ongoing dialogue.

Arthur Sadoun, Chairman of the Management Board, and Maurice Lévy, Chairman of the Supervisory Board, consult each other 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, 2022

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

At December 31, 2022, the Suprvisory Board had thirteen members, including two members representing employees appointed by the Groupe Works Council pursuant to article L. 225-79-2 of the French Commercial Code. Eight members are foreign nationals. It has 45% women and 55% men and 64% are 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
45% women/55% men	63 years	73%	64%	10 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 at December 31, 2022:

	Personal information				Experience		Position on the Supervisory Board			Meeting Attendance				
	Age[1]	Gender	Nationality	Number of Publicis Groupe SA shares held[1]	Total number of offices held in listed companies	Independent member[2]	First appointment	Year(s) on the Board	End of term of office	Member of the Audit Committee	Member of the Nominating Committee	Member of the Compensation Committee	Member of the Strategy and Risk Committee	Member of the ESG Committee
Maurice Lévy *Chairman of the Board*	80	M	French	4,848,159	1	No	06/01/2017	5	GSM 2025		•	•	•	
Élisabeth Badinter *Vice-Chair of the Board*	78	F	French	16,700,967	1	No	11/27/1987	35	GSM 2026		✓			
Simon Badinter	54	M	French and American	1,296	1	No	06/17/1999	23	GSM 2025				•	
Jean Charest	64	M	Canadian	1,400	3	Yes	05/29/2013	9	GSM 2025	✓	•			
Sophie Dulac	65	F	French	1,749,460	1	No	06/25/1998	24	GSM 2024					•
Thomas H. Glocer	63	M	American	500	3	Yes	05/25/2016	6	GSM 2024	•		•	•	
Marie-Josée Kravis	73	F	American	2,914	2	Yes	06/01/2010	12	GSM 2024		•		✓	
André Kudelski	62	M	Swiss	500	2	Yes	05/25/2016	6	GSM 2024	•	•	✓		
Suzan LeVine	53	F	American	537	1	Yes	05/29/2019	3	GSM 2023	•	•			✓
Antonella Mei-Pochtler	64	F	Italian	500	4	Yes	05/29/2019	3	GSM 2023			•	•	•
Tidjane Thiam	60	M	French and Ivorian	700	3	Yes	05/25/2022	<1	GSM 2026	•			•	
Pierre Pénicaud *Member representing employees*	59	M	French	0	1	n/a	06/20/2017	5	06/14/2025				•	
Patricia Velay-Borrini *Member representing employees*	54	F	French	50	1	n/a	10/16/2020	2	10/15/2024			•		•

M: male – F: female **n/a: not applicable.** **✓: Committee Chair**

(1) At December 31, 2022.
(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 2022

The General Shareholders' Meeting of May 25, 2022 decided to renew the term of office of Élisabeth Badinter and to appoint Tidjane Thiam as a member of the Supervisory Board. These two terms of office will expire at the end of the Ordinary General Shareholders' Meeting called to approve the financial statements for the 2025 financial year. The Supervisory Board, meeting following the General Shareholders' Meeting of May 25, 2022, also reappointed Élisabeth Badinter as Vice-Chair of the Supervisory Board.

Furthermore, Cherie Nursalim's term of office as a member of the Supervisory Board as well as her position within the ESG Committee at the end of the General Shareholders' Meeting of May 25, 2022.

Board Member	Departure	Renewal	Appointment
Élisabeth Badinter		May 25, 2022	
Cherie Nursalim	May 25, 2022		
Tidjane Thiam			May 25, 2022

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

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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 of Publicis Conseil, the Groupe's flagship, passing through all the stages until his appointment as Chairman of the Management Board in 1987. He held this role for 30 years, until the General Shareholders' Meeting of May 2017, when he was appointed as 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, etc.) 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)
- Class A Director: Mora & F SA (Luxembourg)
- Founder and class A manager: Ycor Management SARL (Luxembourg)
- Founding Chairman: YourArt SAS (France)

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 (Brain and Spine Institute), ICM (France)
- Co-Chairman: Friends of the ICM Committee (France)
- Chairman: 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)
- Member of the Global Advisory Committee: Bank of America (United States)

Offices held outside the Groupe in the last five years

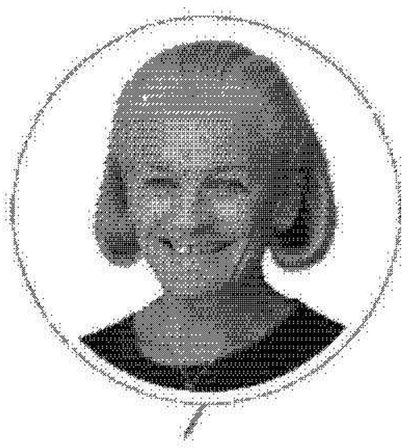
Offices listed above as well as the following office:

- Chairman of the Supervisory Board: Iris Capital Management SAS (France) (term ended in 2022)

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 this document).*



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: 2026 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 and American nationality
First appointment: June 17, 1999
Expiry of term of office: 2025 Annual Ordinary General Shareholders' Meeting
Number of shares held: 1,296
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 Rendezvous", broadcast in 50 cities in the United States by Iheartradio and then, from 2017, counselor and coach for young people in difficulty in Ohio. In December 2022, the Ohio State Association of Juvenile Court Judges awarded her the Court Service Award in recognition of her overall work with troubled youth and service to the court system. 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 Groupe

- Director: BDC SAS (France)
- Host of the "The Rendezvous" 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
Local MZ400
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.

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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: 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)
- 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)
- Co-Chair of the Board of Directors: Canada UAE Business Council (Canada)
- Member of the Advisory Committee: CelerateX (Hong Kong)
- Member of the Board of Directors: Historica Canada (Canada), Institute for Research on Public Policy (Canada)

Offices held outside the Groupe in the last five years

Offices listed above as well as the following offices:

- Chair of the Board of Directors: Windiga Energie (Canada) (term ended in 2022)
- Director: Canada Jetlines Operations Ltd, listed company (Canada) (term ended in 2022), Compagnie des Chemins de Fer national of Canada, listed company (Canada) (term ended in 2022), Asia Pacific Foundation (Canada) (term ended in 2021), HNT Electronics Co Ltd (South Korea) (term ended in 2020)
- Member of the panel of experts: Public Policy Forum (Canada) (term ended in 2018)



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 System Inc.

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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), Atlantic Council (United States), System Inc. (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 as well as the following office:

- Director: Reynen Court LLC (United States) (term ended in 2022)



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

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.

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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)
- 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-Chair: Swiss-American Chamber of Commerce (association) (Switzerland)
- Chair: Fondation du Festival de Jazz de Montreux (Switzerland)
- Member of the Supervisory Board: Skidata GmbH (Austria)
- Director: 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), Swiss Digital Initiative 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: RSH Quality Food Concept SA (Switzerland) (term ended in 2022)
- Chair and Deputy Director: Nagra Plus SA (Switzerland) (term ended in 2021)
- Chair of the Board of Directors: SmarDTV SA (Switzerland) (term ended in 2019), Conax AS (now Nagravision AS) (Norway) (term ended in 2018)
- Vice-Chair: Geneva International Airport (public law) (Switzerland) (term ended in 2018)



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 is currently a Senior Fellow at Brown University and previously 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 as Director of Communications and Student Partnerships at Microsoft, and as Vice-Chair of Sales and Marketing for luxury travel at Expedia.

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

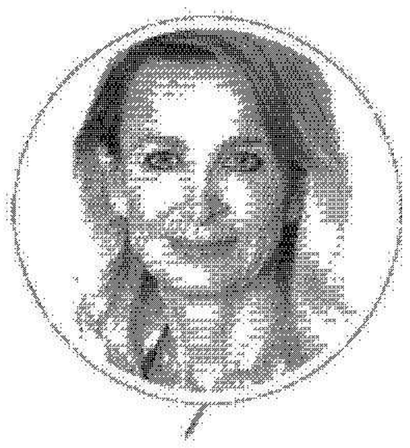
Main offices and positions held outside the Groupe

- Director: CareerWise USA (United States); Research Improving People's Lives (RIPL) (United States), Synd.io (United States)
- Member of the Advisory Committee: OpenClassrooms SAS (France)
- Trustee of the Thomas Jefferson foundation (United States)
- Senior Fellow: Brown University (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)



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
Kuerschnergasse 6A
1210 Vienna
Austria

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 Eni Plenitude SpA, iSi Automativ Holding and TUM Venture Labs and was until recently a director appointed by the IFC of SIPRA in West Africa. 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. From 2018 to 2022, she was Special Advisor to the Austrian Federal Chancellor and Director of ThinkAustria, an Austrian government think tank and strategic planning unit.

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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), iSi Automativ Holding (Austria)
- 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)
- Member of the Supervisory Board: ProSiebenSat.1 Media SE, listed company (Germany), Eni Plenitude SpA (Italy), TUM Venture Labs (Germany)

Offices held outside the Groupe in the last five years

Offices listed above as well as the following offices:

- Director: SIPRA (Ivory Coast) (term ended in 2022)
- Director: DKMS – German Bone Marrow Donor Center (Germany) (term ended in 2019)



Tidjane Thiam

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

Born on July 29, 1962,
of French and Ivorian nationality
First appointment: May 25, 2022
Expiry of term of office: 2026 Annual Ordinary General Shareholders' Meeting
Number of shares held: 700
Freedom Acquisition Corporation I
14 Wall Street 20th Floor
New York, NY 100054
United States

Biography

A graduate of École Polytechnique and École Nationale Supérieure des Mines de Paris and holder of an MBA from INSEAD, Tidjane Thiam worked for ten years at the strategy consulting firm McKinsey where he was a Partner. Between 1994 and 1999, Tidjane Thiam moved to Côte d'Ivoire to serve as Managing Director of BNETD (National Bureau of Technical and Development Studies) and as the country's representative to the IMF and the World Bank. He has contributed to the largest privatization and infrastructure projects in emerging countries.

In 1997, he was one of the World Economic Forum's "100 Young Global Leaders of Tomorrow" in Davos, and in 1999 he was elected member of the Forum's "Dream Cabinet". He then held various managerial positions at Aviva (recently named Abeille Assurances) from 2002 to 2007, including Managing Director Europe. He was CEO of Prudential from 2009 to 2015: the market capitalization of the insurance Groupe tripled and exceeded USD 60 billion. From 2012 to 2014, he was Chair of the Board of Directors of the Association of British Insurers. Tidjane Thiam then was Chief Executive Officer of Credit Suisse from 2015 to 2020 where he implemented a three-year restructuring program, recognized by Euromoney, which named Tidjane Thiam "Banker of the Year" in 2018. In 2019, he enabled Credit Suisse to achieve its highest annual profits since 2010. In 2010, Tidjane Thiam was honored on the "Time 100" list. In 2011, he received the insignia of Chevalier de la Légion d'Honneur.

Other offices and positions held within the Groupe

None

Main offices and positions held outside the Groupe

- Executive Chair: Freedom Acquisition Corporation I, listed company (United States)
- Chair of the Board of Directors: Rwanda Finance (Rwanda)
- Director: Kering, listed company (France)
- Member: Council on State Fragility (United Kingdom), International Olympic Committee (IOC) (Switzerland), Group of Thirty (G30) (United States)

Offices held outside the Groupe in the last five years

Offices listed above as well as the following offices:

- Member and Guardian: Council for Inclusive Capitalism (United States) (term ended in 2022)
- Chief Executive Officer and Chair of the Management Board: Credit Suisse (Switzerland) (term ended in 2020)
- Director: 21st Century Fox (United States) (term ended in 2019)



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: 0
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	Main offices and positions held outside the Groupe	Offices held outside the Groupe in the last five years
• Senior Artistic Director: Publicis Conseil SA (France)	None	None



Patricia Velay-Borrini

- Member of the Supervisory Board representing employees
- Member of the Compensation Committee
- Member of the ESG 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 harassment officer for Publicis Media France.

Other offices and positions held within the Groupe	Main offices and positions held outside the Groupe	Offices held outside the Groupe in the last five years
• Executive Assistant to the Chair of Publicis Media France and COO of Publicis Groupe France	None	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, as those applicable to other Board members.

The members of the Supervisory Board representing employees are not required to hold Company shares during their term of office.

Balanced gender representation on the Board

At December 31, 2022, the Board had 45% women and 55% 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 Groupes 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 Specialized Committees of the Board 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 quality of the Supervisory Board's composition contributes to the good goverance of Publicis Groupe. The Supervisory Board thus 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, 2022, eight out of eleven members of the Supervisory Board were foreign nationals, *i.e.*, 73%, (excluding the members representing employees). In addition, several other Board members have international exposure due to their activity in Groupes with a strong presence abroad or because they carry out a professional activity abroad (see presentation of Board members above).

It is also important for the Supervisory Board that a balance exists between members who have served for many years and those appointed more recently. This allows the Board to benefit from both an in-depth knowledge of the Groupe's history and a new perspective on the topics addressed.

Its members also have a range of varied expertise in key areas for Publicis Groupe. Given the experience and commitment of each of the Board members and their membership of the Board committees, the Nominating Committee, after consulting each member of the Supervisory Board, has established the following skills matrix:

	General and segment skills							Committee membership				
	Communication/ advertising /media	International experience	Governance and Management	Finance and Audit	New technologies/ digital	Social Sciences and Human Resources	Sustainable development/ Societal and environmental commitment	Audit Committee	Nominating Committee	Compensation Committee	Strategy and Risk Committee	ESG Committee
Maurice Lévy	•	•	•	•	•	•	•		•	•	•	
Élisabeth Badinter	•		•			•			•			
Simon Badinter	•	•	•				•				•	
Jean Charest		•	•	•		•	•	•	•			
Sophie Dulac	•		•			•	•					•
Thomas H. Glocer	•	•	•	•	•	•		•		•	•	
Marie-Josée Kravis		•	•	•	•	•	•		•		•	
André Kudelski	•	•	•	•	•	•	•	•	•	•		
Suzan LeVine	•	•	•	•	•	•	•	•	•			•
Antonella Mei-Pochtler	•	•	•		•	•	•			•	•	•
Tidjane Thiam		•	•	•	•	•	•	•			•	
Pierre Pénicaud	•					•	•				•	
Patricia Velay-Borrini	•		•			•	•			•		•
Percentage by skill	**77%**	**69%**	**92%**	**54%**	**54%**	**92%**	**85%**	**5**	**6**	**5**	**7**	**4**

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.

Criterion 1: Employee corporate officer within the previous five years

Not to be or not to have been within the previous five years:

- an employee or an executive officer of the company;
- an employee, executive officer or director of a company consolidated within the corporation;
- an employee, executive officer or director of the company's parent Company or a Company consolidated within this parent Company.

Criterion 2: Cross-directorships

Not to be an executive officer of a company in which the corporation holds a directorship, directly or indirectly, or in which an employee appointed as such or an executive officer of the corporation (currently in office or having held such office within the last five years) holds a directorship.

Criterion 3: Significant business relationships

Not to be a client, supplier, commercial banker, investment banker or consultant (and not to be directly or indirectly linked to such persons):

- that is significant to the corporation or its group;
- or for which the corporation or its group represents a significant part of its activity.

Criterion 4: Family ties

Not to be related by close family ties to a Company officer.

Criterion 5: Statutory auditor

Not to have been a statutory auditor of the corporation within the previous five years.

Criterion 6: Period of office exceeding 12 years

Not to have been a member of the Supervisory Board for more than 12 years. Loss of the status of independent director occurs on the date of the 12th anniversary.

Criterion 7: Status of non-executive officer

A non-executive officer cannot be considered independent if he or she received variable compensation in cash or in the form of securities or any compensation linked to the performance of the corporation or group.

Criterion 8: Status of the major shareholder

Directors representing major shareholders of the corporation or its parent Company may be considered independent, provided these shareholders do not take part in the control of the corporation. Nevertheless, beyond a 10% threshold in capital or voting rights, the Board, upon a report from the nominations committee, should systematically review the qualification as independent in the light of the make-up of the corporation's capital and the existence of a potential conflict of interest.

Situation of the members of the Supervisory Board*, as of December 31, 2022, with regard to the independence criteria of the Afep-Medef Code

(the criterion is considered to be satisfied when identified by ✔ and not satisfied when identified by x)

	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*	✔	✔	✔	x	✔	x	✔	x	Not independent
Simon Badinter	✔	✔	✔	x	✔	x	n/a	✔	Not independent
Jean Charest	✔	✔	✔	✔	✔	✔	n/a	✔	Independent
Sophie Dulac	✔	✔	✔	x	✔	x	n/a	✔	Not independent
Thomas H. Glocer	✔	✔	✔	✔	✔	✔	n/a		Independent
Marie-Josée Kravis	✔	✔	✔	✔	✔	x	n/a	✔	Independent
André Kudelski	✔	✔	✔	✔	✔	✔	n/a	✔	Independent
Suzan LeVine	✔	✔	✔	✔	✔	✔	n/a	✔	Independent
Antonella Mei-Pochtler	✔	✔	✔	✔	✔	✔	n/a	✔	Independent
Tidjane Thiam	✔	✔	✔	✔	✔	✔	n/a	✔	Independent

n/a: not applicable.
* With the exception of Pierre Pénicaud and Patricia Velay-Borrini, members representing employees who are not taken into account according to the Afep-Medef Code.

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 on March 8, 2023, the Supervisory Board reviewed the independence of its members for the 2022 financial year.

The Board analyzed in detail compliance with the third criterion recommended by the Afep-Medef Code, relating to the absence of significant business relationships. 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. This classification is the result of an analysis based on the annual statements sent by the members of the Board during the preparation of the Universal Registration Document. This analysis is supplemented by an individual review carried out by the Board according to the specific situation of the members concerned, based on a broad and multi-criterion approach. With regard to members with a non-executive corporate office in Publicis Groupe client companies, the Board ruled out the material nature of the business relationship, in particular due to the lack of decision-making power of the members concerned in the context of the establishment or maintenance of this business relationship.

More specifically, the Board examined the position of Maurice Lévy, who meets all the independence criteria required by the Afep-Medef Code as of June 1, 2022. However, in view of his many years of experience within the Groupe, his iconic status as a former executive of the Company, the Supervisory Board, on the recommendation of the Nominating Committee, chose to maintain his status as a non-independent member.

The Supervisory Board, based on the work carried out by the Nominating Committee, also examined the special position of Marie-Josée Kravis, who has completed her twelfth year on the Board on June 1, 2022, with regard to the sixth criterion of the Afep-Medef Code.

The Committee is fully aware that the purpose of this criterion is to determine whether the time spent does not cause the person concerned to lose his or her independence of judgment and critical spirit with regard to the Groupe's management. However, the Committee considered that failure to comply with this criterion alone would not automatically result in the loss of independent status for any of its members, and that the position of each member should be assessed on a case-by-case basis, taking into account the particular circumstances of each member and the specificities of the Groupe.

In the case of Marie-Josée Kravis, the Committee considered that the influence of the time spent was not likely to affect her independence. The analysis carried out by the Nominating Committee takes into account her professional and personal situation. Marie-Josée Kravis is an American economist specializing in the analysis of public policy and strategic planning. The areas in which she works include philanthropy, art, culture and medicine, which does not interfere with her term of office within Publicis Groupe.

The Committee also took into account the duality of the governance of Publicis Groupe SA, the Supervisory Board having different prerogatives from a Board of Directors, thus being further removed from the operations and management of the Company, in practice mitigating the risk of occurrence of conflicts of interest.

The Committee took care to discuss and evaluate in substance her ability to form her own opinion and to fully exercise her control over the members of the Management Board. She has demonstrated a sense of ethics and a remarkable freedom of speech and recognized by her peers.

Consequently, the Supervisory Board, on the recommendation of the Nominating Committee, concluded that Marie-Josée Kravis retained her status as an independent member of the Board.

The Supervisory Board will have the opportunity to reassess the situation of Marie-Josée Kravis, whose term of office expires at the end of the Annual Ordinary General Shareholders' Meeting called to approve the financial statements for the 2023 financial year.

Pursuant to these criteria, seven of the eleven members of the Supervisory Board (excluding the Board members representing employees in accordance with paragraph 10.3 of the Afep-Medef Code) were independent, *i.e.*, 64%.

3.1.1.2 Conflicts of interest, family ties and service contracts

The Supervisory Board has strict internal rules on 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* each other and *vis-à-vis* the Management Board, and that each member undertakes, as soon as he or she becomes aware, to inform the Supervisory Board of any conflict of interest, whether actual or potential. In the event of an occurrence of 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 Suzan LeVine and Antonella Mei-Pochtler as members of the Supervisory Board will expire at the end of the next General Shareholders' Meeting on May 31, 2023.

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 terms of office of Suzan LeVine and Antonella Mei-Pochtler as members of the Supervisory Board. These renewals will be proposed for a period of four years expiring at the end of the Ordinary General Shareholders' Meeting called to approve the financial statements for the 2026 financial year.

The proposal to renew these two mandates is an expression of the Supervisory Board's wish to maintain its stability and to ensure and perpetuate quality governance for the Groupe for the benefit of the Groupe's employees, shareholders and stakeholders.

In particular, the Board considers that Suzan LeVine's training, professional career and experience in the world of technology and digital, combines with her keen interest in Artificial Intelligence, are a valuable asset to the Supervisory Board. She also plays an active role in CSR and sustainable development issues, and plays a key role as Chair of the ESG Committee.

As for Antonella Mei-Pochtler, she brings to the Supervisory Board her experience acquired as the head of the Boston Consulting Group in Germany and then on various international boards, in particular on strategic planning, sustainable development and her practical approach to new technological and societal challenges.

In addition, it is recalled that the Supervisory Board concluded that Suzan LeVine and Antonella Mei-Pochtler were independent according to the criteria of the Afep-Medef Code. Attendance rates at meetings and the various committees to which they belong was 100% in 2022.

The table below summarizes the changes planned for 2023 in the composition of the Supervisory Board:

Member of the Supervisory Board	Departure	Renewal	Appointment	Nationality
Suzan LeVine		May 31, 2023		American
Antonella Mei-Pochtler		May 31, 2023		Italian

Subject to the approval of the General Shareholders' Meeting of May 31, 2023 of the aforementioned proposals, the Supervisory Board would retain the same composition and the following characteristics (excluding members representing employees):

- Independence rate: 64%
- Gender balance: 45% Women/55% Men
- Percentage of Board members who are foreign nationals: 73%

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 Articles of Incorporation and the Supervisory Board's internal rules and regulations.

Legal provisions

Articles L. 225-68 *et seq.* and L. 22-10-18 *et seq.* of the French Commercial Code set out the general rules governing the composition, operation and powers of the Supervisory Board.

Company Articles of Incorporation

The Company's Articles of Incorporation, adopted by the General Shareholders' Meeting, set out in articles 13 to 17 the specific rules applicable to the Company in terms of the composition, operation and powers of the Supervisory Board.

Internal rules and regulations of the Supervisory Board

The Supervisory Board's internal rules and regulations detail the statutory provisions set out in the Articles of Incorporation, in particular those relating to the practical procedures for the Board's operation, and provide a framework for its relations with the Management Board, as well as setting out ethical rules such as those relating to the independence of its members, conflicts of interest, confidentiality and insider information.

Pursuant to the last paragraph of article 16 II of the Company's Articles of Incorporation, 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 an ESG Committee, created in 2021, dedicated to environmental, social and corporate governance issues.

These internal rules and regulations are regularly reviewed to adapt to legislative and regulatory changes and to take into account the recommendations of the AMF and the Afep-Medef Code. They were updated at the Board meeting of September 13, 2021 when Title II,dedicated to the operation and missions of the specialized committees, was amended.

The full text of the Supervisory Board's internal rules and regulations is available with each update on the Publicis Groupe website. The current version is available at the following address:

https://www.publicisgroupe.com/sites/default/files/investors-document/2021-09/publicis-sb-internal-rules-and-regulations-13-09-2021.pdf

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 Chair 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 and regulations 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 members of the Supervisory Board 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 members of the Supervisory Board 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 invite the members of the Management Board to its meetings. In any event, deliberations on the compensation of the members and the Chairman of the Management Board take place without their presence. 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 members of the Supervisory Board.

The Supervisory Board met seven times in 2022. It also took a decision by written consultation, on May 9, 2022.

3.1.2.2 Attendance of members of the Supervisory Board at Board meetings and Committee meetings in 2022

	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*	7/7	100%			4/4	100%	5/5	100%	2/2	100%		
Élisabeth Badinter *Vice-Chair of the Board*	7/7	100%			4/4	100%						
Simon Badinter	7/7	100%							2/2	100%		
Jean Charest	7/7	100%	6/6	100%	4/4	100%						
Sophie Dulac	6/7	86%									2/2	100%
Thomas H. Glocer	6/7	86%	4/6	67%			5/5	100%	2/2	100%		
Marie-Josée Kravis	7/7	100%			4/4	100%			2/2	100%		
André Kudelski	7/7	100%	5/6	83%	4/4	100%	5/5	100%				
Suzan LeVine	7/7	100%	6/6	100%	4/4	100%					2/2	100%
Antonella Mei-Pochtler	7/7	100%					5/5	100%	2/2	100%	2/2	100%
Cherie Nursalim(1)	3/3	100%									0/1	0%
Tidjane Thiam(2)	4/4	100%	3/3	100%					1/1	100%		
Pierre Pénicaud *Member representing employees*	7/7	100%							2/2	100%		
Patricia Velay-Borrini *Member representing employees*(3)	7/7	100%					5/5	100%			1/1	100%
Overall attendance rate	**98%**		**90%**		**100%**		**100%**		**100%**		**87%**	
Independent members												

(1) Departed from the Supervisory Board during the financial year.
(2) New member of the Supervisory Board during the financial year.
(3) Appointed to the ESG Committee during the financial year.
* The written consultation of May 9, 2022 was not counted in the number of Board meetings used to determine the attendance rate of members.

3.1.2.3 Responsibilities 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 2022, he prepared, chaired and directed the discussions at seven Supervisory Board meetings. He has actively participated in the work of the committees to which he belongs. He also organized presentations for the Groupe's executives on business-related topics and key market trends in 2022.

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 strong relationships with major Groupe clients, which he has built 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 Assignments 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 addition, the Supervisory Board is authorized to appoint and dismiss members of the Management Board. Pursuant to the Company's Articles of Incorporation and article 2 of its internal rules and regulations, 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 above which its prior approval is required.

In accordance with the Board's decisions taken at its meeting of February 1, 2023 and its internal rules and regulations, the Management Board seeks the prior approval of the Supervisory Board to carry out the following transactions:

- the acquisition or disposal of property;
- the total or partial acquisition and disposal of equity interests exceeding 5% of the Company's shareholders' equity;
- the creation of securities, as well as sureties and guarantees;
- any loan, issue of bonds or shares exceeding 5% of the Company's shareholders' equity;
- 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;
- any significant transaction outside the strategy announced by the Company.

The Supervisory Board may also decide that specific financial transactions be subject to its prior approval.

Supervisory Board activities in 2022

The main points examined by the Supervisory Board at its meetings during 2022 were as follows:

	Main points examined in 2022:
Activity and results	The Board was regularly informed of the results and activity of Publicis Groupe and its subsidiaries. It examined the management reports of the Management Board as well as the parent Company and consolidated financial statements on a quarterly, half-yearly and annual basis as well as the management forecasts documents in accordance with the applicable regulations. The presentations relating to the activity and results were accompanied by more specific points relating to the analysis of revenue and results by sector and by region, the analysis of organic growth, a competitive watch and regular discussions on growth outlook and forecasts for the past financial year. The Board also gave its assent to the Management Board on the Commitment 2022. The Board approved the Management Board's proposal to pay a dividend of 2.40 euros per share for the financial year 2021. The Board examined the main budgetary principles for the 2023 financial year.
Risk management and strategy	The Board was regularly informed by the Management Board and the Strategy and Risk Committee of the impacts of the economic, technological and geopolitical context on the activity of the Publicis Groupe and its clients and of the measures put in place by the Groupe to tackle the crisis. In particular with regard to the war in Ukraine, it was informed of the means implemented to support Publicis employees in Ukraine and the Groupe's withdrawal from Russia. The Board acknowledged the work on the update of the risk mapping, with a focus on the quantification of cybersecurity risks and strategic legal risks. The Board was informed by the Management Board of major trends in the sector and, in particular, of changes in the advertising sector, medium-term technological developments and changes in operating models.
Corporate governance	The Supervisory Board reviewed its composition and that of its committees, on the recommendation of the Nominating Committee, taking into account the objectives of gender balance and diversity within the Board in all its dimensions, as well as the balance between independent and non-independent members. In particular, it proposed the renewal of the term of office of Élisabeth Badinter to the General Shareholders' Meeting of May 25, 2022 and the appointment of Tidjane Thiam as a new member of the Supervisory Board. The Board examined and confirmed the independence of its members for the 2022 financial year. The Board determined the limits on the powers applicable to the members of the Management Board and set the budget granted to the Management Board for sureties or guarantees in the name of the Company. It acknowledged the list of guarantees given by the Company for the commitments of its subsidiaries. The Board acknowledged the process and the very satisfactory result of the self-assessment of its members for the 2021 financial year. The Board also reviewed the composition of the Management Board. On the recommendation of the Nominating Committee, it decided to renew the terms of office of Arthur Sadoun, Chairman of the Management Board, Anne-Gabrielle Heilbronner and Michel-Alain Proch, members of the Management Board for a period of four years, *i.e.,* until September 14, 2026. The Board noted the end on September 14, 2022 of the term of office of Steve King as member of the Management Board. On the proposal of the Chairman of the Management Board and on the recommendation of the Nominating Committee, the Supervisory Board approved the creation of a Directoire+ and its composition to expand the Groupe's management and its skills in order to prepare for the Groupe's future. It is specified that the meetings concerning the reappointment of members of the Board and members of the Management Board were held without the presence of the members concerned. In accordance with applicable regulations, the Board assessed related-party agreements and arm's length agreements relating to day-to-day transactions.
Gender balance within governing bodies	Each year, the Supervisory Board devotes an agenda item to gender balance within the governing bodies. It was informed of all applicable regulations on the issue of gender balance in management bodies. A more specific point was presented on the change in the situation in terms of the Groupe's headcount and the Executive Committees of the main countries/regions. The Management Board presented a progress report on the achievement of targets for the representation of women in key leadership positions and on the cross-functional initiatives implemented across the Groupe to reach the target of 45% by 2025.

	Main points examined in 2022:
Compensation of corporate officers and Groupe employees	The Supervisory Board, on the recommendation of the Compensation Committee, examined and approved the components of the compensation of the Chairman of the Management Board, the members of the Management Board, the Chairman of the Supervisory Board and the members of the Supervisory Board for the 2021 financial year, as well as the compensation policy applicable to them for the 2022 financial year. The Board sets the compensation package for Board members submitted for approval to the General Shareholders' Meeting of May 25, 2022 at the same time as it decided the method for allocating this package and the compensation policy applicable to the members of the Supervisory Board in respect of financial year 2022. It is specified that the discussions and votes on the compensation of the Chairman of the Management Board, the members of the Management Board and the Chairman of the Supervisory Board took place without the presence of the members concerned. The Board approved the performance conditions of the LTIP 2019-2021 plan and the number of shares to be delivered in June 2022 to the members of the Management Board. The Board, on the recommendation of the Compensation Committee, approved the Management Board's proposal to increase the variable compensation package of the Groupe's employees concerned and to pay an exceptional bonus to employees, who do not normally receive a bonus, in recognition of the loyalty of employees and the performance delivered during the health crisis. The Board was informed of the compensation strategy applicable to the Groupe's talent and worked on the question of employee shareholding. It examined the budget assumptions for the LTIP share plans for 2023.
Human Resources	The Supervisory Board is regularly informed of the Groupe's workforce and attrition rate and, more generally, of all the actions implemented to monitor and manage the Groupe's talent. In 2022, a specific presentation on talent management was offered to it in order to focus on the talent experience, present priorities (training, performance and well-being) and the challenges in terms of human resources.
Corporate social responsibility	The Board was informed of important points in terms of corporate social responsibility by the various reports of the ESG Committee. The Board acknowledged the Publicis Groupe's CSR performance indicators and environmental policy and, more specifically, an ongoing specific analysis on climate risk in order to identify the risks and potential impacts for the Groupe, employees, offices and business continuity. It examined the advisability of presenting a "say on climate" resolution to its shareholders. The Board was informed of the validation by STBi of the Groupe's impact reduction trajectory. The Board was informed of the efforts made by the Groupe in the context of the energy crisis. The Board noted the launch of P.R.I.S.M.S (Publicis Groupe Program for Responsible, Inclusive and Sustainable Marketing Standards) as part of a responsible and ethical marketing approach. Arthur Sadoun presented the #WorkingWithCancer initiative and the set of commitments made for employees suffering from cancer or another chronic disease to support them.
General Shareholders' Meeting of May 25, 2022	The Supervisory Board reviewed and approved the agenda and the draft resolutions submitted to the vote of the General Shareholders' Meeting of May 25, 2022. It reviewed the various reports and approved the corporate governance report. As every year, the Board devoted an item to the agenda on the conclusions to be drawn from the previous General Shareholders' Meeting and in particular considered the questions and comments from investors.
Ethics & compliance	The Supervisory Board was informed through its Audit Committee of whistleblowing cases processed by the Internal Audit Department and controls carried out under the French "Sapin 2" anti-corruption law. It noted that no case of corruption had been confirmed. The Board monitored the most sensitive litigation and disputes. The Board was informed of the implementation of the Publicis Groupe's anti-corruption program.
Operational presentations	The Supervisory Board benefited from three presentations: • a presentation of the Shared Platforms (new features, outlook and budget for 2022) by the CEO of Shared Platforms; • a presentation on Web 3.0 and the metaverse by representatives of Meta; • a presentation on future trends in the sector by Steve King (Group Chief Operating Officer).

3.1.2.5 Assessment of the Supervisory Board

Assessment process

In accordance with article 11.3 of the Afep-Medef Code, the Supervisory Board conducts an annual self-assessment of its work, reviews the summary and draws conclusions. Each member of the Supervisory Board completes a personal questionnaire, with the 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 H. Glocer, an independent member, in direct contact with members of the Supervisory Board, conducted individual interviews with any Board member who so wished and carried out this assessment for the 2021 financial year with the support of the Secretary General and the Legal Department.

Analysis of assessment results

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 2021 assessment was presented at the Supervisory Board meeting of March 17, 2022 and the Board led a discussion on areas for improvement. Overall, the 2021 assessment scores are very good.

Board members were particularly satisfied with the Board's responsiveness, adaptability, momentum and smooth running. They expressed their appreciation for the smooth running of the meetings and the organization of the discussions and noted an improvement in the flow of information between meetings.

Areas for improvement

The members of the Board proposed, among the areas for improvement, to provide for more in-depth discussions on the strategy, to organize awareness sessions on new dimensions of the business lines and to strengthen the skills within the Board, on data and new technologies, sustainable development and societal commitment.

Committee members were satisfied with the work carried out within the committees. With regard to the Strategy and Risk Committee, its members would like this Committee to meet more frequently; with regard to the ESG Committee, set up in May 2021, it was suggested that the number of its members be increased. The members of the Board wished to be able to devote more time to review the Groupe's strategy in the short, medium and long term, to analyze the competition and better assess future risks and challenges.

Action plan

The Board took note of the areas for improvement expressed. In order to meet the training needs expressed by certain Board members, the detailed presentations on Web 3.0 and the metaverse as well as on future trends in the sector was made to Board members. They also benefited from CSR training, mainly on the risks related to climate change and the challenges for the Company, carried out in two separate sessions by an external firm.

3.1.2.6 On-boarding and training of members of the Supervisory Board

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 was proposed. 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 fulfill their duties under the best possible conditions.

Tidjane Thiam, who joined the Supervisory Board in May 2022, benefited from an induction program during which he was able to meet with the Chairman of the Management Board and the Chairman of the Supervisory Board. As a member of the Audit Committee, he also attended a specific information session on internal audit, risk management and internal control.

The members of the Supervisory Board, in particular the members of the ESG Committee, benefited from technical training on climate issues, provided by a specialist external firm. This training was held in two sessions on November 21, 2022 and December 5, 2022.

The first session was devoted to the origins of climate change and the international frameworks that guide public action and are binding on companies, with a particular focus on the situation in the United States, Europe, France and India.

The second session focused on Company-wide climate action, carbon neutrality concepts and the Net Zero target, as well as regulatory changes and voluntary actions to reduce carbon emissions from the Company and its services. The Company's levers to achieve its trajectory were examined and discussed.

3.1.2.7 Procedure for assessing agreements

Ordinary ongoing arm's length agreements (so-called ordinary agreements)

In accordance with article L. 22-10-29 of the French Commercial Code, the Supervisory Board meeting of September 11, 2019 established, on the proposal of the Audit Committee, a procedure for assessing ordinary ongoing arm's length agreements.

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.

Related-party agreements

Pursuant to article L. 225-86 of the French Commercial Code, any agreement entered into directly or through an intermediary between the Company and:

- one of the members of the Management Board;
- one of the members of the Supervisory Board;
- a shareholder holding a percentage of voting rights greater than 10% or if it is a shareholder Company, the Company controlling it within the meaning of article L. 233-3 of the French Commercial Code,

must be subject to the prior authorization of the Supervisory Board.

These provisions are applicable to agreements in which one of these persons is indirectly interested.

Agreements between the Company and a company are also subject to prior authorization if one of the members of the Management Board or Supervisory Board is the owner, a partner with unlimited liability, a manager, a director, a member of the Supervisory Board or, in general, an executive officer of that company.

Under the terms of article L. 225-88 of the French Commercial Code, the person directly or indirectly interested in the agreement is required to inform the Board as soon as he/she is aware of an agreement to which article L. 225-86 is applicable. If he/she sits on the Board, he/she may not take part in the discussions or vote on the authorization requested.

The foregoing provisions are not applicable either to agreements relating to day-to-day operations and entered into under normal conditions, or to agreements entered into between two companies, one of which holds, directly or indirectly, all of the share capital of the other, as the case may be, less the minimum number of shares required by law.

In accordance with the provisions of article L. 225-86 of the French Commercial Code, the Supervisory Board's authorization decisions since August 1, 2014 are all justified.

No agreements were entered into or continued in application of the provisions applicable to related-party agreements during the 2022 financial year.

3.1.2.8 Observations of the Supervisory Board on the Management Board report and the financial statements for 2022

The Management Board presented its management report at the Supervisory Board Meeting of February 1, 2023, as well as the annual and consolidated financial statements for 2022. The Supervisory Board examined them, took note 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 relevant and necessary information, 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.

The detail of the operating conditions for the five Committees is indicated in Title II "Specialized Committees" in the Supervisory Board's internal rules and regulations. 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.

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 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.

Committee members shall be appointed for the duration of their tem of office as Supervisory Board members, and shall be eligible for reappointment under the same conditions as those laid down in Article 13 of the Articles of Incorporation.

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 General Shareholders' Meeting of May 25, 2022, the Board decided to review the composition of the committees, in particular with the arrival of Tidjane Thiam, according to the skills of the members, their interests, compliance with the diversity principle and the recommendations of the Afep-Medef Code. The composition of the five committees ensures a diversified and balanced representation in terms of diversity, independence, skills, experience and nationalities.

Audit Committee

Number of members	Number of meetings in 2022	Percentage of independent members	Attendance rate	Parity rate
5	6	100%	90%	20% Women 80% Men

Composition of the Audit Committee as of the date of this document

In accordance with article 17.1 of the Afep-Medef Code, the Audit Committee does not include any executive corporate officers. It is composed entirely of independent members. They all have financial and/or accounting skills due to their professional experience, described in their biographies in Section 3.1.1.1 of this document.

	Personal information			Independent member[2]	Year(s) on the Board	Attendance
	Age[1]	Gender	Nationality			
Jean Charest *(Chair)*	64	M	Canadian	Yes	9	100%
Thomas H. Glocer	63	M	American	Yes	6	67%
André Kudelski	62	M	Swiss	Yes	6	83%
Suzan LeVine	53	F	American	Yes	3	100%
Tidjane Thiam	60	M	French and Ivorian	Yes	<1	100%

(1) At December 31, 2022.
(2) With regard to the independence criteria set out in the Afep-Medef Code.

M: Male – F: Female

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.

It is specified that Tidjane Thiam joined the Audit Committee by decision of the Supervisory Board of May 25, 2022 following his appointment as a member of the Supervisory Board by the General Shareholders' Meeting of May 25, 2022.

The changes in the composition of the Audit Committee in 2022 are presented hereafter:

Member of the Audit Committee	Departure	Appointment
Tidjane Thiam *(independent member)*		May 25, 2022

Main missions and activities in 2022

The Audit Committee's missions are detailed in article 6 of the Supervisory Board's internal rules and regulations. In accordance with article L. 823-19 of the French Commercial Code and article 17.2 of the Afep-Medef Code, the Audit Committee's missions and main work completed in 2022 are as follows:

Missions	Main work completed in 2022
Financial and non-financial accounting information - review the parent Company and consolidated financial statements of the Company, as well as the financial and non-financial information issued, before their presentation to the Supervisory Board; - monitor their development process and make recommendations, where appropriate, to ensure their integrity; - ensure the relevance of accounting methods; - ensure the accuracy and fairness of the financial statements; - monitor internal control and risk management systems; - review the effectiveness of internal control and risk management systems; - oversee the organization and implementation of the Groupe's internal audit; - ensure the effectiveness of the internal audit for procedures relating to the preparation and processing of financial and non-financial accounting information; - review the internal audit plan; - review risks with a financial impact and off-balance sheet commitments; and - be informed of exposure to risks, including social and environmental risks. **External control** - issue a recommendation to the Supervisory Board on the choice of statutory auditors proposed for appointment or reappointment by the General Shareholders' Meeting under the conditions provided by the law; - monitor the statutory auditors' performance of their duties and related fees and ensure their independence; - on behalf of the Supervisory Board, give prior authorization for 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; and - report on its missions to the Board and the results of the certification of the financial statements. In this context, it reports on the way in which this mission contributed to the integrity of the financial information and the role it played in this process.	• review of the Groupe's 2021 annual financial statements and half-year financial statements ended June 30, 2022 and related reports before they are submitted to the Supervisory Board; • regular review of the Groupe's results with an analysis of organic growth by country/region and by business line; • monitoring of the 2021 statutory financial statements of the subsidiaries; • verification of the relevance and consistency of the accounting methods adopted for the preparation of the financial statements; • analysis of the Groupe's cash position and future needs; • review of the missions carried out by the internal audit during 2022 and monitoring of the implementation of the action plans; • information on whistleblowing cases processed by the Internal Audit Department; • monitoring of the most sensitive fraud, litigation, investigations or lawsuits; • review of the controls carried out under the French "Sapin 2" anti-corruption law; • monitoring of the progress of the 2022 audit plan and validation of the 2023 internal audit plan; • review of the broad outlines of the proposed roadmap on financial controls deployed in Groupe entities; • review of the exit from the Groupe's activities in Russia and impact on the consolidated financial statements; • review of reported cybersecurity cases; • assessment of ongoing ordinary arms-length agreements, in application of the verification procedure for these agreements as well as the criteria allowing this classification; • monitoring the missions of the statutory auditors, who presented their methodology, scope of audit and work; • discussion with the statutory auditors, without the members of the Management Board being present, on the Groupe's financial statements; and • review and approval of the statutory auditors' fees for 2022, and fees for additional assignments given to them.

Nominating Committee

Number of members	Number of meetings in 2022	Percentage of independent members	Attendance rate	Parity rate
6	4	67%	100%	50% Women 50% Men

Composition of the Nominating Committee as of the date of this document

In accordance with article 18.1 of the Afep-Medef Code, the Nominating Committee does not include any executive corporate officers. It is mainly composed of independent members.

	Personal information			Independent member(2)	Year(s) on the Board	Attendance
	Age(1)	Gender	Nationality			
Élisabeth Badinter *(Chair)*	78	F	French	No	35	100%
Maurice Lévy	80	M	French	No	5	100%
Jean Charest	64	M	Canadian	Yes	9	100%
Marie-Josée Kravis	73	F	American	Yes	12	100%
André Kudelski	62	M	Swiss	Yes	6	100%
Suzan LeVine	53	F	American	Yes	3	100%

(1) At December 31, 2022. M: Male- F: Female
(2) With regard to the independence criteria set out in the Afep-Medef Code.

No changes occurred in the composition of the Nominating Committee in 2022.

Main missions and activities in 2022

The missions of the Nominating Committee are detailed in article 7 of the Supervisory Board's internal rules and regulations.

In accordance with article 18.2 of the Afep-Medef Code, the missions of the Nominating Committee and the main work completed in 2022 are as follows:

Missions	Main work completed in 2022
– make any appropriate observations on the composition of the Board and Management Board; – propose to the Board a selection procedure for future Board members and carry out its own reviews on potential candidates; – 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; – propose, to the Board, candidates for corporate officers of the Company; – examine proposals for the appointment of Head Office executives, members of the Management Committee and of the Executive Committees of the major countries; – draw up a succession plan for executive corporate officers and to examine, beforehand, the succession plans for all key positions; and – examine the gender balance policy applied to management bodies.	• review of the reappointment of Supervisory Board members whose term of office ends at the 2022 General Shareholders' Meeting and recommendation to the Board in view of this Meeting; • analysis of the candidacy of Tidjane Thiam as a new member of the Board, taking into consideration the objective of balanced and diversified representation of the Board; • review of the independence of the members of the Supervisory Board and maintenance of the status of independent member of Marie-Josée Kravis; • review of the composition of the Management Board when terms of office expire and propose reappointment to the Board; • consideration of a succession plan for the Management Board; and • recommendation of the establishment of a Directoire+ and its composition.

Compensation Committee

Number of members	Number of meetings in 2022	Percentage of independent members[1]	Attendance rate	Parity rate[1]
5 including one member representing employees	5	75%	100%	25% Women 75% Men

(1) Excluding the member representing employees.

Composition of the Compensation Committee as of the date of this document

In accordance with article 19.1 of the Afep-Medef Code, the Compensation Committee does not include any executive corporate officers. It is mainly composed of independent members. Following the recommendations of the Afep-Medef Code, André Kudelski, Chair of this committee, is independent and Patricia Velay-Borrini, member representing employees, is a member of the Compensation Committee.

	Personal information					
	Age[1]	Gender	Nationality	Independent member[2]	Year(s) on the Board	Attendance
André Kudelski *(Chair)*	62	M	Swiss	Yes	6	100%
Maurice Lévy	80	M	French	No	5	100%
Thomas H. Glocer	63	M	American	Yes	6	100%
Antonella Mei-Pochtler	64	F	Italian	Yes	3	100%
Patricia Velay-Borrini *(Member representing employees)*	54	F	French	n/a	2	100%

(1) At December 31, 2022.
(2) With regard to the independence criteria set out in the Afep-Medef Code.

M: male - F: female
n/a: not applicable

It should be noted that Michel Cicurel assists the Committee as a permanent expert.

The changes in the composition of the Compensation Committee in 2022 are presented hereafter:

Member of the Compensation Committee	Departure	Appointment
Patricia Velay-Borrini *(Member representing employees)*		November 24, 2021*

* Applicable as from January 1, 2022.

Main missions and activities in 2022

The missions of the Compensation Committee are detailed in article 8 of the Supervisory Board's internal rules and regulations. In accordance with article 19.2 of the Afep-Medef Code, the duties of the Compensation Committee and the main work completed in 2022 are as follows:

Missions	Main work completed in 2022
– issue a recommendation on the amount and division of compensation allocated to members of the Supervisory Board; – 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.); – 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; – 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; and – in general terms, approve, 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.	• review of the annual variable compensation: setting the variable compensation package for employees in financial year 2021; • approval of the Management Board's proposal to pay an exceptional bonus linked to loyalty and performance delivered during the health crisis for employees who do not normally receive a bonus; • review of the performance criteria and determination of the variable and fixed compensation of the Chairman of the Management Board and the members of the Management Board in financial year 2021; • review of the Groupe's compensation practices in relation to the compensation of the CAC 40 and comparable companies in the same business sector; • recommendation on the compensation policies of corporate officers for 2022; • review of the methods for granting shares to the Chairman of the Management Board under the LTIP 2022 Président du Directoire plan; • review of the methods for granting shares to members of the Management Board under the LTIP 2022 Members of the Directoire plan; • information on increases and recruitment of managers for country and regional Executive Committees; • review of the deliveries of shares to the Groupe's executive directors for 2023 and the LTIP 2023 budget; and • reflection on the implementation of an employee shareholding plan.

Strategy and Risk Committee

Number of members	Number of meetings in 2022	Percentage of independent members[1]	Attendance rate	Parity rate[1]
7 including one member representing employees	2	67%	100%	33% Women 67% Men

(1) Excluding the member representing employees.

Composition of the Strategy and Risk Committee as of the date of this document

The Strategy and Risk Committee is composed of a majority of independent members and is chaired by Marie-Josée Kravis.

	Personal information			Independent member[2]	Year(s) on the Board	Attendance
	Age[1]	Gender	Nationality			
Marie-Josée Kravis *(Chair)*	73	F	American	Yes	12	100%
Maurice Lévy	80	M	French	No	5	100%
Simon Badinter	54	M	French and American	No	23	100%
Thomas H. Glocer	63	M	American	Yes	6	100%
Antonella Mei-Pochtler	64	F	Italian	Yes	3	100%
Tidjane Thiam	60	M	French and Ivorian	Yes	<1	100%
Pierre Pénicaud *(Member representing employees)*	59	M	French	n/a	5	100%

(1) At December 31, 2022.
(2) With regard to the independence criteria set out in the Afep-Medef Code.

M: male – F: female
n/a: not applicable

It is specified that Tidjane Thiam joined the Strategy and Risk Committee by decision of the Supervisory Board of May 25, 2022 following his appointment as a member of the Supervisory Board by the General Shareholders' Meeting of May 25, 2022.

Changes in the composition of the Strategy and Risk Committee in 2022 are presented hereafter:

Member of the Strategy and Risk Committee	Departure	Appointment
Tidjane Thiam		May 25, 2022

Main missions and activities in 2022

The missions of the Strategy and Risk Committee are detailed in article 9 of the Supervisory Board's internal rules and regulations. The missions of the Strategy and Risk Committee and the main work completed in 2022 are as follows:

Missions	Main work completed in 2022
– examine the risks to which the Company is exposed and the policies and corrective measures to control and mitigate them; – examine the Groupe's Corporate Social and Environmental Responsibility (CSR) strategy and the options selected to implement this strategy; and – 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.	• review the situation in Ukraine and Russia and the impact of this war on employees and activity; • update the Groupe's risk mapping and specifically review five risks: talent retention, client retention, cybersecurity, strategic legal risks and corruption; • review the Groupe's strategy with regard in particular to major market trends: the Groupe's good strategic positioning in the United States, digital, commerce, business transformation and data has been noted; and • information on the appointment of a new Chief Compliance Officer in order to better formalize and improve the effectiveness of the work carried out on compliance.

ESG Committee

Number of members	Number of meetings in 2022	Percentage of independent members[1]	Attendance rate	Parity rate[1]
4 including one member representing employees	2	67%	87%	Women 100%

(1) Excluding the member representing employees.

Composition of the ESG Committee as of the date of this document

The ESG Committee is composed of a majority of independent members and is chaired by Suzan LeVine.

	Personal information					
	Age[1]	Gender	Nationality	Independent member[2]	Year(s) on the Board	Attendance
Suzan LeVine *(Chair)*	53	F	American	Yes	3	100%
Sophie Dulac	65	F	French	No	24	100%
Antonella Mei-Pochtler	64	F	Italian	Yes	3	100%
Patricia Velay-Borrini *(Member representing employees)*	54	F	French	n/a	2	100%

(1) As of December 31, 2022.
(2) With regard to the independence criteria set out in the Afep-Medef Code.

M: male – F: female
n/a: not applicable

It should be noted that Patricia Velay-Borrini, who left the ESG Committee on January 1, 2022 to concentrate on the topics dealt with by the Compensation Committee, agreed to rejoin it in May 2022 to replace Cherie Nursalim. Since then, she has been a member of the Compensation Committee and the ESG Committee.

The changes in the composition of the ESG Committee in 2022 are presented hereafter:

Member of the ESG Committee	Departure	Appointment
Patricia Velay-Borrini *(Member representing employees)*	November 24, 2021*	
Antonella Mei-Pochtler		February 2, 2022
Cherie Nursalim	May 25, 2022	
Patricia Velay-Borrini *(Member representing employees)*		May 25, 2022

* Applicable as from January 1, 2022

Main missions and activities in 2022

The duties of the ESG Committee are detailed in article 10 of the Supervisory Board's internal rules and regulations. The missions of the ESG Committee and the main work completed in 2022 are as follows:

Missions	Main work completed in 2022
Social and environmental issues – review the Groupe's CSR policy and initiate any discussions on the long-term evolution of this policy; – examine the Groupe's social policies, formulating proposals in terms of diversity and inclusion, professional equality, changes in working conditions; and – 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. **Governance issues** – lead a reflection, in conjunction with all stakeholders, on the Groupe's purpose; and – conduct discussions and propose solutions aimed at taking into account the interests of stakeholders in the challenges and major strategic orientations of the Company and the Groupe. **Non-financial criteria** – examine the non-financial reporting and control systems as well as the non-financial information published by the Groupe.	• monitoring of the objective of reaching 45% women in the Groupe's key leadership positions; • discussions on the gender pay gap; • information on regulatory obligations in terms of gender equality, approaches and methodologies implemented in this area. • monitoring numerous indicators in this area (particularly percentage of renewable energy and carbon emissions); • reviews of new objectives validated by SBTi (Science Based Target Initiative) and defined in response to the change in their methodology: reduction of the carbon footprint by 50% by 2030 (carbon neutrality) and by 90% by 2040 (Net Zero); • reflection on the implementation of new directives for business air travel in order to reduce carbon emissions in line with objectives; • review of the advisability of proposing a resolution on the policy to fight climate change, "say on climate" at the General Shareholders' Meeting of May 25, 2022; • study on climate risks: mapping and possible mitigation measures; • information on the launch of P.R.I.S.M.S (Publicis Groupe Program for Responsible, Inclusive and Sustainable Marketing Standards), whose objective is to identify relevant indicators to measure responsible marketing efforts and ensure that the Groupe's work for its clients meets ESG criteria.

3.1.3 Management Board

3.1.3.1 Composition of the Management Board at December 31, 2022

The Company's Articles of Incorporation 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.

At December 31, 2022, the Management Board had three members: Arthur Sadoun, (Chairman), Anne-Gabrielle Heilbronner and Michel-Alain Proch.

The table below provides a summary of the Management Board's composition at December 31, 2022:

	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*	51	M	French	177,611	2	06/01/2017	5	09/14/2026	100%
Anne-Gabrielle Heilbronner	53	F	French	29,808	3	09/15/2014	8	09/14/2026	100%
Michel-Alain Proch	52	M	French	30,000	2	01/15/2021	1	09/14/2026	100%

(1) At December 31, 2022
M: male F: female

Changes to the composition of the Management Board in 2022

The Management Board was reappointed by the Supervisory Board on September 14, 2022.

Thus, the term of office as Chairman of the Management Board of Arthur Sadoun and the terms as members of the Management Board of Anne-Gabrielle Heilbronner and Michel-Alain Proch were renewed for a period of four years, *i.e.* until September 14, 2026.

The Supervisory Board noted the end, on September 14, 2022, of the term of office of Steve King as a member of the Management Board, who takes on new responsibilities within the Groupe as Chair of Publicis Groupe Europe.

Presentation of the members of the Management Board

The profiles below present members of the Management Board, 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, 2026
Number of shares held: 177,611
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: 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, 2026
Number of shares held: 29,808
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, 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.

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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 Chair: Publicis Live SA (Switzerland)
- Head of the key Internal Audit function of the insurance captive: Publicis Ré SA (France)

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)
- Director: Chargeurs SA, listed company (France), Musée d'art et d'Histoire du Judaisme (association) (France)

Offices held outside the Groupe in the last five years

Offices listed above as well as the following office:

- JG Capital Management SAS (France) (term ended in 2023)



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, 2026
Number of shares held: 30,000
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 Chief Executive Officer 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)
- Chair of the Board of Directors and Director of captive insurance: Publicis Ré SA (France)
- Representative of Multi Market Services France Holdings SAS, Chair: Ologir SAS (France)
- Chair and Director: MMS Canada Holdings Inc. (Canada), TMG MacManus Canada Inc. (Canada)
- Chair, Director and Treasurer: Obtineo USA, Inc. (United States)
- Chair of the Board of Directors: MMS Italy Holdings Srl (Italy), MMS México Holdings, S. de RL de CV (Mexico), SWELG Holding AB (Sweden)
- Director: 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), Lion Re:Sources UK Ltd (United Kingdom), MMS UK Holdings Ltd (United Kingdom), Saatchi & Saatchi Holdings Ltd (United Kingdom), Profitero UK Ltd (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-Chair of the Board of Directors, independent director, Chair of the Audit Committee and member of the Nominating and Compensation Committee: Maisons du Monde SA, listed company (France)
- Member of the Supervisory Board: Iris Capital Management SAS (France)

Offices held outside the Groupe in the last five years
Office listed above as well as the following offices:
- Chair: Banks and Acquirers International Holding SAS (France) (term ended in 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 2020), Retail International Holding SAS (France) (term ended in 2020)
- Director: Ingenico Holdings Asia II Ltd (Hong Kong) (term ended in 2019), Ingenico Holdings Asia Ltd (Hong Kong) (term ended in 2020), Ingenico Business Support Americas, S. de RL de CV (Mexico) (term ended in 2019), Ingenico International 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 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 Company's Management Board 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 three members of the Management Board will expire on September 14, 2026.

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 Articles of Incorporation, 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 General 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 member of the Supervisory Board. 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 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 Articles of Incorporation and the Supervisory Board's internal rules and 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 2022

During 2022, the Management Board met 15 times, including twice through written consultation, with an overall attendance rate of its members of 97%.

Its work focused on:

- the review and approval of the 2021 consolidated and annual financial statements, the 2022 budget, the 2022 half-year financial statements and the revenue for Q1 and Q3 2022;
- the review and approval of the provisional management documents at December 31, 2021 and June 30, 2022;
- the Groupe's financial position;
- the Groupe's cash position and the 2023 budget;

- the proposed allocation of net income for 2022;
- 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 approval of financial transactions for the benefit of subsidiaries not wholly owned and of financial guarantees for the benefit of the Groupe's subsidiaries;
- the approval of the creation of a reinsurance captive, a subsidiary of Publicis Groupe SA;
- the strategy and measures taken to deal with the impacts of the war in Ukraine and the Groupe's withdrawal from Russia;
- the updating of the share capital and the recognition of the number of shares issued following the exercise of warrants and the delivery of free shares;
- the HR policy, key HR performance indicators, diversity and gender balance within management bodies and within the Groupe;
- the implementation and monitoring of the management of share plans;
- the resolutions to be put to the vote of the General Shareholders' Meeting of May 25, 2022, 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 implementation of a share buyback program;
- the mapping of the Company's risks and its social and environmental challenges;
- the impacts of the new SBTi methodology;
- the 2023 Internal Audit Plan;
- the organization of compliance within Publicis Groupe.

3.1.4 Directoire+

On the proposal of Arthur Sadoun, the management team was strengthened with the creation of a Directoire+ to prepare for the Groupe's future. This new management team is composed of highly qualified individuals who have demonstrated great leadership and expertise in the operations for which they are responsible. This new management team will have the role of making the "Power of One" work in an even deeper, broader and more demanding way, with the integration of e-commerce functions now inseparable from all dimensions of marketing and business transformation.

At December 31, 2022, the Directoire+ was composed of four members, with a 50% proportion of women.

Member	Gender	Position
Agathe Bousquet	F	*Chair Publicis France*
Dave Penski	M	*Chief Executive Officer Publicis Media US*
Carla Serrano	F	*Director of Strategy at Publicis Groupe*
Nigel Vaz	M	*Chief Executive Officer Publicis Sapient*

The members of the Directoire+ are not members of the Management Board. They attend Management Board meetings when they are invited to do so and participate, in an advisory capacity only, in the discussions and work of this body. As a result, they do not vote on the decisions of the Management Board.

When they are invited to a Management Board meeting, they must treat all information during these meetings as strictly confidential.

The members of the Directoire+ strive to maintain their independence of analysis and judgment in all circumstances; they are required to inform the Management Board of any conflict of interest, whether direct or indirect, even potential, arising from the other positions and responsibilities they otherwise perform within or outside the Groupe. Should such a situation arise, they would abstain from participating in the Management Board's discussions and work on the issue in question.

3.1.5 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, 2022, the Management Committee had twenty-three members, including the three members of the Management Board and the four members of the Directoire+, with a 39% proportion of women (9 women out of 23 members).

At December 31, 2022, the members of the Management Committee, excluding members of the Management Board and Directoire+, were as follows:

Member	Gender	Position
Emmanuel André	M	*Chief Talent Officer 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	*Chair Publicis Health & Chief Operating Officer Operations Publicis Groupe Marketing Services US*
Magnus Djaba	M	*Chief Client Officer Publicis Groupe*
Stephane Estryn	M	*M&A Director*
John Giuliani	M	*Executive Chair Epsilon*
Amy Hadfield	F	*Director of Global Communications*
Tim Jones	M	*Chief Operating Officer Publicis Groupe Marketing Services US*
Steve King	M	*Chair Publicis Group Europe*
Annette King	F	*Chief Executive Officer Publicis Groupe UK*
Loris Nold	M	*Chief Executive Officer Publicis Groupe EMEA*
Jane Lin-Baden	F	*Chief Executive Officer APAC*
Sylvie Ouziel	F	*Chief Executive Officer Shared Platforms*
Talia Raviv	F	*Chief Executive Officer, Global Media*
Alexandra von Plato	F	*Chief Executive Officer Publicis Health*

M: male F: female

3.1.6 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 Groupes 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 Groupe of "key management positions" made up of all members of the Management Board, the Directoire+, 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, 2022

	Percentage of women	Objective by 2025
Global workforce	51.5%	
Management Board	33%	
Directoire+	50%	
Management Committee	39%	
Key management positions	42.5%	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 2022 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:

- take this objective into consideration in the CSR criteria included in the variable compensation of the members of the Management Board as well as in the LTI criteria for the Groupe's executives;
- 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 more than 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. The Women's Forum, a subsidiary of the Publicis Groupe, continues through its events and publications to promote the voice and contribution of women to equality issues as well as to the main global social and economic challenges. The missions and activities of VivaWomen! and the Women's Forum are detailed in the chapter 4 of this Universal Registration Document.

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

The Company took note of the update of the Afep-Medef Code in December 2022 and is implementing the necessary measures to apply the new recommendations during the 2023 financial year.

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 28.1 of the Afep-Medef Code, the Company considers that its practices comply 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 10.5.6 – independence criteria "Not to have been a director of the Corporation for more than 12 years."	The Supervisory Board, based on the work carried out by the Nominating Committee, examined the special position of Marie-Josée Kravis, who has completed her twelfth year on the Board on June 1, 2022, with regard to the sixth criterion of the Afep-Medef Code. The Committee is fully aware that the purpose of this criterion is to determine whether the time spent does not cause the person concerned to lose his or her independence of judgment and critical spirit with regard to the Groupe's management. However, the Committee considered that failure to comply with this criterion alone would not automatically result in the loss of independent status for any of its members, and that the position of each member should be assessed on a case-by-case basis, taking into account the particular circumstances of each member and the specificities of the Groupe. In the case of Marie-Josée Kravis, the Committee considered that the influence of the time spent was not likely to affect her independence. The analysis carried out by the Nominating Committee takes into account her professional and personal situation. Marie-Josée Kravis is an American economist specializing in the analysis of public policy and strategic planning. The areas in which she works include philanthropy, art, culture and medicine, without interfering with her term of office within Publicis Groupe. The Committee also took into account the duality of the governance of Publicis Groupe SA, the Supervisory Board having different prerogatives from a Board of Directors, thus being removed from the operations and management of the Company, in practice mitigating the occurrence of conflicts of interest. The Committee took care to discuss and evaluate in substance her ability to form her own opinion and to fully exercise her control over the members of the Management Board. She has demonstrated a sense of ethics and a remarkable freedom of speech recognized by her peers. Consequently, the Supervisory Board, on the recommendation of the Nominating Committee, concluded that Marie-Josée Kravis retained her status as an independent member of the Board. The Supervisory Board will have the opportunity to reassess Marie-Josée Kravis' position, whose term of office expires at the end of the General Shareholders' Meeting called to approve the financial statements for the 2023 financial year.
Article 27.2 – 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 (74%) 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 5% of Groupe revenues and 6% of Groupe payroll and is not representative of Groupe operations (see Section 3.2.2.8 of this Universal Registration Document). It should be noted that the ratios at Publicis Groupe SA level are also indicated in accordance with the law (see Section 3.2.2.8 "Scope" of this Universal Registration Document).

3.1.8 Code of Ethics

Groupe 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. 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.

A new version of this Code was published on May 25, 2022. Regular updates are planned (once or twice a year). The last update was made in early 2023.

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.

Stock market ethics

Janus provides detailed rules on stock market ethics in a specific chapter. The Groupe's objective is to ensure compliance with the laws and regulations in force, as well as the recommendations issued by the AMF, in the area of risk management related to the holding, disclosure or possible use of insider information.

The purpose of the code is to:

- define insider information and the related general rules of its use;
- determine the specific rules applicable to persons holding insider information;
- specify the administrative and/or criminal penalties applicable to a breach of the obligations related to holding insider information; and
- detail the preventive measures.

These rules apply to any employee or executive corporate officer of the Company who has insider information, to their spouses and children, as well as to any person living in their household, until the information is publicly disclosed.

In addition, the Groupe has drawn up a list of employees and executive corporate officers with regular or occasional access to insider information and has set blackout periods during which these persons, and persons closely related to them, are prohibited from, on their own behalf or on behalf of the account of a third party, directly or indirectly, any transaction involving the Company's securities, or derivatives and other related financial instruments (unless authorized by the Company, in accordance with the regulations in force).

This specific chapter is regularly reviewed to adapt to legislative and regulatory changes and to take into account the recommendations of the AMF.

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 2023 financial year as well as the items of compensation for corporate officers for the 2022 financial year.

3.2.1 Compensation policy for corporate officers for the 2023 financial year

Pursuant to article L. 22-10-26 of the French Commercial Code, the General Shareholders' Meeting of May 31, 2023 will be asked to approve the compensation policy for corporate officers for the 2023 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 and objectives 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 analyses 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 2022 (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 target 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 linked to the individual responsibilities of each employee and by criteria reflecting the Groupe's ambitions in terms of Corporate Social Responsibility (CSR), also publicly communicated. These varied and measurable criteria are relevant, verifiable and transparent to support both short- and long-term performance.

The 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 and calculations in conformity with the resolutions adopted.

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 Corporate Governance 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 members of the Supervisory Board 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 31, 2023, 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 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.

Changes to the compensation policy

In accordance with the decisions of the Supervisory Board of March 8, 2023, on the proposals of the Compensation Committee of March 7, 2023, the following changes to the compensation policy previously approved by the shareholders at the last General Shareholders' Meeting of May 25, 2022 will be proposed to the General Shareholders' Meeting of May 31, 2023:

- The fixed compensation of Michel-Alain Proch, member of the Management Board, would be increased from 600,000 euros to 720,000 euros per year, an increase of 20%.
- The fixed compensation of the Chairman of the Management Board remains unchanged and the annual variable compensation would be subject to two criteria linked to financial performance and based on the Groupe's internal objectives (up to 80%), namely organic growth and operating margin, and CSR criteria (up to 20%).
- Given the uncertain economic situation, the variable part of the compensation should be more rewarding in case of good performance and more penalizing in the event of underperformance. The overperformance clause on the annual variable compensation of the Chairman of the Management Board could thus be increased to 150% and apply to all the criteria. Similarly, the performance shares allocated to the Chairman of the Management Board would be subject to an overperformance clause only applicable to the growth and margin criteria. Conversely, in the event of underperformance, the variable compensation would be strongly negatively impacted and could be zero.
- In the interest of the Groupe and of all stakeholders, the Supervisory Board has decided to secure the services of Arthur Sadoun on the long term. Indeed, the Groupe has this singularity that in almost a hundred years of existence, it only had three Chief Executive Officers: its founder, Marcel Bleustein-Blanchet, during 60 years, Maurice Lévy, during 30 years, and Arthur Sadoun since 2017. The duration of exercise of such CEO responsibilities is undoubtedly one of the Groupe's key success factors. In the unstable landscape in which we operate and in light of the accute war for talent in our industry - even more so for a profile as visible as that of Arthur Sadoun, whose performance is highly recognized - it is proposed to implement a retention contract in shares. The shares granted would be subject to a five-year presence condition. The number of shares granted would be equal to two years of fixed compensation per year of presence over the whole five-year period, i.e. the equivalent of ten years of fixed compensation. This provision is established in the interest of the Company and of all stakeholders, shareholders included.

3.2.1.2 Compensation policy applicable to 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 S.A. aims to reward the expertise and involvement of its members, against the backdrop of their ever-increasing commitment.

Total amount of compensation

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

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. In order to bring Publicis Groupe closer to market practices, to enable it to attract personalities of international standing and to anticipate the appointment of new members and/or the increase in the number of meetings of the Supervisory Board and/or Committees (following in particular the creation of an ESG Committee as from 2021), this envelope was increased to euro 1.5 million at the General Shareholders' Meeting on May 25, 2022.

In addition, from January 1, 2022, the compensation of the members of the Supervisory Board and committees breaks down as follows: each member of the Supervisory Board receives fixed compensation of 10,000 euros per year (increased by 7,500 euros for chairing a committee) to which is added an amount of 6,000 euros for actual attendance at a meeting of the Supervisory Board and the Committee in which he/she participates (7,500 euros 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 euros and 6,000 euros for each Board meeting attended. A Board member who also participates in a Committee would receive 6,000 euros for each Committee meeting attended. A Board member that is also Chair of a Committee would receive fixed compensation of 10,000 euros, increased by 7,500 euros for chairing a Committee, and compensation per meeting of 6,000 euros increased by 1,500 euros for attendance at the Committee meeting he/she chairs and 6,000 euros per Board meeting or any other Committee meeting he/she attends.

For reference, 81.47% of the compensation budget authorized for members of the Supervisory Board was used for 2022.

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 2022.

Compensation of the Vice-Chairwoman

Aside from her compensation as a member of the Supervisory Board, Élisabeth Badinter does not receive any specific compensation in respect of her position as Vice-Chairwoman of the Supervisory Board. Élisabeth Badinter does not have an employment contract with Publicis Groupe S.A. or any of its subsidiaries.

The compensation policy for members of the Supervisory Board in respect of the 2023 financial year will be subject to approval by the General Shareholders' Meeting of May 31, 2023 in its ninth 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 8, 2023, the Supervisory Board, on the proposal of the Compensation Committee, proposed to maintain Maurice Lévy's annual compensation at 1,300,000 euros. It should be noted that when he started his new duties, Maurice Lévy's annual compensation was 2,800,000 euros and, at his request, was reduced to 1,900,000 euros in 2020 then to 1,300,000 euros in 2021. It has been maintained at this level since then.

As a reminder, the compensation policy for Maurice Lévy as Chairman of the Supervisory Board in respect of the 2022 financial year, and the vote on the items paid or awarded to Maurice Lévy in respect of the 2021 financial year, were approved (83.49% and 83.18% positive votes, respectively) by the General Shareholders' Meeting of May 25, 2022 (seventh and twelfth 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 S.A. or any of its subsidiaries and does not receive any other compensation from Publicis Groupe S.A. or any of its subsidiaries.

The compensation policy for the Chairman of the Supervisory Board in respect of the 2023 financial year will be subject to approval by the General Shareholders' Meeting of May 31, 2023 in its eighth 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 indeed American and British companies and the United States and the United Kingdom are respectively the first (60%) 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 packages 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.

Employment contracts

Members of the Management Board, with the exception of the Chairman of the Management Board, may have an employment contract with a Groupe Company.

Changes in the composition of the Board of Directors

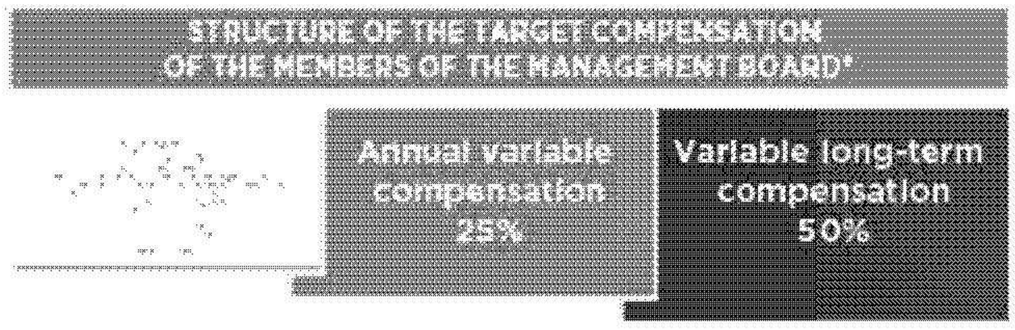
In the event that a new Management Board is appointed, or a new member joins the Management Board, the compensation policy applicable to members of the Management Board described in this section will apply to them. The Supervisory Board will nevertheless be authorized to decide temporarily on certain adjustments to take into account, in particular, the profile or experience of the new member(s). 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, the benefits forgone on leaving the previous employment. The Supervisory Board will decide on the advice of the Compensation Committee to the extent strictly required by the situation and only with respect to those points of the current compensation policy that are clearly inappropriate to the situation of the newly appointed executive.

Components of the compensation of the members of the Management Board

Compensation of the members of the Management Board 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.



(*) To which are added peripheral elements (collective health and welfare insurance plans, other benefits in kind), as well as the annualized amount of the five-year retention contract (although paid at the end of the contract).



(*) To which are added the peripheral elements (collective health and welfare insurance plans, pension benefits, unemployment insurance for corporate officers, other benefits in kind).

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 members of the Management Board and other Groupe executives in order to regularly assess its relevance and competitiveness.

Compensation of the members of the Management Board 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 33%), of the total annual compensation of the Chairman and members of the Management Board, if objectives set are achieved. It encourages overperformance as a specific reward is paid when their objectives are exceeded.

Annual variable compensation is subject to measurable and verifiable 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 2023 financial year are explained in Section 3.2.1.5 for the Chairman of the Management Board and Sections 3.2.1.6 to 3.2.1.7 for the other members of the Management Board.

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 Groupe's relative positioning 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 usefull 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.

Finally, it should be noted that whenever this adjustment clause is implemented regarding a variable or exceptional item, the payment of the corresponding amounts will in any event be subject to a positive *ex-post* vote of the General Shareholders' Meeting.

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 S.A. shareholders (see Section 6.6 Note 31 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 shares granted are subject to performance and continued presence conditions to be met over a period generally set at three years.

Since 2021 the members of the Management Board benefit from a regular performance share plan ("LTIP"). An initial grant of shares is made each year, but they only vest after three years and then only in accordance with the achievement of stringent objectives. The value of performance shares granted under the LTIP 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 granted to the Chairman of the Management Board represents, at the time of the grant, 300% of his fixed compensation (and up to 350% of his fixed compensation in the event of overperformance from 2023). The vesting 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 Groupe of companies competing with Publicis Groupe. Since 2019, part of the Publicis Groupe shares granted are also subject to a criteria relating to Corporate Social Responsibility. From 2022, Publicis Groupe S.A. shares allocated to the Chairman of the Management Board are also subject to a relative TSR criterion (Total Shareholder Return). 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 a presence condition 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 2023 Président du Directoire" and "LTIP 2023 Membres du Directoire" plans. For the "LTIP 2023 Président du Directoire", the Supervisory Board, on the proposal of the Compensation Committee, decided that the performance shares granted to the Chairman of the Management Board would be subject to an overperformance clause applicable solely to growth and margin criteria.

LTIP 2023 Président du Directoire LTIP 2023 Membres du Directoire	Date of grant	Vesting date[1]	Number of performance shares awarded[2]	% of the share capital
Arthur Sadoun, Chairman	March 16, 2023	March 16, 2026	48,655[3]	0.02%
Anne-Gabrielle Heilbronner	March 16, 2023	March 16, 2026	16,634	0.01%
Michel-Alain Proch	March 16, 2023	March 16, 2026	16,634[4]	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 16, 2023.
(3) If the compensation policy applicable to Arthur Sadoun for the 2023 financial year were adopted, additional overperformance shares of 585,000 euros would be granted and the performance criteria and conditions would be applicable to all performance shares granted in 2023.
(4) If the compensation policy applicable to Michel-Alain Proch for the 2023 financial year were adopted, additional performance shares valued at 120,000 euros would be granted.

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 Groupe	Consolidated operating margin of Publicis Groupe compared to the peer Groupe	TSR (Total Shareholder Return)	CSR
Type of performance conditions	Relative performances compared to the peer Groupe Omnicom, WPP, IPG, Publicis Groupe		Compared to the median of the CAC 40 (Groupes 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 (equally weighted for each criterion)
Vesting in the LTIP 2023 Président du Directoire(1)	• 1st in the peer Groupe: 124% of shares delivered(2) • > the weighted average of the peer Groupe: 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 Groupe average: no shares delivered	• Highest operating margin rate and +x bp of the Objectives(3): 124% of shares delivered(1) • Highest operating margin compared to the peer Groupe: 100% of the shares delivered • Margin in 2nd position: 80% of the shares delivered • Margin 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, equity and inclusion (45% of women holding key management positions by 2025) – Combating climate change (100% renewable energy by 2030, with an indicative checkpoint of 65% in 2025).

(1) Performance conditions that would only be applicable from 2023 if the compensation policy for the Chairman of the Management Board is adopted by the General Shareholders' Meeting of May 31, 2023.
(2) Overperformance that would only be applicable from 2023 if the compensation policy for the Chairman of the Management Board is adopted by the General Shareholders' Meeting of May 31, 2023.
(3) Strategic and confidential information that may not be disclosed. For the operating margin, the maximum is aligned with the market guidance given on February 2, 2023.

Type of plan	LTIP Président du Directoire			
Vesting in the LTIP 2022 Président du Directoire	• > the weighted average of the peer Groupe: 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 Groupe average: no shares delivered	• Highest operating margin compared to the peer Groupe: 100% of the shares delivered • Margin in 2nd position: 80% of the shares delivered • Margin 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, equity 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 included) 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 Groupe	Consolidated operating margin of Publicis Groupe compared to the peer Groupe	Two CSR criteria
Type of performance conditions	Relative performances compared to the reference Groupe 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)
Vesting in the LTIP 2021 Directoire (including the Chairman of the Management Board)	• > the weighted average of the peer Groupe: 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 Groupe average: no shares delivered	• Highest operating margin compared to the peer Groupe: 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, equity 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)
Vesting in the LTIP 2022 Members of the Directoire	Same	Same	• Diversity, equity 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
Vesting in the LTIP 2023 Members of the Directoire	Same	Same	• Diversity, equity and inclusion: same, with a target of 45% by the end of 2025 • Combating climate change: same, with an indicative checkpoint of 65% in 2025
Performance period	Following a three-year period at the end of which performance is calculated		

Stringent criteria

Publicis Groupe strives to use appropriate, transparent, verifiable 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%

The shares of the LTIP 2021 Directoire, LTIP 2022 Members of the Directoire, LTIP 2022 Président du Directoire, LTIP 2023 Membres du Directoire and LTIP 2023 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 and May 26, 2025 for the LTIP 2022 Members of the Directoire and LTIP 2022 Président du Directoire plans, and in 2026 for the LTIP 2023 Membres du Directoire and LTIP 2023 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 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 2022 only within the "Great Resignation" context in addition to the Corporate Social Responsibility (CSR) criteria, given the strategic and material nature of this stake for Publicis Groupe.

Ahead of the Afep-Medef Corporate Governance Code revised in December 2022, CSR criteria have been introduced since 2019, including one related to the combating climate change.

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). 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 period of presence 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 presence condition for members of the Management Board until the end of the vesting period.

This condition may only be waived by a substantiated decision of the Supervisory Board after obtaining the opinion of the Compensation Committee.

Maximum share grant level

Publicis Groupe share awards to members of the Management Board 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 0.09% of share capital (including the awards carried out in March 2023).

Mandatory holding

The Supervisory Board has decided that, in addition to plan-specific rules, members of the Management Board 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, members of the Management Board 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 20 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.

The Groupe has not granted any stock options since 2013. For information, in accordance with the compensation policy applicable to the Chairman and members of the Management Board for 2023, no stock options will be granted to them in 2023.

Peripheral elements

Collective health and welfare insurance and pension plans

Members of the Management Board may benefit from collective health and welfare insurance plans based on applicable local regulations.

Members of the Management Board in France who are subject to an employment contract and are covered by the French social security system may benefit from these plans under the same conditions as employees in France.

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.

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 24 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 and 3.2.1.7 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 benefits

The members of the Management Board may receive benefits depending on local compensation regulations and practices, such as the provision of a Company car or the payment of a taxi service subscription.

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 and 3.2.1.7 for the other members of the Management Board.

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 members of the Management Board presented in Section 3.2.1.4 as well as the specific items detailed below.

Arthur Sadoun, Chairman of the Management Board

Structure of the 2023 target compensation(*)

PERFORMANCE CONDITIONS *Measured over 3 years*
85% OF RELATIVE FINANCIAL CRITERIA:
35% Organic growth 35% Operating margin 15% TSR
15% OF NON-FINANCIAL CONDITIONS:
7.5% Diversity, Equity and Inclusion 7.5% Fight against climate change

PERFORMANCE CONDITIONS
80% OF FINANCIAL CONDITIONS:
40% Organic growth (absolute) 40% Operating margin (absolute)
20% OF NON-FINANCIAL CONDITIONS:
10% Diversity, equity and inclusion 10% Fight against climate change

(*) To which are added peripheral elements (collective health and welfare insurance plans, other benefits in kind), as well as the annualized amount of the five-year retention contract (although paid at the end of the contract).

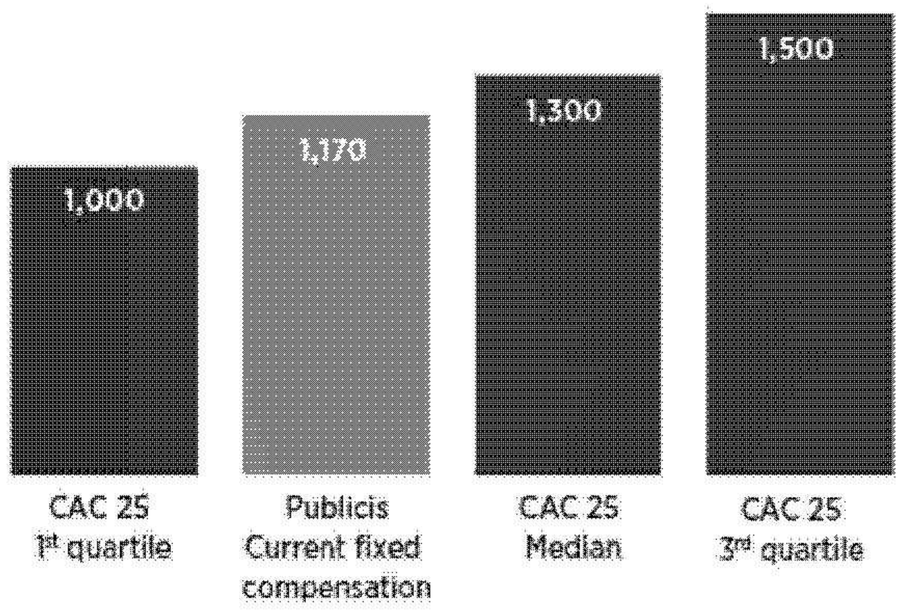
Fixed compensation

The Chairman of the Management Board receives fixed compensation in consideration for his role.

The gross annual fixed compensation of Arthur Sadoun as Chairman of the Management Board of Publicis Groupe S.A. amounted to 1,170,000 euros per year since January 1, 2022.

The analysis of Arthur Sadoun's fixed compensation in comparison with that of his peers in the CAC 25[1] (as illustrated below) as well as that of the executives of Publicis Groupe's main competitors, i.e. WPP, Omnicom and IPG, shows that, his fixed compensation remains below the median of the CAC 25 and that of the Groupe of comparable companies (i.e. WPP, Omnicom and IPG).

It is proposed to be left unchanged.



Annual variable compensation

Given the uncertain economic situation, it became clear on the Supervisory Board that the variable part of Arthur Sadoun's compensation should be more rewarding in case of good performance and more penalizing in the event of underperformance. Thus, the objectives were set in scales (between scales, on a proportional basis):

- If the first scale was not reached, the corresponding portion of the annual variable compensation would be zero
- At the first scale, the corresponding portion of the annual variable compensation would be 80%
- At the second scale, the corresponding portion of the annual variable compensation would be 100%
- If the third scale is reached or exceeded, the corresponding portion of the annual variable compensation would be 150%.

Thus, the annual variable compensation, the target of which is 200% of the annual fixed compensation, may be 300% in the best case. *A contrario* in case of underperformance, the annual variable compensation would be significantly negatively impacted and could be zero.

On the recommendation of the Compensation Committee, the Supervisory Board adopted stringent performance criteria to determine the variable compensation of Arthur Sadoun, which for the 2023 financial year, are based on:

- Two financial criteria accounting for 80% of the overall weighting of the criteria, i.e. organic growth of the Groupe's revenue and the Groupe's operating margin.

  These absolute 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. These criteria provide an incentive to overperform, since variable compensation may be increased if the objectives are exceeded, with however a cap of 50% on each of these two criteria.

  The option to compensate overperformance is aligned with the Groupe's mechanisms for annual variable compensation.
- A non-financial quantifiable individual criterion of 20% of the overall weighting based on Corporate Social Responsibility (CSR). To accelerate the achievement of our CSR commitments, the variable compensation in respect of this criterion could be increased by 50% if the objectives are exceeded and reach the next year's indicative checkpoint one year early.

If all the criteria are achieved and the margin and growth objectives are exceeded, as well as those for CSR commitments, Arthur Sadoun's annual variable compensation may represent a maximum of 150% of his target annual variable compensation, i.e. 300% of his annual fixed compensation.

All these criteria, set in advance, are quantified and based on 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.

(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, Groupes based abroad, small Groupes, companies where the compensation policy is influenced by the State and companies with specific governance.

		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	**40%**						
• Organic growth of the Groupe's revenue based on the Objective validated by the Supervisory Board in March 2023		Objective -x bp(1)	Objective	Objective +y bp(1)	80%	100%	150%
Operating margin	**40%**						
• Groupe Operating Margin based on the Objective approved by the Supervisory Board in March 2023		Objective -x' bp(1)	Objective	Objective +y' bp(1)	80%	100%	150%
CSR – the assessment of the progress of the CSR policy is carried out with regard to the following priorities:	**20%**						
• Diversity, Equity and Inclusion: the trajectory aims for 45% women among key executives in 2025 with an indicative checkpoint of 43% at the end of 2023	10%	Objectives 2023	Objectives 2023	Objectives 2024	100%	100%	150%
• Combating climate change: the trajectory aims for 100% of energy from direct renewable sources by 2030 with an indicative checkpoint of around 50% at the end of 2023	10%	Objectives 2023	Objectives 2023	Objectives 2024	100%	100%	150%
TOTAL	**100%**			**TOTAL**	**84%**	**100%**	**150%**

(*) If the threshold is not reached, the applicable portion of variable compensation is reduced to zero.
(1) Strategic and confidential information that may not be disclosed. For organic growth and operating margin, the thresholds and targets are aligned with the guidance issued on February 2, 2023.

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 Groupe 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 March and May 2025 under the "LTIP 2022 Président du Directoire" and in 2026 under the "LTIP 2023 Président du Directoire", will depend on:

- for 35% of the shares granted, the organic growth compared to a peer Groupe composed of Publicis Groupe and the other three main global communications Groupes, namely WPP, Omnicom and IPG over a three-year period (2022-2024 under the "LTIP 2022 Président du Directoire" and 2023-2025 under the "LTIP 2023 Président du Directoire");
- for 35% of the shares granted, the operating margin compared to a peer Groupe composed of Publicis Groupe and the other three main global communications Groupes, namely WPP, Omnicom and IPG, over a three-year period (2022-2024 under the "LTIP 2022 Président du Directoire" and 2023-2025 under the "LTIP 2023 Président du Directoire");
- 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 under the "LTIP 2022 Président du Directoire" and 2023-2025 under the "LTIP 2023 Président du Directoire");
- for 15% of the shares granted, conditions related to Corporate Social Responsibility.

Starting in 2023, in order to strengthen the link between Arthur Sadoun and the Groupe and encourage overperformance, the grant of performance shares may be increased by an additional amount of shares if the objectives are exceeded. In this case, the long-term variable compensation in shares may represent up to 350% of his annual fixed compensation if the sole organic growth and operating margin criteria are exceeded.

In each of these plans, assuming the performance conditions are met, entitlement to receive shares is subject to a presence condition 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 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*.

Retention contract

The Groupe has this singularity that in almost a hundred years of existence, it only had three operating Chief Executive Officers :

- its founder, Marcel Bleustein-Blanchet, during 60 years,
- Maurice Lévy, during 30 years, and
- Arthur Sadoun, since 2017.

The duration of exercise of such CEO responsibilities is undoubtedly one of the Groupe's key success factors. In the unstable landscape in which we operate and in light of the accute war for talent in our industry - even more so for profiles as visible as Arthur Sadoun, whose performance is highly recognized - it was essential for the Supervisory Board, in the interest of the Groupe and all stakeholders, to secure the services of Arthur Sadoun as Chairman of the Management Board on the long term.

To this end, it was decided to implement a retention contract with the following terms and conditions:

- a five-year retention contract would be concluded from the beginning of 2023 at the end of which the Chairman of the Management Board would receive a number of shares equivalent to two years' fixed salary per year of presence over the entire five-year period, i.e. ten years of fixed annual salary.
- The number of shares granted would be calculated by dividing the value of the retention contract by the opening share price on the day of the General Shareholders' Meeting of May 31, 2023.
- The shares related to the retention contract would vest subject to continued presence, with Arthur Sadoun having to remain in office for the five-year retention period, i.e. until December 31, 2027.
- In the event of termination of duties due to illness, disability, death or change of control, the right to receive the shares would be retained *prorata temporis*.
- In all other cases, if Arthur Sadoun left the Groupe before December 31, 2027, no share would be vested under the retention contract.

It is not meant to be an "exit" compensation, but on the contrary a retention contract to encourage him to remain as Chairman of the Management Board against an exceptional and specific allocation.

This provision is in the interest of the Company and all stakeholders, including shareholders.

The commitment relating to this retention contract of a total theoretical value of 11,170,000 euros will be provisioned each year according to the appropriate calculations in the annual financial statements of Publicis Groupe S.A. and in the Groupe's consolidated financial statements.

Benefits in kind

Arthur Sadoun benefits from the use of a taxi firm and gets reimbursed for his taxis and entertainment expenses.

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

After carrying out a new analysis as previously announced to the General Shareholders' Meeting of May 25, 2022, the Groupe decided not to set up a supplementary pension plan for the Chairman of the Management Board.

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, 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, 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 General 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 S.A.'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 2022 as well as the items paid or allocated to Arthur Sadoun in 2021 were approved (78.61% and 93% positive votes, respectively) by the General Shareholders' Meeting of May 25, 2022 (ninth and thirteenth 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.

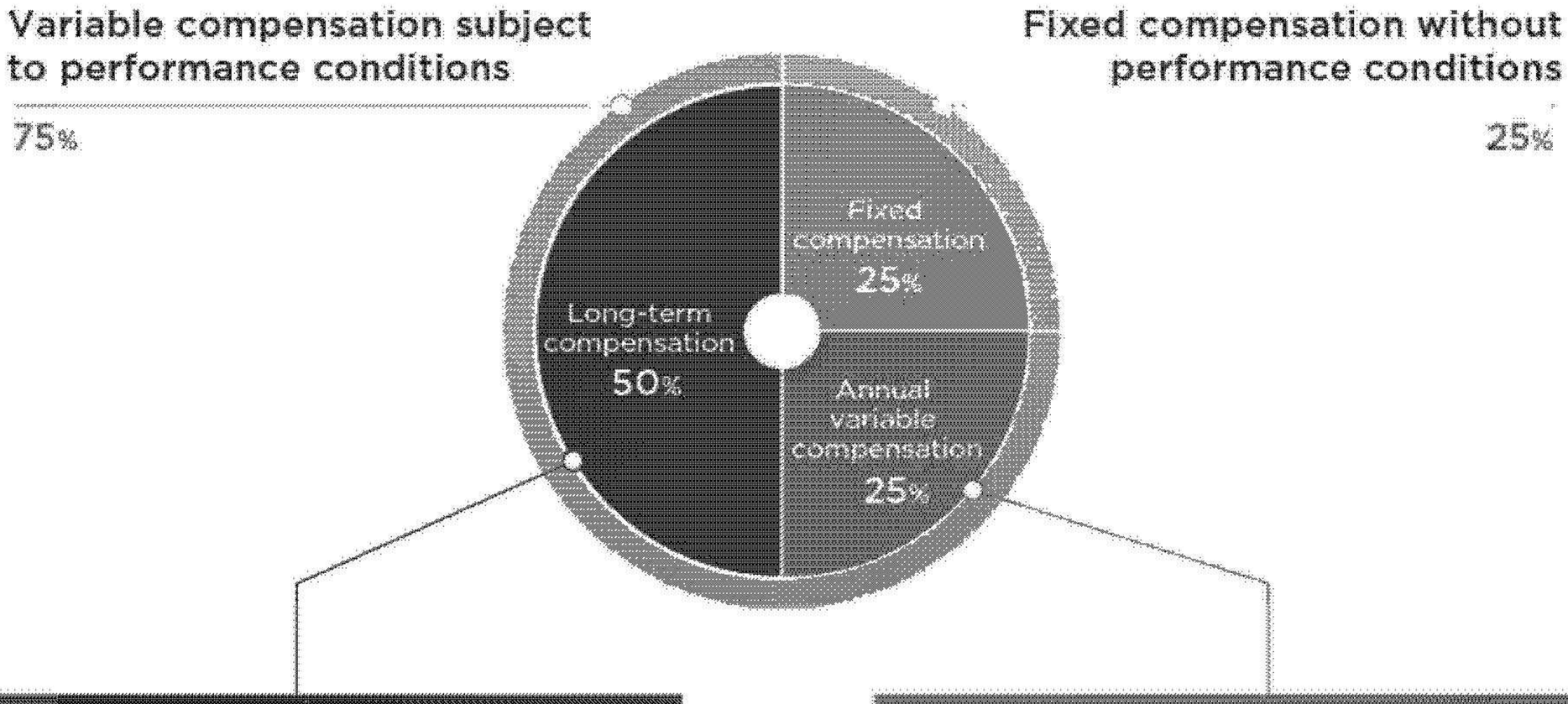
The compensation policy for the Chairman of the Management Board in respect of the 2023 financial year will be subject to approval by the General Shareholders' Meeting of May 31, 2023 in its tenth resolution pursuant to article L. 22-10-26 II of the French Commercial Code.

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 members of the Management Board presented in Section 3.2.1.4 as well as the specific items presented below.

Anne-Gabrielle Heilbronner, member of the Management Board

Structure of the 2023 target compensation(*)



PERFORMANCE CONDITIONS *Measured over 3 years*
90% OF RELATIVE FINANCIAL CRITERIA:
45% Organic growth 45% Operating margin
10% OF NON-FINANCIAL CONDITIONS:
5% Diversity, equity and inclusion 5% Fight against climate change

PERFORMANCE CONDITIONS
50% OF FINANCIAL CONDITIONS:
15% Organic growth (absolute) 15% Operating margin (absolute) 20% Personal costs (absolute)
50% OF NON-FINANCIAL CONDITIONS:
20% Audit 10% Legal 10% Diversity, equity and inclusion 10% Fight against climate change

(*) To which are added peripheral elements (collective health and welfare insurance plans, pension benefits, unemployment insurance for company directors, other benefits in kind).

Annual fixed compensation

The gross annual fixed compensation of Anne-Gabrielle Heilbronner amounts to 600,000 euros, 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, compliance and governance function, human resources, internal audit, internal control, 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 2023 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 2023 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,
  - personal costs: 20%, based on the Objective of "fixed personnel costs and freelance costs/revenue" in the annual budget approved by the Supervisory Board in March 2023,
  - 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, Equity and Inclusion.

If all the criteria are met and the margin and growth objectives are exceeded, the annual variable compensation of Anne-Gabrielle Heilbronner may represent a maximum of 106% of her target annual variable compensation.

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 2023	**15%**	Objective -x bp(1)	Objective	Objective +y bp(1)	80%	100%	120%
Groupe **Operating Margin** based on the Objective approved by the Supervisory Board in March 2023	**15%**	Objective -x' bp(1)	Objective	Objective +y' bp(1)	80%	100%	120%
Audit – execution of the plan approved by the Audit Committee in November 2022: 55 planned audits (entity audits; IT; works; in compliance with IFACI rules)	**20%**	80% of the Objective	Objective	Objective	80%	100%	100%
Personal costs: based on the Objective of "fixed personnel costs and freelance costs/revenue" in the annual budget approved by the Supervisory Board in March 2023	**20%**	Objective -x" bp(1)	Objective(1)	Objective(1)	80%	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, Equity and Inclusion: the trajectory aims for 45% women among key executives in 2025 with an indicative checkpoint of 43% at the end of 2023	10%	Objective	Objective	Objective	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 50% at the end of 2023	10%	Objective	Objective	Objective	100%	100%	100%
TOTAL	**100%**			**TOTAL**	**85%**	**100%**	**106%**

(*) If the threshold is not reached, the applicable portion of variable compensation is reduced to zero.
(1) Strategic and confidential information that may not be disclosed. For organic growth and operating margin, the maximum and targets are aligned with the guidance issued on February 2, 2023.

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 and in March 2026 for the "LTIP 2023 Membres du 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 and 2023-2025 for the "LTIP 2023 Membres du Directoire" plan) as compared with the financial performance of a peer Groupe comprising WPP, Omnicom, IPG and Publicis Groupe, plus two conditions relating to Corporate Social Responsibility for 10% of the shares awarded.

In each of these plans, assuming the performance conditions are met, entitlement to receive shares is subject to a presence condition 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 unemployment 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 2022 financial year as well as the items paid or allocated to Anne-Gabrielle Heilbronner in 2021 were approved (92.34% and 96.98% positive votes, respectively) by the General Shareholders' Meeting of May 25, 2022 (tenth and fourteenth 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.

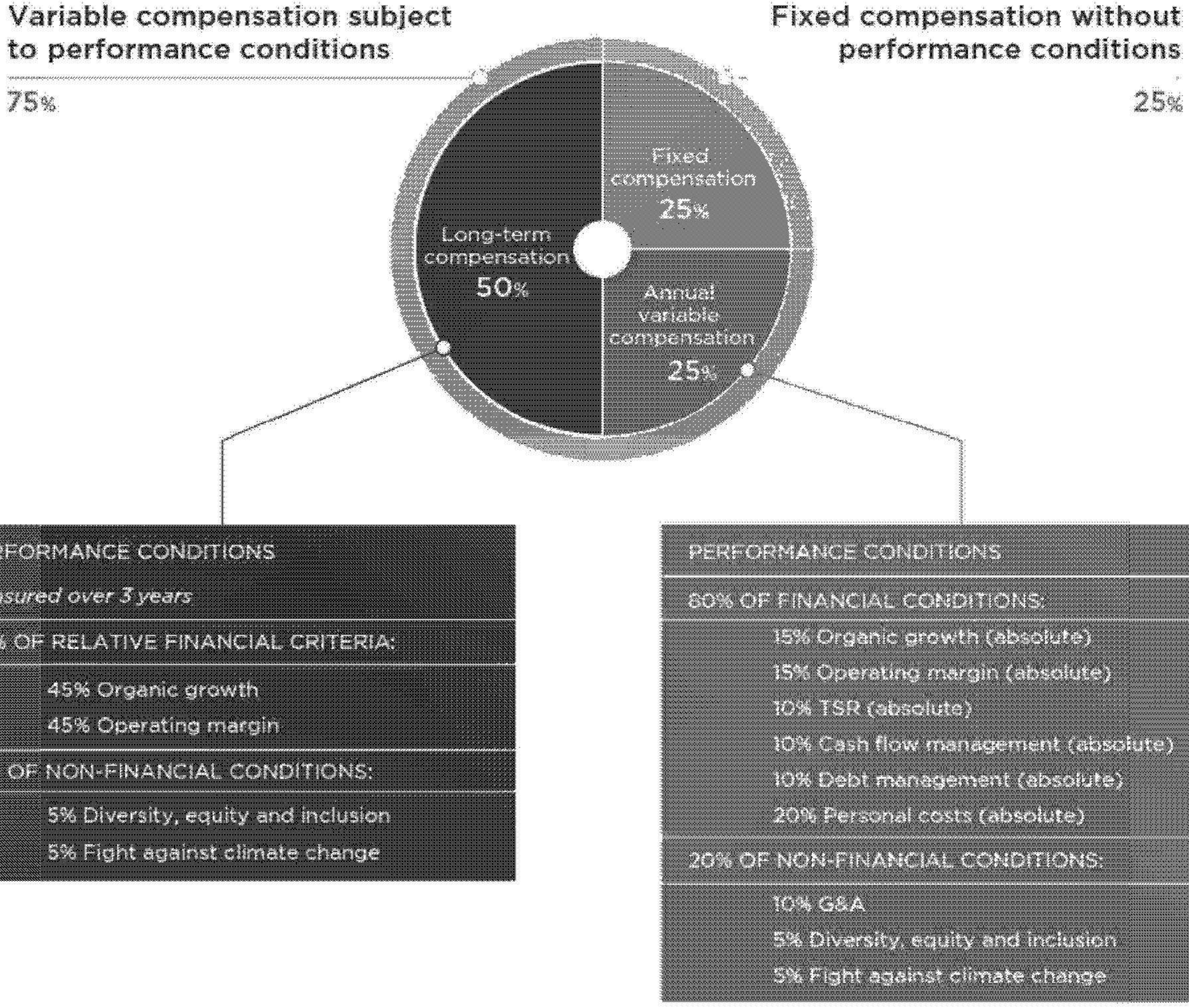
The compensation policy of Anne-Gabrielle Heilbronner for the 2023 financial year will be submitted for approval to the General Shareholders' Meeting of May 31, 2023 in its eleventh resolution pursuant to II of article L. 22-10-26 of the French Commercial Code.

3.2.1.7 Compensation policy for 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 members of the Management Board presented in Section 3.2.1.4 as well as the specific items presented below.

Michel-Alain Proch, member of the Management Board

Structure of the 2023 target compensation(*)



(*) To which are added peripheral elements (collective health and welfare insurance plans, pension benefits, unemployment insurance for company directors, other benefits in kind).

Annual fixed compensation

On March 8, 2023, the Supervisory Board, on the proposal of the Compensation Committee, decided to review the annual fixed compensation of Michel-Alain Proch.

As part of a regular review of the Groupe's compensation practices in relation to the compensation of CFOs within the CAC 25[1], the Committee relied on the advice and comparative analyses of a specialized firm carried out in June 2022. On the basis of these various elements, the Supervisory Board, on the proposal of the Compensation Committee, decided to increase the compensation of Michel-Alain Proch to 720,000 euros, i.e. an increase of 20%.

The analysis of the fixed compensation of Michel-Alain Proch in comparison with the CAC 25, shows that this increase aligns him with his peers.

The increase in the annual fixed compensation of Michel-Alain Proch would be effective as of January 1, 2023, subject to the approval of the compensation policy by the General Shareholders' Meeting of May 31, 2023.

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 2023 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 2023 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:
  - personal costs: 20%, based on the Objective of "fixed personnel costs and freelance costs/revenue" in the annual budget approved by the Supervisory Board in March 2023,
  - cash flow and debt management: 20% based on the Objective approved by the Supervisory Board in March 2023,
  - the achievement of the G&A objectives (10%), and
  - Corporate Social Responsibility (CSR) for 10%.

If all the criteria are met and the margin and growth objectives are exceeded, the annual variable compensation of Michel-Alain Proch may represent a maximum of 106% of his target annual variable compensation.

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.

(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, Groupes based abroad, small Groupes, companies where the compensation policy is influenced by the State and companies with specific governance.

		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 2023	**15%**	Objective -x bp(1)	Objective	Objective +y bp(1)	80%	100%	120%
Groupe **Operating Margin** based on the Objective approved by the Supervisory Board in March 2023	**15%**	Objective -x' bp(1)	Objective	Objective +y' bp(1)	80%	100%	120%
TSR (Total Shareholder Return)	**10%**	Objective	Objective	Objective	100%	100%	100%
Personal costs: based on the Objective of "fixed personnel costs and freelance costs/revenue" in the annual budget approved by the Supervisory Board in March 2023	**20%**	Objective -x'' bp(1)	Objective(1)	Objective(1)	80%	100%	100%
Cash flow and debt management based on the Objective approved by the Supervisory Board in March 2023	**20%**	Objective -x''' bp(1)	Objective	Objective	80%	100%	100%
Achievement G&A objectives based on the Objective approved by the Supervisory Board in March 2023, included in the budget approved by the Supervisory Board in March 2023	**10%**	Objective -x'''' bp(1)	Objective	Objective	80%	100%	100%
CSR – the assessment of the progress of the CSR policy is carried out with regard to the following priorities:	**10%**						
• Diversity, Equity and Inclusion: the trajectory aims for 45% women among key executives in 2025 with an indicative checkpoint of 43% at the end of 2023	5%	Objective	Objective	Objective	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 50% at the end of 2023	5%	Objective	Objective	Objective	100%	100%	100%
TOTAL	**100%**			**TOTAL**	**84%**	**100%**	**106%**

(*) If the threshold is not reached, the applicable portion of variable compensation is reduced to zero.

(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 aligned with the guidance issued on February 2, 2023.

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 and in 2026 for the "LTIP 2023 Membres du 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 and 2023-2025 for the "LTIP 2023 Membres du Directoire" plan) as compared with the financial performance of a peer Groupe 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 a presence condition 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 unemployment 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, to all 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 vested 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 12 months preceding his departure. Publicis Groupe may waive this clause.

It is recalled that the compensation policy for members of the Management Board for the 2022 financial year as well as the items paid or allocated to Michel-Alain Proch in 2021 were approved by 92.34% and 96.98% of the votes, respectively by the General Shareholders' Meeting of May 25, 2022 (tenth and sixteenth 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 Michel-Alain Proch as a member of the Management Board for the 2023 financial year will be submitted for approval to the General Shareholders' Meeting of May 31, 2023 in its eleventh resolution pursuant to II of article L. 22-10-26 of the French Commercial Code.

3.2.2 Compensation of corporate officers for the 2022 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 I of the French Commercial Code. The General Shareholders' Meeting of May 31, 2023 will thus be asked to vote on these disclosures in a resolution referenced below.

Should the General Shareholders' Meeting of May 31, 2023 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 disclosures mentioned in article L. 22-10-9, I of the French Commercial Code on the compensation of corporate officers in respect of the 2022 financial year will be subject to the approval of the General Shareholders' Meeting of May 31, 2023 in its twelfth 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, 2022 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.

Since 2022, the compensation of the members of the Supervisory Board in respect of their term of office (former attendance fees) consists of the fixed annual compensation of the members of the Supervisory Board plus compensation for each meeting attended of the Supervisory Board and the Committee on which they participate, 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 2022 (see Table 3). Where applicable, the amount of compensation paid to the Chairman and that related solely to his status as a member of the Supervisory Board included in the total compensation is reported. 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 2021 financial year were approved by the previous General Shareholders' Meeting in its eleventh resolution. It is specified that the compensation of the members of the Supervisory Board paid or awarded in respect of the 2022 financial year complies with the compensation policy set out in Section 3.2.1.2 of the Publicis Groupe S.A. 2021 Universal Registration Document as widely approved by the General Shareholders' Meeting of May 25, 2022 in its eighth resolution pursuant to article L. 22-10-26 of the French Commercial Code. The members of the Supervisory Board received fixed compensation of 10,000 euros per year (increased by 7,500 euros for those who chaired a committee), increased by 6,000 euros for Board meeting and committee meeting they attended (7,500 euros per meeting for the Chairman of the Committee). At their request, Patricia Velay-Borrini and Pierre Pénicaud receive fixed compensation of 5,000 euros increased by 3,000 euros 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 awarded 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 31, 2023 will thus be asked to vote on the items of compensation paid or awarded in respect of the 2022 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 2022 financial year presented in Section 3.2.1.3 of the Publicis Groupe S.A. 2021 Universal Registration Document as approved (83.49% positive votes) by the General Shareholders' Meeting of May 25, 2022 in its seventh resolution.

It is worth noting that components of compensation paid as from June 1, 2019 to the Chairman of the Board reflect his decision to waive one-third of his previous compensation, then his decision to reduce it to 1,300,000 euros as of 2021.

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 31, 2023 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 2022 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 2021-2022) (in €)	Amounts awarded in respect of the past financial year or accounting valuation (period 2022-2023) (in €)	Presentation
Fixed compensation	1,300,000	1,300,000	The amount awarded for 2022 is 1,300,000 euros in accordance with the compensation policy approved by the General Shareholders' Meeting of May 25, 2022 in its seventh resolution. This compensation takes into account the decision of Maurice Lévy to reduce his compensation from 1,900,000 euros to 1,300,000 euros for 2021. 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	85,000	118,000	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 2023 for the year 2022: common performance assessment applicable to members of the Management Board

The compensation policy adopted for the 2022 financial year was defined on the basis of performance criteria established in March 2022. The criteria and objectives have been rigorously defined, despite an uncertain macroeconomic context and an industry amidst a transformation. 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.

In 2022, the Groupe continued to outperform and demonstrate its ability to capture opportunities offered by the structural changes in the sector towards first-party data, digital media, commerce and the digital transformation of companies. 2022 was another record year for the Groupe, with double-digit growth for the second consecutive year. The business mix ecosystem enables the Groupe to outperform the market and for the fourth year in five years to take first place in the "new business" ranking. The Groupe recorded organic growth of 10.3% year-on-year, largely exceeding market forecasts. The Groupe also has by far the best margin rate in the industry.

2022 was also an important year in terms of value sharing with employees, with, for all employees not benefiting from bonuses and having a certain seniority, the payment of an additional week of salary on two occasions: in April 2022 for the exceptional results of 2021, and in November 2022 to deal with the inflationary context, *i.e.*, a total of euro 85 million distributed to employees in addition to the usual compensation mechanisms used by the Groupe.

3.2.2.4 Compensation paid or awarded to Arthur Sadoun, Chairman 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 to the Chairman of the Management Board.

The General Shareholders' Meeting of May 31, 2023 will be asked to vote on the items of compensation paid or awarded in respect of the 2022 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 2022 financial year presented in Sections 3.2.1.4 and 3.2.1.5 of the Publicis Groupe S.A. 2021 Universal Registration Document, as approved by the General Shareholders' Meeting of May 25, 2022 in its ninth resolution. Given the approval of items of compensation at the previous General Shareholders' Meeting, the items of compensation paid or awarded in respect of the 2022 financial year are in line with those paid or awarded in respect of the 2021 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 31, 2023 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 2022 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 (in €)	Amounts awarded in respect of the past financial year or accounting valuation (in €)	Presentation
Fixed compensation	1,170,000	1,170,000	Proportion of fixed compensation (in comparison to the compensation paid): 38.11% 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	1,900,000	2,503,800	Proportion of variable compensation: (in comparison with the compensation paid): 61.89% Variable compensation to be paid in 2023 for financial year 2022: 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 2022 financial year, the Supervisory Board set the variable part of Arthur Sadoun's compensation at 2,503,800 euros gross, the payment of which will be subject to the approval of the Annual General Shareholders' Meeting of May 31, 2023 in its fourteenth 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	2,988,082	This amount corresponds to the valuation in the consolidated financial statements of the shares granted in 2022 to Arthur Sadoun under the LTIP 2022 Président du Directoire 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 (in €)	Amounts awarded in respect of the past financial year or accounting valuation (in €)	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 3,035,000 euros.
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 6,510,000 euros (non-cumulative with a severance payment).
Supplementary pension plan	-	-	N/A
Collective health and welfare insurance plans	4,705	4,705	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.

Annual variable compensation to be paid in 2023 for financial year 2022

The variable portion of Arthur Sadoun's compensation, of up to 200% of his fixed compensation and a maximum of 214% of his fixed compensation is based in financial year 2022 on financial 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 2022 is thus based on two types of criteria:

- four financial criteria, accounting for 70% of the overall weight of the criteria, taking into consideration trends in Publicis Groupe growth and profitability:
  - organic growth of the Groupe's revenue based on the Objective validated by the Supervisory Board in March 2022 for 17.5%,
  - organic growth of the Groupe's revenue compared to the weighted average organic growth rate of a peer Groupe composed of the other three main global communications Groupes, namely Omnicom, WPP and IPG for 17.5%,
  - Groupe operating margin based on the Objective approved by the Supervisory Board in March 2022 for 17.5%,
  - operating margin compared to that of a peer Groupe composed of the other three main global communications Groupes, namely Omnicom, WPP and IPG for 17.5%.

The variable compensation in respect of these criteria may only be paid if the Objective is achieved. If the Objective is exceeded, in order to encourage overperformance, the annual variable compensation in respect of only the growth and margin criteria expressed in absolute value may be increased, with a cap of 20% on each of these two criteria.

These financial 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 financial and non-financial criteria amounting to 30% of the overall weighting of the criteria:
  - Free Cash Flow based on the Objective approved by the Supervisory Board in March 2022 for 15%,
  - Two CSR criteria for 15%. The assessment of the progress of the CSR policy is made regarding the following priorities:
    - Diversity, Equity and Inclusion: the trajectory aims for 45% women in key management positions in 2025 with an indicative checkpoint of 42% at the end of 2022
    - 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.

Results

Criteria	Weight	Target and acquisition scale (straight-line between the Threshold and the Maximum)	Performance objectives	Results	Achievement rate	Amount of variable compensation to be paid
Publicis Groupe financial performance criteria						
Organic growth of the Groupe's revenue based on the Objective validated by the Supervisory Board in March 2022	**17.5%**	Threshold (80%) **Target (100%)** Maximum (120%)	Objective -x bp **Objective** Objective +y bp	With growth of +10.1%, the maximum Objective was exceeded.	120%	**€491,400**
Organic growth of the Groupe's revenue compared to the weighted average organic growth rate of a peer Groupe composed of the other three main global communications Groupes, namely Omnicom, WPP and IPG	**17.5%**	Threshold (80%) **Target (100%)**	= average **#1**	As Publicis Groupe ranks first in the peer Groupe, the target Objective was achieved.	100%	**€409,500**
Groupe **Operating margin** based on the Objective approved by the Supervisory Board in March 2022	**17.5%**	Threshold (0%) **Target (100%)** Maximum (120%)	< Objective **Objective** Objective +z bp	With an operating margin of 18%, the maximum Objective was achieved	120%	**€491,400**
Operating margin compared to that of a peer Groupe composed of the other three main global communications Groupes, namely Omnicom, WPP and IPG	**17.5%**	Threshold (80%) **Target (100%)**	#2 **#1**	As Publicis Groupe ranks first in the peer Groupe, the target Objective was achieved.	100%	**€409,500**

Criteria	Weight	Target and acquisition scale (straight-line between the Threshold and the Maximum)	Performance objectives	Results	Achievement rate	Amount of variable compensation to be paid
Individual quantifiable financial and non-financial criteria						
Free Cash Flow based on the Objective approved by the Supervisory Board in March 2022	**15%**	**Target (100%)**	**> at 2021**	With a free cash flow of euro 1,807 million (> in 2021), the Objective was achieved.	100%	**€351,000**
CSR – the assessment of the progress of the CSR policy is carried out with regard to the following priorities:						
• Diversity, Equity and Inclusion: the trajectory aims for 45% women in key management positions in 2025 with an indicative checkpoint of 42% at the end of 2022	**7.5%**	**Target (100%)**	**≈42%**	With a rate of 42.5% women in key management positions at the end of 2022, the Objective was achieved.	100%	**€175,500**
• Combating climate change: the trajectory aims for 100% of energy from direct renewable sources by 2030 with an indicative checkpoint of +14% at the end of 2022 compared to 2021	**7.5%**	**Target (100%)**	**≈+14%**	As the rate of direct renewable energies increased by +14% in 2022, the Objective was achieved.	100%	**€175,500**
Total (financial and non-financial criteria)	**100%**				**107%**	**€2,503,800**

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Subject to the approval of the General Shareholders' Meeting, the Supervisory Board, on the recommendation of the Compensation Committee, approved variable compensation of 2,503,800 euros with respect to 2022 (i.e. 107% of the target variable compensation of Arthur Sadoun) given the elements detailed above and which is largely justified in view of the achievement of all the objectives for 2022.

3.2.2.5 Compensation paid or awarded 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 31, 2023 will thus be asked to vote on the items of compensation paid or awarded in respect of the 2022 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 2022 presented in Sections 3.2.1.4 and 3.2.1.6 of the Publicis Groupe S.A. 2021 Universal Registration Document, as approved by the General Shareholders' Meeting of May 25, 2022 in its tenth 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 2022 financial year are in line with those paid or awarded in respect of the 2021 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 31, 2023 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 2022 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 (in €)	Amounts awarded in respect of the past financial year or accounting valuation (in €)	Presentation
Fixed compensation	600,000	600,000	Proportion of fixed compensation (in comparison to the compensation paid): 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	516,000	Proportion of variable compensation (compared to the compensation paid): 50% Variable compensation to be paid in 2023 for financial year 2022: 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 2022 financial year, the Supervisory Board set the variable compensation of Anne-Gabrielle Heilbronner at 516,000 euros gross, the payment of which will be subject to the approval of the General Shareholders' Meeting of May 31, 2023 in its fifteenth 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[2]
Stock options, performance shares or any other long-term benefit (warrants, etc.)	N/A	1,034,496	This amount corresponds to the valuation in the consolidated financial statements of the shares granted in 2022 to Anne-Gabrielle Heilbronner under the LTIP 2022 Members of the 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 unemployment insurance. 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 3.2.1.6 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 1,200,000 euros.
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 180,000 euros.

Items of compensation subject to approval	Amounts paid in respect of the past financial year (in €)	Amounts awarded in respect of the past financial year or accounting valuation (in €)	Presentation
Collective pension plan	3,291	3,291	This is the employer's contribution to the PERCO.
Collective health and welfare insurance plans	4,705	4,705	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 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.
(2) For information, a loyalty bonus of 500 euros was paid on the 10th anniversary in the Groupe in accordance with the employment contract.
(3) Benefits in kind relating to the use of a Company vehicle are not valued if they are for an immaterial amount.

Annual variable compensation to be paid in 2023 for financial year 2022

The variable compensation of Anne-Gabrielle Heilbronner, with a target amount of up to 100% of her fixed compensation and a maximum amount not exceeding 106% of her fixed compensation, is based on:

- two criteria linked to the Groupe's financial performance, each counting equally, for 30% of the variable compensation:
  - Organic growth of the Groupe's revenue based on the Objective validated by the Supervisory Board in March 2022 for 15%,
  - Operating margin (the highest in the market compared to that of a peer Groupe composed of the other three main global communications Groupes, namely Omnicom, WPP and IPG) for 15%.

The variable compensation in respect of these two criteria may only be paid if the Objective is achieved. If the Objective is exceeded, and in order to encourage overperformance, the annual variable compensation under these criteria may be increased, 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 plan approved by the Audit Committee in November 2021: 68 planned audits (entity audits; IT; works; in compliance with IFACI rules)
  - Personal costs (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%):
    - Number of people trained in Compliance
    - Positive financial impact of the Legal Department on litigation (difference between amounts paid plus legal fees and amounts claimed)
- Two CSR criteria for 20%. The assessment of the progress of the CSR policy is made regarding the following priorities:
  - Diversity, Equity and Inclusion: the trajectory aims for 45% women in key management positions in 2025 with an indicative checkpoint of 42% at the end of 2022
  - 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.

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Criteria	Weight	Target and acquisition scale (straight-line between the Threshold and the Maximum)	Performance objectives	Results	Achievement rate	Amount of variable compensation to be paid
Publicis Groupe financial performance criteria						
Organic growth of the Groupe's revenue based on the Objective validated by the Supervisory Board in March 2022	**15%**	Threshold (80%) **Target (100%)** Maximum (120%)	Objective -x bp **Objective** Objective +y bp	With growth of +10.1%, the maximum Objective was exceeded.	120%	**€108,000**
Operating margin (the highest in the market compared to that of a peer Groupe composed of the other three main global communications Groupes, namely Omnicom, WPP and IPG)	**15%**	Threshold (50%) **Target (100%)** Maximum (120%)	#2 **#1** #1 and Objective +z bp	With an operating margin of 18%, the maximum Objective was achieved.	120%	**€108,000**

Criteria	Weight	Target and acquisition scale (straight-line between the Threshold and the Maximum)	Performance objectives	Results	Achievement rate	Amount of variable compensation to be paid
Individual quantifiable financial and non-financial criteria						
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%**	Threshold (80%) **Target (100%)**	54 **68**	With 68 missions carried out in 2022, the target scale of the Objective was achieved.	100%	**€120,000**
Personal costs – 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%**	**Target (100%)**	**Objective**	Objective not met	0%	**- €**
Legal						
• Number of people trained in Compliance	**5%**	Threshold (80%) **Target (100%)**	≥80% of the Objective **Objective**	Objective broadly exceeded with more than 80,000 people trained in Compliance	100%	**€30,000**
• Positive financial impact of the Legal Department on litigation (difference between amounts paid plus legal fees and amounts claimed)	**5%**	**Target (100%)**	**Positive impact**	Objective broadly exceeded with a strong positive financial impact from the Legal Department on litigation.	100%	**€30,000**
CSR – the assessment of the progress of the CSR policy is carried out with regard to the following priorities:						
• Diversity, Equity and Inclusion: the trajectory aims for 45% women in key management positions in 2025 with an indicative checkpoint of 42% at the end of 2022	**10%**	**Target (100%)**	**≈42%**	With a rate of 42.5% women in key management positions at the end of 2022, the Objective was achieved.	100%	**€60,000**
• 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%**	**Target (100%)**	**≈+14%**	As the rate of direct renewable energies increased by +14% in 2022, the Objective was achieved.	100%	**€60,000**
Total (financial and non-financial criteria)	**100%**				**86%**	**€516,000**

All objectives were met or exceeded with the exception of the personal costs rate. Subject to the approval of the General Shareholders' Meeting, the Supervisory Board, on the recommendation of the Compensation Committee, approved the payment of variable compensation of 516,000 euros in respect of 2022 (ie. 86% of the target variable compensation of Anne-Gabrielle Heilbronner) given elements detailed above.

3.2.2.6 Compensation paid or awarded 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 31, 2023 will thus be asked to vote on the items of compensation paid or awarded in respect of the 2022 financial year to Steve King, member of the Management Board until September 14, 2022, as set out below. These elements comply with the compensation policy for members of the Management Board for the financial year 2022 presented in Sections 3.2.1.4 and 3.2.1.7 of the Publicis Groupe S.A. 2021 Universal Registration Document, as approved by the General Shareholders' Meeting of May 25, 2022 in its tenth 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 2022 financial year are in line with those paid or awarded in respect of the 2021 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 during the past financial year to Steve King, member of the Management Board until September 14, 2022, are subject to the approval of the General Shareholders' Meeting of May 31, 2023 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 2022 to Steve King, member of the Management Board until September 14, 2022, subject to shareholder approval[1]

Items of compensation subject to approval	Amounts paid in respect of the past financial year until September 14, 2022 (in €)	Amounts awarded in respect of the past financial year until September 14, 2022 or accounting valuation (in €)	Presentation
Fixed compensation	743,725[2]	743,725[2]	Proportion of fixed compensation (in comparison to the compensation paid): 38.46% The rules for determining fixed compensation can be found in Section 3.2.1.7 of the 2021 Universal Registration Document. For information, the fixed compensation paid to Steve King for the period from September 15, 2022 to December 31, 2022 amounts to 311,885 euros.
Annual variable compensation	1,688,976	963,868[2]	Proportion of variable compensation (compared to compensation paid): 61.54% Variable compensation to be paid in 2023 for financial year 2022: 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 2022 financial year, the Supervisory Board set the variable portion of Steve King's compensation until the end of his term of office on September 14, 2022 at GBP 821,782 gross, *i.e.*, 963,868 euros, the payment of which will be subject to the approval of the Annual General Shareholders' Meeting of May 31, 2023 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. For information, the variable compensation for the period from September 15, 2022 to December 31, 2022 amounts to GBP 344,618 gross, *i.e.*, 404,203 euros.
Multi-year variable compensation	-	-	N/A
Exceptional compensation	-	-	N/A
Stock options, performance shares or any other long-term benefit (warrants, etc.)	N/A	1,807,027	This amount corresponds to the valuation in the consolidated financial statements of the shares granted in 2022 to Steve King under the LTIP 2022 Members of the Directoire performance share plan as described in Section 3.2.1.4.[3]
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 of the 2021 Universal Registration Document 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 2,762,394 euros.
Non-compete agreement	-	-	N/A
Supplementary pension plan	38,937[2]	38,937[2]	For information, the amount relating to the period from September 15, 2022 to December 31, 2022 is 16,265 euros.
Collective health and welfare insurance plans	-	-	N/A

Items of compensation subject to approval	Amounts paid in respect of the past financial year until September 14, 2022 (in €)	Amounts awarded in respect of the past financial year until September 14, 2022 or accounting valuation (in €)	Presentation
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, which resumed full effect from the end of his term of office on September 14, 2022. Compensation for offices in Groupe companies is precluded 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 GBP 1 = 1.1729 euros.
(2) Amount determined for the period from January 1, 2022 to September 14, 2022. For information, under its employment contract with a Groupe subsidiary in the United Kingdom, the fixed compensation paid to Steve King for the period from September 15, 2022 to December 31, 2022 amounted to 311,885 euros and his variable compensation for the same period was GBP 344,618 gross, i.e., 404,203 euros.
(3) See details in Table 6
(4) Benefits in kind relating to the use of a Company vehicle are not valued if they are for an immaterial amount.

Annual variable compensation to be paid in 2023 for financial year 2022

The variable compensation of Steve King, which, if targets are met, may represent up to 160% of his fixed compensation without exceeding 106% of his target variable compensation, is based on:

- two criteria linked to the Groupe's financial performance, each counting equally, for 30% of the variable compensation:
  - Organic growth of the Groupe's revenue based on the Objective validated by the Supervisory Board in March 2022 for 15%,
  - Operating margin (the highest in the market compared to that of a peer Groupe composed of the other three main global communications Groupes, namely Omnicom, WPP and IPG) for 15%.

The variable compensation in respect of these criteria may only be paid if the Objective is achieved. If the Objective is exceeded, and in order to encourage overperformance, the annual variable compensation under these criteria may be increased, 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 – Europe based on the Objective approved by the Supervisory Board in March 2022 for 15%,
  - Operating margin – Europe based on the Objective approved by the Supervisory Board in March 2022 for 15%,
  - Cost control of Global Services based on the Objective approved by the Supervisory Board in March 2022 for 10%,
  - Quality of Global Services for 5% – Management of the development plan for Global Services' tools, modules and platforms allowing a direct impact on revenue growth,
  - Cash generation (Change in working capital) based on the Objective approved by the Supervisory Board in March 2022 for 5%;
  - Two CSR criteria at European level for 10%. The assessment of the progress of the CSR policy is made regarding the following priorities:
    - Diversity, Equity and Inclusion: the trajectory aims for 45% women in key management positions in 2025 with an indicative checkpoint of 42% at the end of 2022,
    - 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.
- two CSR criteria at the global level for 10%. The assessment of the progress of the CSR policy is made regarding the following priorities:
  - Diversity, Equity and Inclusion: the trajectory aims for 45% women in key management positions in 2025 with an indicative checkpoint of 42% at the end of 2022,
  - 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.

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Criteria	Weight	Target and acquisition scale (straight-line between the Threshold and the Maximum)	Performance objectives	Results	Achievement rate	Amount of variable compensation to be paid for 2022[1]	Amount of variable compensation to be paid in respect of his office (until September 14, 2022)[1]
Publicis Groupe financial performance criteria							
Organic growth of the Groupe's revenue based on the Objective validated by the Supervisory Board in March 2022	**15%**	Threshold (80%) **Target (100%)** Maximum (120%)	Objective -x bp **Objective** Objective +y bp	With growth of +10.1%, the maximum Objective was exceeded.	120%	**€304,016**	**€214,193**
Operating margin (the highest in the market compared to that of a peer Groupe composed of the other three main global communications Groupes, namely Omnicom, WPP and IPG)	**15%**	Threshold (50%) **Target (100%)** Maximum (120%)	#2 **#1** #1 and Objective +z bp	With an operating margin of 18%, the maximum Objective was achieved.	120%	**€304,016**	**€214,193**
Individual quantifiable financial and non-financial criteria							
Organic growth – Europe based on the Objective approved by the Supervisory Board in March 2022	**15%**	Threshold (80%) **Target (100%)**	Objective -x' bp **Objective**	With a growth of 9.5%, the Objective was exceeded.	100%	**€253,346**	**€178,494**
Operating margin – Europe based on the Objective approved by the Supervisory Board in March 2022	**15%**	**Target (100%)**	**Objective**	With an operating margin of 11.6% in Europe, the Objective has not been achieved	0%	**-€**	**- €**
Cost control of Global Services based on the Objective approved by the Supervisory Board in March 2022	**10%**	Threshold (80%) **Target (100%)**	Objective -x'' bp **Objective**	The costs of Global Services are euro 2 million lower than the Objective approved by the Board in March 2022	100%	**€168,898**	**€118,996**
Quality of Global Services Management of the development plan for Global Services' tools, modules and platforms allowing a direct impact on revenue growth	**5%**	**Target (100%)**	**Objective**	The Objective of euro 1.3 million was not achieved	0%	**- €**	**- €**
Cash generation (Change in working capital) based on the Objective approved by the Supervisory Board in March 2022	**5%**	Threshold (80%) **Target (100%)**	Objective -x''' bp **Objective**	The Objective was exceeded by euro 7 million	100%	**€84,449**	**€59,498**

Criteria	Weight	Target and acquisition scale (straight-line between the Threshold and the Maximum)	Performance objectives	Results	Achievement rate	Amount of variable compensation to be paid for 2022[1]	Amount of variable compensation to be paid in respect of his office (until September 14, 2022)[1]
CSR at the European level – the assessment of the progress of the CSR policy is carried out with regard to the following priorities:							
• Diversity, Equity and Inclusion: the trajectory aims for 45% women in key management positions in 2025 with an indicative checkpoint of 42% at the end of 2022	**5%**	**Target (100%)**	**≈42%**	Objective not achieved (rate of 39.7%)	0%	**- €**	**- €**
• 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%**	**Target (100%)**	**≈+14%**	As the rate of direct renewable energies increased by +14% in 2022, the objective was achieved.	100%	**€84,449**	**€59,498**
Global CSR – the assessment of the progress of the CSR policy is carried out with regard to the following priorities:							
• Diversity, Equity and Inclusion: the trajectory aims for 45% women in key management positions in 2025 with an indicative checkpoint of 42% at the end of 2022	**5%**	**Target (100%)**	**≈42%**	With a rate of 42.5% women in key management positions at the end of 2022, the Objective was achieved.	100%	**€84,449**	**€59,498**
• 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%**	**Target (100%)**	**≈+14%**	As the rate of direct renewable energies increased by +14% in 2022, the Objective was achieved.	100%	**€84,449**	**€59,498**
Total (financial and non-financial criteria)	**100%**				**81%**	**€1,368,071**	**€963,868**

(1) Compensation determined and paid in pounds sterling. The translation into euros was carried out at the average rate of GBP 1 = 1.1729 euros.

Subject to the approval of the General Shareholders' Meeting, the Supervisory Board, on the recommendation of the Compensation Committee, approved the partial payment of 81% of the target variable compensation of Steve King, given elements detailed above and which is justified in view of the achievement of a very large majority of the objectives for 2022.

3.2.2.7 Compensation paid or awarded to Michel-Alain Proch, 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 31, 2023 will be asked to vote on the items of compensation paid or awarded in respect of the 2022 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 2022 presented in Sections 3.2.1.4 and 3.2.1.8 of the Publicis Groupe S.A. 2021 Universal Registration Document, as approved by the General Shareholders' Meeting of May 25, 2022 in its tenth 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 31, 2023 in its seventeenth resolution pursuant to article L. 22-10-34, II of the French Commercial Code.

/ Table – Items of compensation paid or awarded in 2022 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 (in €)	Amounts awarded in respect of the past financial year or accounting valuation (in €)	Presentation
Fixed compensation	600,000	600,000	Proportion of fixed compensation (compared to the compensation paid): 50% The rules for determining fixed compensation can be found in Section 3.2.1.7 of this document.
Annual variable compensation	600,000	546,000	Proportion of variable compensation (compared to the compensation paid): 50% Variable compensation to be paid in 2023 for financial year 2022: After assessing the performance for each of the criteria indicated below and in accordance with the compensation policy adopted by the previous General Shareholders' Meeting during the 2022 financial year, the Supervisory Board set the variable part of Michel-Alain Proch's compensation at 546,000 euros gross, the payment of which will be subject to the approval of the Annual General Shareholders' Meeting of May 31, 2023 in its seventeenth 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	1,034,496	This amount corresponds to the valuation in the consolidated financial statements of the shares granted in 2022 to Michel-Alain Proch under the LTIP 2022 Members of the Directoire performance share plan(1).
Other benefits	-	11,261	This amount corresponds to Publicis Groupe's contributions in 2022 for unemployment 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 3.2.1.7 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 1,200,000 euros.
Non-compete agreement	-	-	No sum was awarded with respect to the past financial year. The non-compete payment described in Section 3.2.1.7 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 180,000 euros.
Collective pension plan	3,291	3,291	This is the employer's contribution to the PERCO.
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 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 vehicle are not valued if they are for an immaterial amount.

Annual variable compensation to be paid in 2023 for financial year 2022

The variable compensation of Michel-Alain Proch, which, if targets are met, may represent up to 100% of his fixed compensation without exceeding 106% of his target variable compensation, is based on:

- three financial and Stock Exchange related criteria for 40% of the variable part:
  - organic growth of the Groupe's revenue based on the Objective validated by the Supervisory Board in March 2022 for 15%,
  - operating margin (the highest in the market compared to that of a peer Groupe composed of the other three main global communications Groupes, namely Omnicom, WPP and IPG) for 15%;
  - TSR (Total Shareholder Return) for 10%.

The variable compensation in respect of these criteria may only be paid if the Objective is achieved. If the growth and margin objective is exceeded, and in order to encourage overperformance, the annual variable compensation in respect of these criteria may be increased, 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:
  - personal costs (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;
  - achievement of All in One & G&A objectives (15%) – based on the Objective approved by the Supervisory Board in March 2022;
- two CSR criteria for 10%. The assessment of the progress of the CSR policy is made regarding the following priorities:
  - Diversity, Equity and Inclusion: the trajectory aims for 45% women in key management positions in 2025 with an indicative checkpoint of 42% at the end of 2022;
  - 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.

Results

Criteria	Weight	Target and acquisition scale (straight-line between the Threshold and the Maximum)	Performance objectives	Results	Achievement rate	Amount of variable compensation to be paid
Publicis Groupe financial performance and stock market criteria						
Organic growth of the Groupe's revenue based on the Objective validated by the Supervisory Board in March 2022	**15%**	Threshold (80%) **Target (100%)** Maximum (120%)	Objective -x bp **Objective** Objective +y bp	With growth of +10.1%, the maximum Objective was exceeded.	120%	**€108,000**
Operating margin (the highest in the market compared to that of a peer Groupe composed of the other three main global communications Groupes,namely Omnicom, WPP and IPG)	**15%**	Threshold (50%) **Target (100%)** Maximum (120%)	#2 **#1** #1 and Objective +z bp	With an operating margin of 18%, the maximum Objective was achieved.	120%	**€108,000**
TSR *(Total Shareholder Return)*	**10%**	**Target (100%)**	Objective	With a TSR of 3.04, the Objective has been achieved	100%	**€60,000**

Criteria	Weight	Target and acquisition scale (straight-line between the Threshold and the Maximum)	Performance objectives	Results	Achieve-ment rate	Amount of variable compensation to be paid
Individual quantifiable financial and non-financial criteria						
Personel costs – 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%**	**Target (100%)**	**Objective**	Objective not met	0%	**- €**
Cash flow and debt management – based on the Objective approved by the Supervisory Board in March 2022						
• Cash flow management	**10%**	Threshold (80%) **Target (100%)**	Objective -x' bp **Objective**	Objective well exceeded of euro +380 million	100%	**€60,000**
• Debt Management	**10%**	Threshold (80%) **Target (100%)**	Objective -x' bp **Objective**	Objective well exceeded of euro +315 million	100%	**€60,000**
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						
• G&A objective	**10%**	Threshold (80%) **Target (100%)**	Objective -x'' bp **Objective**	Objective achieved	100%	**€60,000**
• All in One objective	**5%**	Threshold (80%) **Target (100%)**	Objective -x''bp **Objective**	Objective exceeded by euro 8 million	100%	**€30,000**
CSR – the assessment of the progress of the CSR policy is carried out with regard to the following priorities:						
• Diversity, Equity and Inclusion: the trajectory aims for 45% women in key management positions in 2025 with an indicative checkpoint of 42% at the end of 2022	**5%**	**Target (100%)**	**≈42%**	With a rate of 42.5% women in key management positions at the end of 2022, the Objective was achieved.	100%	**€30,000**
• 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%**	**Target (100%)**	**≈+14%**	As the rate of direct renewable energies increased by +14% in 2022, the Objective was achieved.	100%	**€30,000**
Total (financial and non-financial criteria)	**100%**				**91%**	**€546,000**

All objectives were met or exceeded with the exception of the personel costs rate. Subject to the approval of the General Shareholders' Meeting, the Supervisory Board, on the proposal of the Compensation Committee, approved the payment of a variable compensation of 546,000 euro in respect of 2022 (i.e. 91% of the target variable compensation of Michel-Alain Proch), taking into account the elements detailed above.

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, I (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 the 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 2018 to 2022 financial years.

Scope

Publicis Groupe S.A. currently employs only one person. In 2022, the ratio determined at the level of Publicis Groupe S.A. was 29 compared to the compensation of Maurice Lévy, Chairman of the Supervisory Board[1], 63 compared to the compensation of Arthur Sadoun, Chairman of the Management Board[2], 25 compared to the compensation of Michel-Alain Proch[3], 25 compared to the compensation of Anne-Gabrielle Heilbronner[4] and 63 compared to the compensation of Steve King[5], members of the Management Board. In accordance with recommendation 27.2 of the Afep-Medef Corporate Governance Code, and in line with article L. 22-10-9, I (6) and (7) 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 (74%), 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 5% of the Groupe's revenue, 6% of the Groupe's payroll, and is not representative of its business.

Compensation items

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 2018 to 2022 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 2018 to 2022. Thus, for the financial year 2022, the share-based compensation from the LTIP 2019 and 2019 Special Plan, the Publicis Sapient and Publicis Epsilon plans were taken into account based on their actual value to determine the total employee compensation for 2022.

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, LTIP 2016-2018 Directoire plans (vesting in 2019) and LTIP 2019-2021 Directoire plans (vesting in 2022) was also spread over the three years of performance of the plan, *i.e.* 2016, 2017 and 2018 for LionLead3 and LTIP 2016-2018 Directoire and 2019, 2020 and 2021 for LTIP 2019-2021 Directoire. 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.

(1) The ratios for the previous four years are 61 for 2018, 62 for 2019, 42 for 2020 and 30 for 2021, in relation to the compensation of Maurice Lévy, Chairman of the Supervisory Board from June 1, 2017.
(2) The ratios for the previous four years are 59 for 2018, 65 for 2019, 62 for 2020 and 77 for 2021, in relation to the compensation of Arthur Sadoun, Chairman of the Management Board from June 1, 2017.
(3) The ratios for the previous four years are 50 for 2018, 41 for 2019, 41 for 2020 and 38 for 2021, 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 31 for 2018, 28 for 2019, 27 for 2020 and 30 for 2021.
(5) The ratios for the previous four years are 64 for 2018, 69 for 2019, 56 for 2020 and 70 for 2021.

For information purposes, the table below summarizes the methodology applied for the main compensation items of corporate officers.

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 yar N

Changes in aggregates

	2018	2019	2020	2021	2022
Performance of the Company					
Company net revenue (in millions of euros)	8,969	9,800	9,712	10,487	12,572
(Change compared with the previous financial year)	*-3.89%*	*+9.27%*	*-0.90%*	*+7.98%*	*+19.88%*
Compensation of employees					
Average compensation of employees (full time equivalent basis excluding executive corporate officers)	80,410	83,593	91,499	91,366	98,521
(Change compared with the previous financial year)	*-0.59%*	*+3.96%*	*+9.46%*	*-0.15%*	*+7.83%*
Median compensation of employees (full time equivalent basis excluding executive corporate officers)	62,405	65,005	74,732	71,339	76,259
(Change compared with the previous financial year)	*+0.70%*	*+4.17%*	*+14.96%*	*-4.54%*	*+6.90%*
Chairman of the Supervisory Board					
Compensation of Maurice Lévy	2,845,000	2,885,000	1,985,000	1,425,000	1,385,000
(Change compared with the previous financial year)	*N/A*	*+1.41%*	*-31.20%*	*-28.21%*	*-2.81%*
Ratio to average employee compensation	35	35	22	16	14
(Change compared with the previous financial year)	*N/A*	*-2.46%*	*-37.14%*	*-28.11%*	*-9.87%*
Ratio to median employee compensation	46	44	27	20	18
(Change compared with the previous financial year)	*N/A*	*-2.65%*	*-40.15%*	*-24.80%*	*-9.08%*
Chairman of the Management Board[1]					
Compensation of Arthur Sadoun	2,749,511	3,038,009	2,888,009	3,638,009	3,070,000
(Change compared with the previous financial year)	*-17.13%[5]*	*+10.49%*	*-4.94%*	*+25.97%*	*-15.61%*
Ratio to average employee compensation	34	36	32	40	31
(Change compared with the previous financial year)	*-16.64%*	*+6.29%*	*-13.15%*	*+26.15%*	*-21.74%*
Ratio to median employee compensation	44	47	39	51	40
(Change compared with the previous financial year)	*-17.70%*	*+6.07%*	*-17.31%*	*+31.96%*	*-21.06%*

	2018	2019	2020	2021	2022
Member of the Management Board (Jean-Michel Etienne/Michel-Alain Proch[1][2])					
Compensation	2,338,252	1,937,339	1,938,339	1,776,149	1,200,000
(Change compared with the previous financial year)	*+1.83%*	*-17.15%*	*+0.05%*	*-8.37%*	*-32.44%*
Ratio to average employee compensation	29	23	21	19	12
(Change compared with the previous financial year)	*+2.43%*	*-20.30%*	*-8.59%*	*-8.23%*	*-37.34%*
Ratio to median employee compensation	37	30	26	25	16
(Change compared with the previous financial year)	*+1.12%*	*-20.46%*	*-12.97%*	*-4.01%*	*-36.80%*
Member of the Management Board (Anne-Gabrielle Heilbronner)[1]					
Compensation	1,446,863	1,305,027	1,245,027	1,425,027	1,212,857
(Change compared with the previous financial year)	*-6.13%*	*-9.80%*	*-4.60%*	*+14.46%*	*-14.89%*
Ratio to average employee compensation	18	16	14	16	12
(Change compared with the previous financial year)	*-5.58%*	*-13.24%*	*-12.84%*	*+14.62%*	*-21.07%*
Ratio to median employee compensation	23	20	17	20	16
(Change compared with the previous financial year)	*-6.78%*	*-13.41%*	*-17.02%*	*+19.90%*	*-20.38%*
Member of the Management Board (Steve King[1][3])					
Compensation	3,017,105	3,257,756	2,625,591	3,306,453	3,082,913
(Change compared with the previous financial year)	*+41.40%*	*+7.98%*	*-19.40%*	*+25.93%*	*-6.76%*
Ratio to average employee compensation	38	39	29	36	31
(Change compared with the previous financial year)	*+42.23%*	*+3.86%*	*-26.37%*	*+26.12%*	*-13.53%*
Ratio to median employee compensation	48	50	35	46	40
(Change compared with the previous financial year)	*+40.42%*	*+3.66%*	*-29.90%*	*+31.92%*	*-12.78%*

(1) The 2019, 2020 and 2021 compensation of the Chairman and members of the Management Board has been amended to include the portion of the acquisition gain on vesting (*i.e.* 1/3 per year of performance) achieved as part of the 2019-2021 LTIP whose delivery took place in 2022.

(2) 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). The amount of the vesting gain made under the 2019-2021 LTIP by Jean-Michel Etienne was reinstated, before application of the prorata temporis, in the CFO's 2019, 2020 and 2021 compensation.

(3) Steve King's 2022 compensation was annualized for the calculation of the ratios.

With the increase between 2021 and 2022 in the average (+8%) and median (+7%) annual compensation of the Groupe's employees, the equity ratios for the 2022 financial year are down compared to those of 2021. It should be noted that the delivery of the shares under the LTIP Directoire 2019-2021 in 2022 had an upward impact on the equity ratios for 2019, 2020 and 2021 of the Chairman and members of the Management Board, and not the ratios for 2022, in accordance with the method used by the Groupe to determine and value the components of compensation.

3.2.2.9 Standardized presentation of compensation (AMF and Afep-Medef)

Position-recommendation 2021-02 of the AMF and the Afep-Medef Corporate Governance 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)*

	2022	2021
Management Board		
Arthur Sadoun, Chairman of the Management Board		
Compensation awarded for the financial year[1]	3,673,800	2,900,000
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]	2,988,082	3,570,638
Valuation of other long-term compensation plans	-	-
Total	**6,661,882**	**6,470,638**
Anne-Gabrielle Heilbronner, Secretary General		
Compensation awarded for the financial year[1]	1,128,357	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]	1,034,496	1,370,544
Valuation of other long-term compensation plans	-	-
Total	**2,162,853**	**2,582,901**
Steve King, member of the Management Board Member of the Management Board until September 14, 2022		
Compensation awarded for the financial year[1][2]	1,746,530[4]	2,780,259
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][5]	1,034,496	2,547,930
Valuation of other long-term compensation plans	-	-
Total	**2,781,027**	**5,328,189**
Michel-Alain Proch, Groupe Chief Financial Officer Member of the Management Board from January 15, 2021		
Compensation awarded for the financial year[1]	1,157,261	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]	1,034,496	1,081,944-
Valuation of other long-term compensation plans	-	-
Total	**2,191,757**	**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 GBP 1 = 1.16453 euros in 2021 and at the average rate of GBP 1 = 1.1729 euros in 2022.

(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 Directoire 2019-2021 plan for 2021. The LTIP Directoire 2019-2021 is a three-year plan subject to a presence condition and performance conditions. The LTIP Directoire 2019-2021 plan covered the 2019, 2020 and 2021 financial years.

(4) Compensation awarded in 2022 in respect of the corporate office of Steve King, *i.e.* for the period from January 1, 2022 to September 14, 2022. The compensation awarded to Steve King for the period from September 15, 2022 to December 31, 2022 under his employment contract amounted to 732,353 euros.

(5) In accordance with the regulations of the plans, Steve King continues to benefit from the shares granted under the LTIP 2021 Directoire and LTIP 2022 Members of the Directoire plans as his employment contract within the Groupe is maintained.

/ 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.

	2022 – Amounts:		2021 – Amounts:	
	Awarded	Paid	Awarded	Paid
Management Board				
Arthur Sadoun, Chairman of the Management Board				
Fixed compensation	1,170,000	1,170,000	1,000,000	1,000,000
Annual variable compensation[1]	2,503,800	1,900,000	1,900,000	2,000,000
Benefits in kind[2]	-	-	-	-
Total	**3,673,800**	**3,070,000**	**2,900,000**	**3,000,000**
Anne-Gabrielle Heilbronner, Secretary General				
Fixed compensation	600,000	600,000	600,000	600,000
Annual variable compensation[3]	516,000	600,000	600,000	600,000
Benefits in kind[2]	-	-	-	-
Unemployment insurance[4]	12,357	12,357	12,357	12,357
Total	**1,128,857**	**1,212,857**	**1,212,357**	**1,212,357**
Steve King, member of the Management Board[6] Member of the Management Board until September 14, 2022				
Fixed compensation[6]	743,724	743,725	1,048,077	1,048,077
Annual variable compensation[7][8]	963,868	1,688,976	1,676,923	1,676,923
Supplementary pension plan[9]	38,937	38,937	55,259	55,259
Benefits in kind[2]	-	-	-	-
Total[5]	**1,746,530**	**2,471,639**	**2,780,259**	**2,780,259**
Michel-Alain Proch, Groupe Chief Financial Officer Member of the Management Board from January 15, 2021				
Fixed compensation	600,000	600,000	573,810	573,810
Annual variable compensation[10]	546,000	600,000	600,000	-
Benefits in kind[2]	-	-	-	-
Unemployment insurance[4]	11,261	-	-	-
Total	**1,157,261**	**1,200,000**	**1,173,810**	**573,810**

(1) The variable compensation criteria for 2021 and their achievement levels are presented in Section 3.2.2.4 of the 2021 Universal Registration Document. The variable compensation criteria for 2022 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 vehicle are not valued if they are for an immaterial amount.

(3) The variable compensation criteria for the year 2021 and their achievement levels are presented in Section 3.2.2.5 of the 2021 Universal Registration Document. The variable compensation criteria for 2022 and their achievement levels are presented in Section 3.2.2.5 of this document.

(4) As the French unemployment office (Pôle Emploi) does not cover it, Publicis Groupe took out insurance for its corporate officers.

(5) Compensation determined and paid in pounds sterling. The translation into euros was carried out at the average rate of GBP 1 = 1.16453 euros in 2021 and at the average rate of GBP 1 = 1.1729 euros in 2022.

(6) Fixed compensation awarded and paid in 2022 in respect of his corporate office, *i.e.*, until September 14, 2022. For information, the fixed compensation awarded and paid for the period from September 15, 2022 to December 31, 2022 under his employment contract amounts to 311,885 euros.

(7) The variable compensation criteria for 2021 and their achievement levels are presented in Section 3.2.2.6 of the 2021 Universal Registration Document. The criteria for variable compensation for 2022 and their achievement levels are presented in Section 3.2.2.6 of this document.

(8) Annual variable compensation awarded in 2022 in respect of his corporate office, *i.e.* until September 14, 2022. For information, the annual variable compensation awarded for the period from September 15, 2022 to December 31, 2022 under his employment contract amounts to 504,006 euros.

(9) Supplementary pension plan awarded and paid in 2022 in respect of his corporate office, *i.e.* until September 14, 2022. For information, the amount relating to his supplementary pension plan for the period from September 15, 2022 to December 31, 2022 under his employment contract amounts to 16,265 euros.

(10) The criteria for variable compensation for the year 2021 and their achievement levels are presented in Section 3.2.2.7 of the 2021 Universal Registration Document. The variable compensation criteria for 2022 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 2021 and 2022 to members of the Supervisory Board *(gross amounts in euros before deduction of taxes or social charges)*

	2022 – Amounts[1]:		2021 – Amounts:	
	Awarded	Paid	Awarded	Paid
Maurice Lévy[2]				
Fixed compensation	1,300,000	1,300,000	1,300,000	1,330,000
Compensation solely related to membership of the Supervisory Board	118,000	85,000	85,000	95,000
Other compensation	-	-	-	-
Élisabeth Badinter[3]				
Fixed compensation	-	-	-	-
Compensation solely related to membership of the Supervisory Board	89,500	50,000	50,000	60,000
Other compensation	-	-	-	-
Simon Badinter				
Fixed compensation	-	-	-	-
Compensation solely related to membership of the Supervisory Board	64,000	35,000	35,000	40,000
Other compensation	-	-	-	-
Jean Charest				
Fixed compensation	-	-	-	-
Compensation solely related to membership of the Supervisory Board	128,500	70,000	70,000	75,000
Other compensation	-	-	-	-
Sophie Dulac				
Fixed compensation	-	-	-	-
Compensation solely related to membership of the Supervisory Board	58,000	35,000	35,000	30,000
Other compensation	-	-	-	-
Thomas H. Glocer				
Fixed compensation	-	-	-	-
Compensation solely related to membership of the Supervisory Board	112,000	80,000	80,000	80,000
Other compensation	-	-	-	-
Marie-Josée Kravis				
Fixed compensation	-	-	-	-
Compensation solely related to membership of the Supervisory Board	98,500	55,000	55,000	60,000
Other compensation	-	-	-	-
André Kudelski				
Fixed compensation	-	-	-	-
Compensation solely related to membership of the Supervisory Board	151,000	100,000	100,000	105,000
Other compensation	-	-	-	-
Enrico Letta[4]				
Fixed compensation	-	-	-	-
Compensation solely related to membership of the Supervisory Board	-	15,000	15,000	50,000
Other compensation	-	-	-	-

	2022 – Amounts[2]:		2021 – Amounts:	
	Awarded	Paid	Awarded	Paid
Suzan LeVine[5]				
Fixed compensation	-	-	-	-
Compensation solely related to membership of the Supervisory Board	134,500	35,000	35,000	70,000
Other compensation	-	-	-	-
Antonella Mei-Pochtler				
Fixed compensation	-	-	-	-
Compensation solely related to membership of the Supervisory Board	106,000	55,000	55,000	70,000
Other compensation	-	-	-	-
Cherie Nursalim[6]				
Fixed compensation	-	-	-	-
Compensation solely related to membership of the Supervisory Board	22,167	55,000	55,000	55,000
Other compensation	-	-	-	-
Tidjane Thiam[7]				
Fixed compensation	-	-	-	-
Compensation solely related to membership of the Supervisory Board	53,833	-	-	
Other compensation	-	-	-	-
Pierre Penicaud[8]				
Member representing employees				
Fixed compensation	-	-	-	-
Compensation solely related to membership of the Supervisory Board	37,000	20,000	20,000	25,000
Other compensation	-	-	-	-
Patricia Velay-Borrini[9]				
Member representing employees				
Fixed compensation	-	-	-	-
Compensation solely related to membership of the Supervisory Board	49,000	25,000	25,000	2,500
Other compensation	-	-	-	-

(1) With respect to 2022, Jean-Michel Etienne and Michel Cicurel received 36,000 euros as expert on the Audit Committee and 30,000 euros 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 2021 for the period from June 1, 2020 to May 31, 2021 and, in 2022, for the period from June 1, 2021 to May 31, 2022.
(3) Chairwoman of the Supervisory Board until May 31, 2017, Vice-Chairwoman 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 25, 2022
(7) Appointment as member of the Supervisory Board on May 25, 2022.
(8) Appointment as a member of the Supervisory Board representing employees on June 20, 2017.
(9) Appointment as a 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 2022.

/ 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 2022	Average exercise price (in euros)	Year granted
Management Board				
Arthur Sadoun, Chairman		No exercise		
Anne-Gabrielle Heilbronner		No exercise		
Steve King(1)	2013 co-investment plan (LionLead2)	27,540	52.76	2013
Michel-Alain Proch		No exercise		

(1) Options exercised after September 14, 2022, end date of Steve King's term of office.

/ Table 6 (AMF nomenclature) performance shares granted to each executive corporate officer

	Description of plan	Date of grant	Vesting date	Availability date	Position at December 31, 2022: Number of performance shares granted in 2022	Position at December 31, 2022: O/w subject to performance condition	Position at December 31, 2022: Valuation of shares in the consolidated financial statements (in euros)
Chairman of the Management Board							
Arthur Sadoun	LTIP 2022 Président du Directoire	March 18, 2022	March 18, 2025	March 19, 2025	52,047	52,047	2,586,215
		May 25, 2022	May 25, 2025	May 26, 2025	9,996	9,996	401,867
Total							**2,988,082**
Member of the Management Board							
Anne-Gabrielle Heilbronner	LTIP 2022 Members of the Directoire	March 18, 2022	March 18, 2025	March 19, 2025	20,819	20,819	1,034,496
Steve King	LTIP 2022 Members of the Directoire	March 18, 2022	March 18, 2025	March 19, 2025	36,366	36,366	1,807,027
Michel-Alain Proch	LTIP 2022 Members of the Directoire	March 18, 2022	March 18, 2025	March 19, 2025	20,819	20,819	1,034,496

/ Table 7 (AMF nomenclature) performance shares vested for each executive corporate officer

	Description of plan	Date of grant	Vesting date	Maximum number of shares that may be granted	Performance for the period 2019-2021[1]	Number of shares available in 2022
Arthur Sadoun, Chairman	LTIP Directoire 2019-2021	June 14, 2019	June 14, 2022	60,000	68.50%	41,100
Anne-Gabrielle Heilbronner	LTIP Directoire 2019-2021	June 14, 2019	June 14, 2022	20,000	68.50%	13,700
Steve King	LTIP Directoire 2019-2021	June 14, 2019	June 14, 2022	50,000	68.50%	34,250

(1) The performance is 68.50% taking into account the following results:

- organic growth compared to peers: partial achievement (13.50%);
- operating margin compared to peers: achieved (45%);
- CSR: achieved (10%).

/ 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 cancelled)*	*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	05/02/2023[4]
Subscription or purchase price (in euros)	52.76
Total adjusted number of stock options granted as at 12/31/2022	5,949,305[1]
Total number of shares subscribed or purchased as at 12/31/2022	(1,383,123)
Total number of cancelled stock options as at 12/31/2022	(4,006,034)
Number of outstanding stock options as at 12/31/2022	560,148

(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.
(4) Decision of the Management Board to defer the expiry date of the 2013 co-investment plan (LionLead2) from April 30, 2023 to May 2, 2023.

/ 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, 2022, by the issuer and by any Company included in the scope of option grants 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, 2022, 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	240,875	52.76
Total		**240,875**	**52.76**

/ Table 10 (AMF nomenclature) History of free share grants (vested and/or unvested plans in 2022)

	Sapient Plan 2018[1]	LTIP 2019[3]	2019 Special Plan [4]	Sapient Plan 2019[5]	LTIP 2019-2021[6][7]	Epsilon Replacement Plan[8]	Special Retention Plan[9]	Sapient Plan 2020[10]	Epsilon LTI 2020[11]
Date of authorization by the Extraordinary General Shareholders' Meeting (EGM)	**n/a[2]**	**05/30/2018**	**n/a[2]**	**n/a[2]**	**05/30/2018**	**n/a[2]**	**05/30/2018**	**n/a[2]**	**n/a[2]**
Date of Management Board meeting	04/17/2018	05/28/2019	05/28/2019	05/28/2019	06/14/2019	07/15/2019	11/15/2019	05/19/2020	07/20/2020
Total number of free shares awarded	516,372	335,950	262,700	585,499	170,000	628,681	765,110	585,503	1,264,420
Total number of free shares awarded to corporate officers	-	-	-	-	170,000	-	-	-	-
Arthur Sadoun	-	-	-	-	60,000	-	-	-	-
Jean-Michel Etienne	-	-	-	-	40,000	-	-	-	-
Anne-Gabrielle Heilbronner	-	-	-	-	20,000	-	-	-	-
Steve King	-	-	-	-	50,000	-	-	-	-
Michel-Alain Proch	-	-	-	-	-	-	-	-	-
Vesting date of shares	04/17/2019 04/17/2022	05/28/2022	05/28/2022	05/28/2020 05/28/2023	06/14/2022	03/31/2020 03/31/2022	03/16/2024	05/19/2021 05/19/2024	03/31/2021 03/31/2023
End of retention period	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total number of shares vested as of 12/31/2022	(321,095)	(137,575)	(200,083)	(349,021)	(109,660)	(439,635)		(110,891)	(350,088)
Total number of free shares cancelled or lapsed at 12/31/2022	(195,277)	(198,375)	(62,617)	(194,071)	(60,340)	(189,046)	(371,215)	(115,097)	(700,959)
Number of free shares outstanding at 12/31/2022	-	-	-	42,407	-	-	393,895	359,515	213,373

(1) The Sapient Plan 2018 consists of two different plans. One plan is subject only to a presence condition, 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 presence condition, performance conditions based on Publicis Sapient's operating margin and revenue growth budgets, such that the total number of shares delivered depended on the level of achievement of targets for the years 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.

(2) Grants made outside the provisions of the French Commercial Code ("non-qualified" plans).

(3) The vesting of shares under the LTIP 2019 was subject to presence and performance conditions. The performance conditions of the plan were based on the achievement of an organic growth rate and an operating margin rate compared to a Groupe of competitors, such that the number of shares delivered at the end of the three-year vesting period, in May 2022, depended on the level of achievement of these objectives for the year 2019.

(4) The 2019 Special Plan was a retention plan subject only to a presence condition and introduced for certain employees with a direct impact on growth.

(5) The Sapient Plan 2019 consisted of two different plans. One plan is subject only to a presence condition 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 was subject to, in addition to the 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 2019, 2020 and 2021. The shares ultimately awarded based on the achievement of these performance targets were delivered at the end of a three-year period, *i.e.* in May 2022.

(6) The LTIP 2019-2021 plan was specifically for the benefit of the members of the Management Board. The vesting 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 depended 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 Groupe of companies. Some of the shares awarded were 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 achievement of these performance targets. In addition, the vesting of shares was also subject to a presence condition during the three-year vesting period, i.e. in June 2022.

(7) The cancelled shares result from prorata application to the 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.

(8) 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 were 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 vested in tranches over the three years of the plan (*i.e.* in March 2020, 2021 and 2022).

(9) Retention plan offered to 10 Groupe top executives. The shares were 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 and the shares of the third tranche of awards made under the LTIP 2022. The initial vesting date (03/31/2023) has been extended and aligned with those of the LTIP 2021 and LTIP 2022.

(10) The Sapient Plan 2020 consists of two different plans. One plan is subject only to a presence condition 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 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 objectives for the years 2020, 2021 and 2022. The shares ultimately awarded based on the level of achievement of these performance targets will be deliverable at the end of a three-year period, *i.e.* in May 2023

(11) 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).

(12) 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 Groupe 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 (Septembre 2024 for the individual specific plan).

"LTIP 2021" and other specific plans[12]	LTIP 2021 Directoire[13]	Epsilon LTI 2021[14]	Sapient Plan 2021[15]	"LTIP 2022" and other specific plans[16]	LTIP 2022 Members of the Directoire[17]	LTIP 2022 Président du Directoire[18]	Sapient Plan 2022[19]	Epsilon LTI 2022[20]	LTI Epsilon 2022 (September)[20]
05/26/2021	5/30/2018	n/a[2]	n/a[2]	05/26/2021	05/26/2021	05/26/2021	n/a[2]	n/a[2]	n/a[2]
03/16/2021 09/15/2021	03/16/2021	03/16/2021	04/13/2021	03/18/2022 10/17/2022	03/18/2022	03/18/2022 05/25/2022	04/11/2022	03/18/2022	09/14/2022
590,391	151,577	632,348	604,474	638,279	78,004	62,043	603,192	455,625	70,882
-	151,577	-	-	-	78,004	-	-	-	-
-	61,237	-	-	-	-	62,043	-	-	-
-	-	-	-	-	-	-	-	-	-
-	24,495	-	-	-	20,819	-	-	-	-
-	41,330	-	-	-	36,366	-	-	-	-
-	24,495				20,819				
03/16/2024 09/15/2024	03/16/2024	03/31/2022 03/31/2024	04/13/2022 04/13/2025	03/18/2025	03/18/2025	03/18/2025 05/25/2025	04/11/2023 04/11/2026	03/31/2023 03/31/2025	09/30/2023 09/30/2025
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
-	-	(178,598)	(54,570)	-	-	-			
(170,665)	-	(51,780)	(68,857)	(11,508)	-	-	(5,625)	(14,781)	
419,726	151,577	401,970	481,047	626,771	78,004	62,043	597,567	440,844	70,882

(13) The vesting 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 Groupe of companies. 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.

(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 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).

(15) The Sapient 2021 Plan consists of two separate plans. One plan is subject to only a presence condition, and gives rise to the delivery of one quarter of the shares allocated on the anniversary dates of the first four years of the plan (*i.e.* April 2022, 2023, 2024 and 2025). The second plan is subject, in addition to the presence condition, to performance conditions based on Publicis Sapient's annual operating margin and revenue growth budgets, such that the total number of shares delivered at the end of a three-year period, *i.e.* in April 2014, will depend on the level of achievement of the objectives for the year 2021.

(16) Excluding beneficiaries of the Special Retention Plan for whom the shares remain presented in the initial plan. The vesting of shares under the LTIP 2022 is subject to performance criteria measured for 2022, 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 Groupe 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 2025

(17) The vesting of Publicis Groupe shares under this plan is subject to performance criteria that are measured following a three-year period (2022-2024), 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 Groupe 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 a presence condition during the three-year vesting period., *i.e.* in March 2025.

(18) The vesting of Publicis Groupe shares under this plan is subject to performance criteria that are measured following a three-year period (2022-2024), 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 Groupe of companies A portion of the shares granted are also subject to a market condition based on the TSR comparing that of Publicis with that of the CAC 40, as well as a condition based on a CSR (Corporate Social Responsibility) criterion and a condition related to talent management. 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 2025 and May 2025.

(19) The Sapient Plan 2022 consists of two different plans. One plan is subject only to a presence condition 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 2023, 2024, 2025 and 2026). The second plan is subject, in addition to a 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 2015, will depend on the level of achievement of the objectives for 2022.

(20) 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 and/or September 2023 for 30% of the shares granted, in March and/or September 2024 for 30% of the shares granted and in March and/or September 2025 for 40% of the shares granted).

/ 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 First appointment: June 1, 2017 Expiry of term of office: September 14, 2026	No	No	Yes[1]	Yes[1]
Anne-Gabrielle Heilbronner First appointment: September 15, 2014 Expiry of term of office: September 14, 2026	Yes	No[2]	Yes[3]	Yes[3]
Steve King First appointment: June 1, 2017 Expiry of term of office: September 14, 2022	Yes	Yes[4]	Yes[4]	Yes[4]
Michel-Alain Proch First appointment: January 15, 2021 Expiry of term of office: September 14, 2026	Yes	No[2]	Yes[5]	Yes[5]

(1) See Section 3.2.1.5 "Compensation policy for the Chairman of the Management Board".
(2) Members of the Management Board in France, with an employment contract and dependent on the French social security system, may benefit from the PERECO and PER O plans open, subject to conditions, to employees in France.
(3) See Section 3.2.1.6 "Compensation policy for Anne-Gabrielle Heilbronner".
(4) See Section 3.2.1.7 of the 2021 Universal Registration Document "Compensation policy for Steve King".
(5) See Section 3.2.1.8 "Compensation policy for Michel-Alain Proch".

3.2.3 Share ownership

At December 31, 2022, 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 (6.57%), 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, 2022, the members of the Supervisory Board and Management Board (excluding Élisabeth Badinter and her children) directly and indirectly held 6,842,139 shares, *i.e.* 2.69% of the Company's share capital, of which 1.91% by Maurice Lévy.

As of December 31, 2022, the members of the Management Board also owned 35,491 stock options, all of which are exercisable. The weighted average exercise price of the options is 52.76 euros 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, 2022 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, 2022

Corporate officer	Number of Publicis Groupe S.A. shares	Voting rights in Publicis Groupe S.A.[1]	Shares that may be vested through the exercise of stock options: Total number	Shares that may be vested through the exercise of stock options: Of which conditional options[2]	Weighted average price (in euros)
Member of the Management Board					
Arthur Sadoun	177,611	289,988	35,491	35,491	52.76
Anne-Gabrielle Heilbronner	29,808	45,126	-	-	-
Michel-Alain Proch	30,000	30,000	-	-	-
Total Management Board	**237,419**	**365,114**	**35,491**	**35,491**	**52.76**
Member of the Supervisory Board					
Maurice Lévy[3]	4,848,159	8,340,738			
Élisabeth Badinter[4]	16,700,967	22,535,787			
Simon Badinter[5]	1,296	1,825			
Jean Charest	1,400	2,700			
Sophie Dulac	1,749,460	3,492,920			
Thomas H. Glocer	500	600			
Marie-Josée Kravis	2,914	2,914			
André Kudelski	500	500			
Suzan LeVine	537	1,057			
Antonella Mei-Pochtler	500	500			
Tidjane Thiam	700	700			
Pierre Pénicaud[6]	0	0			
Patricia Velay-Borrini[6]	50	100			
Total Supervisory Board	**23,306,983**	**34,380,341**			

(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 2.29% of the share capital and 4.38% 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 4.28% of the share capital and 4.08% 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 2022 financial year are as follows:

Name and surname	Position	Description of the financial instrument	Type of transaction	Number of transactions	Amount of the transactions *(in euros)*
Tidjane Thiam	Member of the Supervisory Board	Shares	Acquisition	1	35,140.00
Arthur Sadoun	Chairman of the Management Board	Shares	Acquisition of free shares	1	0
Anne-Gabrielle Heilbronner	Member of the Management Board	Shares	Acquisition of free shares	1	0
Michel-Alain Proch	Member of the Management Board	Shares	Acquisition	4	517,087.64
Agathe Bousquet	Member of the Directoire+	Shares Shares	Acquisition of free shares Disposal	1 1	0 173,502.49
Dave Penski	Member of the Directoire+	Shares Shares	Acquisition of free shares Disposal	1 2	0 97,719.91
Carla Serrano	Member of the Directoire+	Shares Shares	Acquisition of free shares Disposal	1 1	0 126,573.16
Nigel Vaz	Member of the Directoire+	Shares Shares	Acquisition of free shares Disposal	4 4	0 286,608.93
Emmanuel André	Member of the Management Committee	Shares Shares	Acquisition of free shares Disposal	1 2	0 233,573.16
Justin Billingsley	Member of the Management Committee	Shares Shares	Acquisition of free shares Disposal	1 6	0 732,714.61
Gerry Boyle	Member of the Management Committee	Shares Shares	Acquisition of free shares Disposal	1 2	0 224,650.13
Andrew Bruce	Member of the Management Committee	Shares Shares	Acquisition of free shares Disposal	1 6	0 428,582.66
Nick Colucci	Member of the Management Committee	Shares Shares	Acquisition of free shares Disposal	1 8	0 796,494.74
Magnus Djaba	Member of the Management Committee	Shares Shares Shares	Acquisition of free shares Disposal Exercise of stock options	1 3 1	0 731,264.77 428,200.16
Stéphane Estryn	Member of the Management Committee	Shares Shares	Acquisition of free shares Exercise of stock options	1 2	0 710,868.00
Tim Jones	Member of the Management Committee	Shares Shares	Acquisition of free shares Disposal	1 2	0 1,715,641.99
Annette King	Member of the Management Committee	Shares	Acquisition of free shares Disposal	1 1	0 158,804.13
Ros King	Member of the Management Committee	Shares Shares	Acquisition of free shares Disposal	1 1	0 141,513.28
Steve King	Member of the Management Committee	Shares Shares Shares	Acquisition of free shares Disposal Exercise of stock options	1 2 1	0 2,535,396.25 1,453,010.40
Jane Lin-Baden	Member of the Management Committee	Shares Shares	Acquisition of free shares Disposal	1 1	0 123,438.87
Loris Nold	Member of the Management Committee	Shares Shares	Acquisition of free shares Disposal	1 1	0 70,730.52
Alexandra Von Plato	Member of the Management Committee	Shares Shares Shares	Acquisition of free shares Disposal Exercise of stock options	1 6 1	0 1,503,169.74 853,076.44

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 2022, the following transactions were carried out by Publicis Groupe with related parties:

(in millions of euros)	Revenue	Expenses
Viva Tech [1]	11	-
SCB Tech X [2]	20	-
Voilà [3]	3	-
Burell Communication Group [4]	-	5
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	
(in millions of euros)	2021 Financial Year	2020 financial year
Viva Tech [1]	7	2
Burell Communication Group [4]	3	2
Weborama [5]	(5)	(6)

The outstanding amounts with related parties in the statement of financial position as at December 31, 2022 were as follows:

(in millions of euros)	Receivables/loans	Liabilities
OnPoint Consulting, Inc. [6]	1	-
Viva Tech [1]	-	1
Zag Limited [7]	3	-
Core 1 WML Ltd [8]	3	-
SCB Tech X [2]	4	-
Other	3	-

(1) Joint venture between MSL France and Les Echos Solutions, 50% owned by Publicis Groupe, for the purpose of organizing the "Viva Technology" event.
(2) Entity 40% owned by Publicis Groupe.
(3) Entity 50% 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.
(6) Entity 100% owned by Publicis Groupe.
(7) Entity 19.5% owned by Publicis Groupe
(8) Entity 49.99% owned by Publicis Groupe.

3.4 STATUTORY AUDITORS' REPORT ON RELATED-PARTY AGREEMENTS

This is a translation into English of a report issued in French and it is provided solely for the convenience of English-speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the Annual General Meeting of Publicis Groupe S.A.,

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, 2022, 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 concluded during the year ended December 31, 2022 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, 2022.

Paris-La Défense, April 27, 2023

The Statutory Auditors

French original signed by

MAZARS

Olivier Lenel

Ariane Mignon

ERNST & YOUNG et Autres

Claire Cesari-Walch

Nicolas Pfeuty

CHAPTER

4

CORPORATE SOCIAL RESPONSIBILITY – NON-FINANCIAL PERFORMANCE

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4.8 REPORT BY THE INDEPENDENT THIRD-PARTY ORGANISATION ON THE CONSOLIDATED NON-FINANCIAL STATEMENT 236

The declaration of non-financial performance (DNFP) meets French and European legal obligations, as well as Publicis Groupe's voluntary commitments in terms of Corporate Social Responsibility (CSR). This reporting is also based on international frameworks such as the GRI standards (see paragraph on Standards in Section 4.6 of this chapter) and meets the expectations of investors and shareholders, employees, clients and other stakeholders.

This chapter forms the basis of non-financial reporting and brings together Publicis Groupe's key CSR information and indicators. Examples of the actions and initiatives implemented in the agencies are given. A larger number of illustrations can be found on the Groupe's corporate website www.publicisgroupe.com (CSR Section). A dynamic table of environmental, social and governance (ESG) indicators, cross-referencing 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 key financial figures and 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 also addressed in the form of CSR issues in this chapter. 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 at the end of this chapter.

The methodology and processes in place for CSR reporting and the DNFP are explained in Section 4.6. In accordance with French and European regulations, the verification report by external independent auditors Grant Thornton can be found at the end of this chapter, in Section 4.8.

ESG governance

- Since 2021, an **ESG Committee of the Supervisory Board** (see Section 3.1.2.7 of this document) is dedicated to the review of ESG issues. The Chair of the ESG Committee, Suzan LeVine, reports on the work of the Committee to the Supervisory Board.

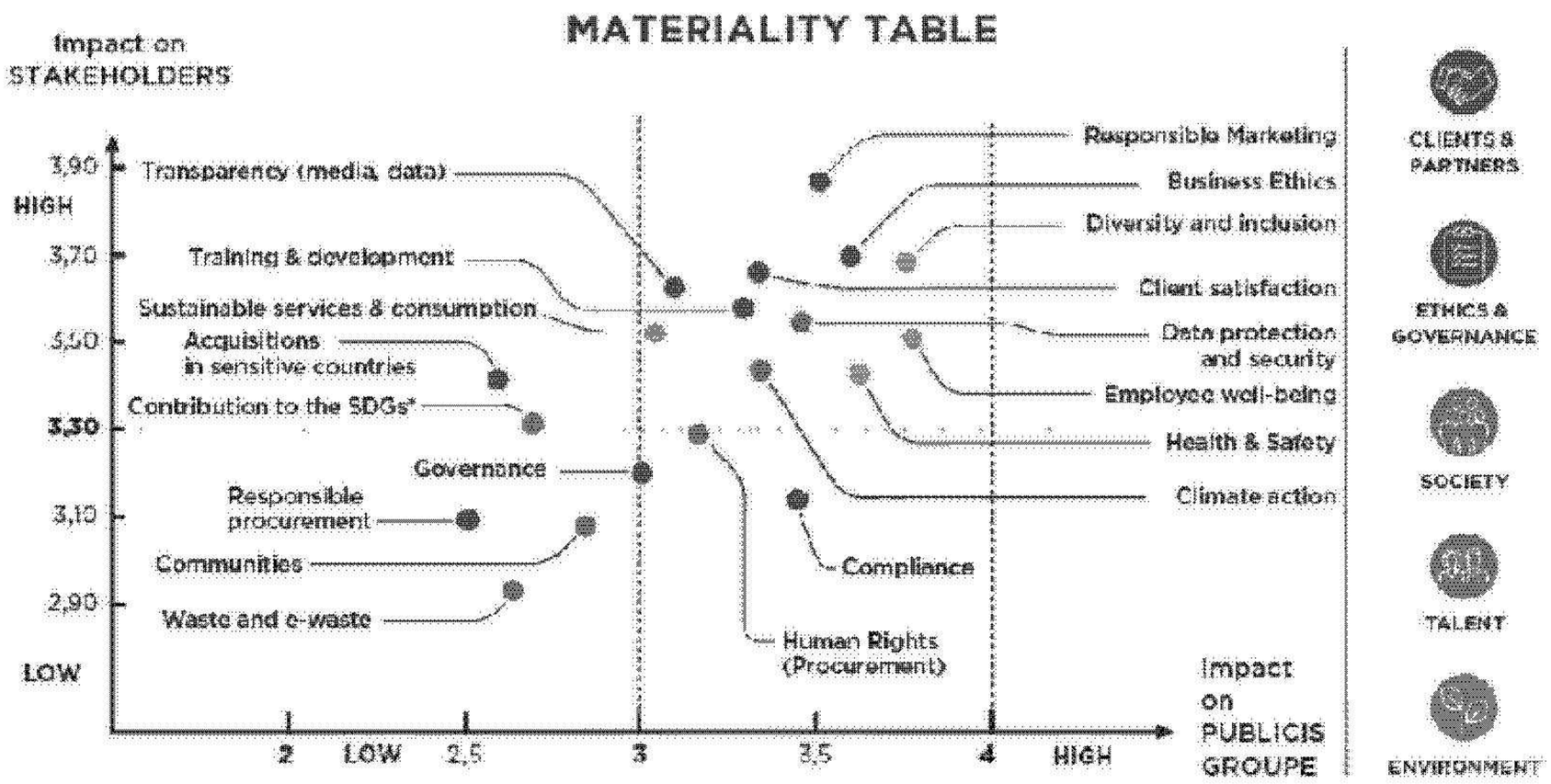
  The ESG Committee met twice in 2022 (see Section 3.2.1.9). Each meeting provided an opportunity to review regulatory news in France, at European Community level and abroad, to analyze the Company's compliance with new and future requirements, and to explore various topics and projects related to the Groupe's ESG strategy and pillars.

  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.
- Within the **Management Board**, ESG topics are the responsibility of the Groupe's Secretary General, (see Section 3.1).
- The variable compensation of the Chairman of the Management Board, the members of the Management Board and the Directoire+, as well as the Management Committee includes two medium-term CSR/ESG criteria with short-term transition points. The first in terms of diversity, with the increase in the number of women to 45% by 2025 in the Groupe's key management positions; the second in terms of the environment and climate with the switch to 100% renewable energy from direct sources before 2030.
- The **Groupe's CSR/ESG Department** reports to the Groupe's Secretary General; this team is in charge of preparing and rolling out the ESG strategy, Groupe projects and policies as well as non-financial reporting. It is based on the CSR Steering Committee, in place since 2015 and bringing together the Corporate Departments: Legal, Finance and Information Systems, HR Operations, Procurement, Shared Services (IT, Real Estate, etc.). It also relies on other *ad hoc* working Groupes (see CSR risk management section).
- In agencies and countries, the operational deployment of CSR actions is conducted under the direction of local management, and priority actions are implemented by their **dedicated CSR or CSR Project/Sustainability teams**. Not to mention the local Re:Sources teams, for the support functions in the shared services centers. It is important to highlight the very large number of employees volunteering to initiate new initiatives and innovate in their daily professional practices.

Materiality of ESG issues and stakeholder consultation

In 2020, the consultation of stakeholders in the form of individual interviews and workshops with around a hundred people – clients, investors, and employees in small Groupes, confirmed the three ESG priorities of the Gro

1. **Diversity, Equity & Inclusion and the fight for Social Justice;**
2. **Responsible marketing and Business Ethics;**
3. **Fight against climate change.**



In order to anticipate the various European regulatory changes, the Groupe has initiated a new stakeholder consultation process in order to update its materiality table in 2023. This analysis will be based on the concept of dual materiality, in accordance with the Corproate Sustainability Disclosure Directive (CSRD) published on December 16, 2022. The approach is different from a so-called simple materiality. Dual materiality is based on the premise of examining, on the one hand, the financial materiality with the impact of the deterioration of societal and environmental conditions on the Company's activity and its financial impact, and on the other hand, the materiality of impact with the measurement of the Company's activities on these same conditions, including in the financial dimension.

The results of this analysis will be shared and reviewed by the ESG Committee and the Audit Committee. The dual materiality matrix will be regularly updated, particularly with regard to the final version of the European sustainability reporting standards (ESRS) developed by EFRAG, which the European Commission should adopt in 2023.

This Groupe-wide stakeholder consultation work is conducted with the assistance of Salterbaxter (an expert subsidiary in sustainable strategy & sustainability consulting) under a contract using recognized materiality analysis methodologies. This work is managed by the Groupe's CSR/ESG Department in close collaboration with all other corporate departments and Business teams.

ESG risk analysis and management

Historically, ESG risks have been included in the Groupe's overall risk map (see Chapter 2 of this document), in particular risks relating to Talent and social issues as well as environmental and climate risks. Changes in these risks are also analyzed and monitored as part of the application of the Duty of Care Law (see Section 4.2.4). This Groupe risk matrix is monitored by the Strategy and Risk Committee of the Supervisory Board, as well as by the Board's Audit Committee. Topics are treated more in-depth as part of the work of the ESG Committee and the monitoring of the Company's three main ESG priorities.

The table below helps to put the important ESG issues in perspective with the Groupe's risk map (see Chapter 2 of this document).

10 CSR issues	Materiality category	Risk factors	References URD 2022
Diversity & Inclusion	Talent	Risks related to employees	Section 2.1.4
Employee well-being	Talent	Risks related to employees	Section 2.1.4
Health & Safety	Talent	Risks related to employees	Section 2.1.4
Training and Development	Talent	Risks related to employees	Section 2.1.4
Responsible Marketing	Clients & Partners	Risks of litigation, governmental, legal and arbitration proceedings	Section 2.1.9
Client satisfaction	Clients & Partners	Risks associated with client portfolios	Section 2.1.5
Sustainable services & consumption	Clients & Partners	Risks of litigation, governmental, legal and arbitration proceedings	Section 2.1.9
Business ethics	Clients and Partners	Risks of litigation, governmental, legal and arbitration proceedings	Section 2.1.9
Data protection and security	Clients and Partners	Personal data confidentiality	Section 2.1.8
Climate action	Environment	Others of which Climate transition	Section 4.3.1.2

Climate risks were the subject of in-depth work in 2022, with dedicated work on the impacts of climate change on the Groupe, its employees and its activities (see Section 4.3.1.2). This work integrated the scenarios and projections set out at the end of 2021 by the IPCC (Intergovernmental Panel on Climate Change). This work led to the establishment of an Internal Climate Task Force bringing together the heads of corporate departments and certain activities to work on changes to the selected scenarios.

Training on climate issues was offered to members of the Supervisory Board's ESG Committee, as well as to other Board members wishing to participate. Two sessions examined several components. During the first session, the major global challenges posed by climate change in various countries where the Groupe operates were reviewed (United States, France, United Kingdom, India, etc.). Then the analysis of the objectives to be achieved around the notion of Net Zero, the time frames and ways to achieve this goal were examined in order to understand the general, regulatory and voluntary framework in which Publicis Groupe operates. The second session was devoted to the review of the Company's carbon emissions, short-and medium-term climate issues in relation to its activities, the communication sector and its clients; lastly, it was then possible to discuss the actions undertaken and upcoming, in order to limit all of the Groupe's environmental impacts in the long term.

Social issues are addressed by several internal bodies under the responsibility of the Secretary General. On the one hand, they are dealt with within CTOs Council which meets once a month and which is steered by the Groupe's HR Operations Department. It brings together the HR Directors and Chief Talent Officers of the main countries and brands. They work together on democratic issues, structuring projects, whether tools or international actions such as #WorkYourWorld or #WorkingWithCancer, as well as changes in Groupe HR policies. On the other hand, social issues are addressed within the Groupe DEI Council which meets every two months and is managed by the Groupe's CSR/ESG Department. It brings together Diversity/DEI managers from the countries and brands to work on diversity indicators, HR policies, affinity Groupes, training tools and joint actions such as the fight against domestic violence.

Finally, for topics relating to Responsible Marketing, in addition to issues related to the compliance of professional practices – among which are business ethics criteria, the Groupe promotes a business line approach. The objective is to increase the specific level of requirements of each activity, so that each employee and each team take ownership of the issues.

The Groupe's multi-year CSR/ESG strategy is based on the following three main priorities:

CSR/ESG issues	Groupe policies or public reference	Some key actions in brief	2022 indicators	Comments
1. Diversity, Equity & Inclusion	HR General policy DEI policy	Recruitment programs for young people far from agencies (MCTP, Publics Track, etc.)	**+300 young people**	14th year of the MCTP, 272 share. 2nd year Publicis Track, 90 participants
	URD 2022	Percentage of Women in Groupe leadership positions	**42.5%**	Objective: 45% in 2025
	Press release	7-Point Action Plan in the United States for broader diversity	-	Quantitative progress in diversity over the last three years in the United States
	Website	Women's Forum for the Economy & Society for women's rights	**2,300 participants in Paris**	100 young women in Youth Voices Initiative, 30,000 participants online
Training & Professional development	HR General policy	Marcel Classes and other training	**89%**	Target 100% of employees
		Studio/Le Grand Studio programs	**3,544 participants**	of which 59% are women
	Press release	#WorkYourWorld	**1,447 participants**	of which 59% are women
Employee well-being	Health & Safety policy	Global partnership with Thrive	**100% of employees made aware**	To help employees take into account their mental health
	Press release	# WorkingWithCancer pledge	**+300 corporate partners**	Strong mobilization against cancer-related stigma
Compensation, value sharing	HR General Policy	Exceptional bonuses paid in 2022	**euro 85 million in total**	To reward everyone's efforts in April and November 2022
Engagement with communities	Corporate Citizenship charter	Create & Impact (*pro bono* campaigns, volunteering, sponsorship, etc.)	**A value of euro 61.5 million**	Long-term commitments and concrete solidarity (Ukraine, Turkey, etc.)
2. Responsible Marketing and Business Ethics	Responsible Marketing policy	Clients with an **SBTi** Climate objective	**65% (Top100)**	High expectations in terms of climate commitments
	Press release	Once And For All Coalition to support the media in favor of diversity	**40 clients 25 million USD**	Direct investment in content *via* APX Content Ventures
	Responsible Marketing policy Press release	Number of agencies using A.L.I.C.E. Number of clients for which A.L.I.C.E. is used Roll-out of the NIBI program	**72** **+180** **Ongoing**	2025 target: use in all countries.
Business ethics	Janus Code of Ethics Anti-Bribery & Anti-Corruption policy Data Protection policy Data Security policy	Employee training in Janus(1): - anti-corruption; - data protection; - data security.	**85%** **89%** **74%** **75%**	Ethics at the heart of practices and standards in all business lines.
Responsible procurement	CSR for Business Guidelines	External CSR/ESG assessment of strategic Groupe suppliers	**98%**	Target: 100% of strategic Groupe suppliers
		Number of suppliers assessed by EcoVadis	**166**	Target: 100% of critical suppliers

(1) Training on the Janus Code of Ethics takes various forms: online training in Marcel, awareness-raising sessions during programs for new employees, and more specific internal sessions for certain positions.

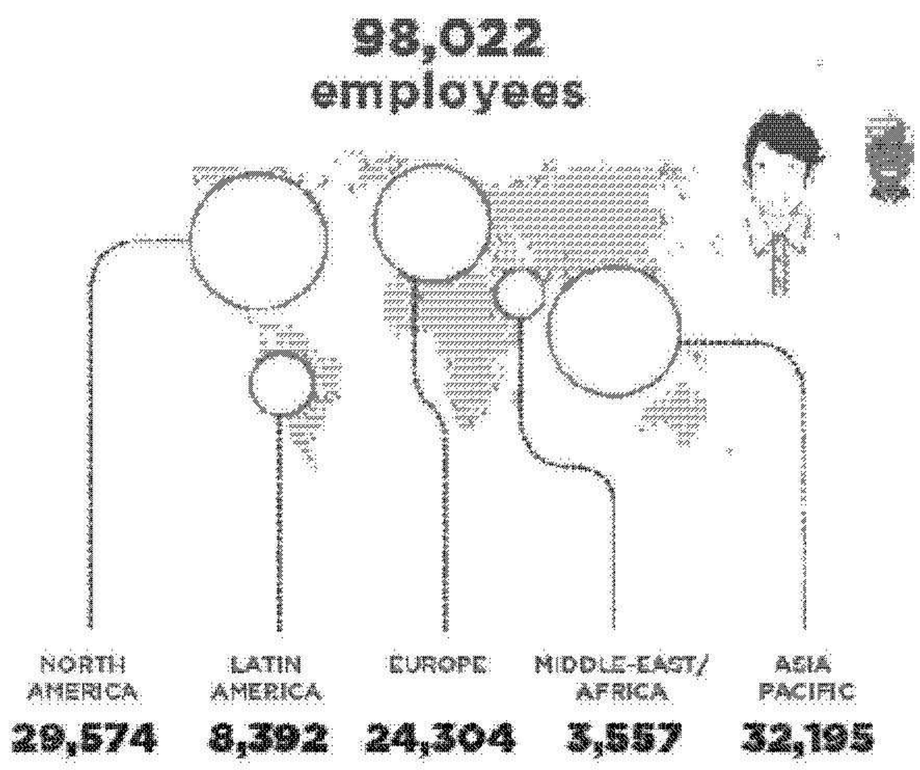
CSR/ESG issues	Groupe policies or public reference	Some key actions in brief	2022 indicators	Comments
Ecosystem & Innovation	Website	VivaTechnology so that Tech can permeate the economy and society	**91,000 participants in Paris**	300,000 participants online
3. Climate				
European taxonomy	URD 2022	Groupe activities: -eligible - aligned	**14.1%** **less than 1%**	Epsilon activities New activities
Reduction of carbon emissions (GHG)	Net Zero Climate Policy	Reduction of carbon emissions in line with the 2030/2040 trajectory	**-32.2% of emissions in 2022***	SBTi objectives: -50% by 2030 -90% by 2040 Target: 100%
	CSR for Business Guidelines	Strategic suppliers with a carbon reduction trajectory	**98%**	
Renewable energy	Net Zero Climate Policy	8-point action plan: No. 2 Energy Increase in the share of renewable energies	**-29.4% energy consumption*** **47% of renewable energies from direct sources**	92% of renewable energies after the purchase of RECs/GOs** Renewable energy 2030 target: 100% directly sourced

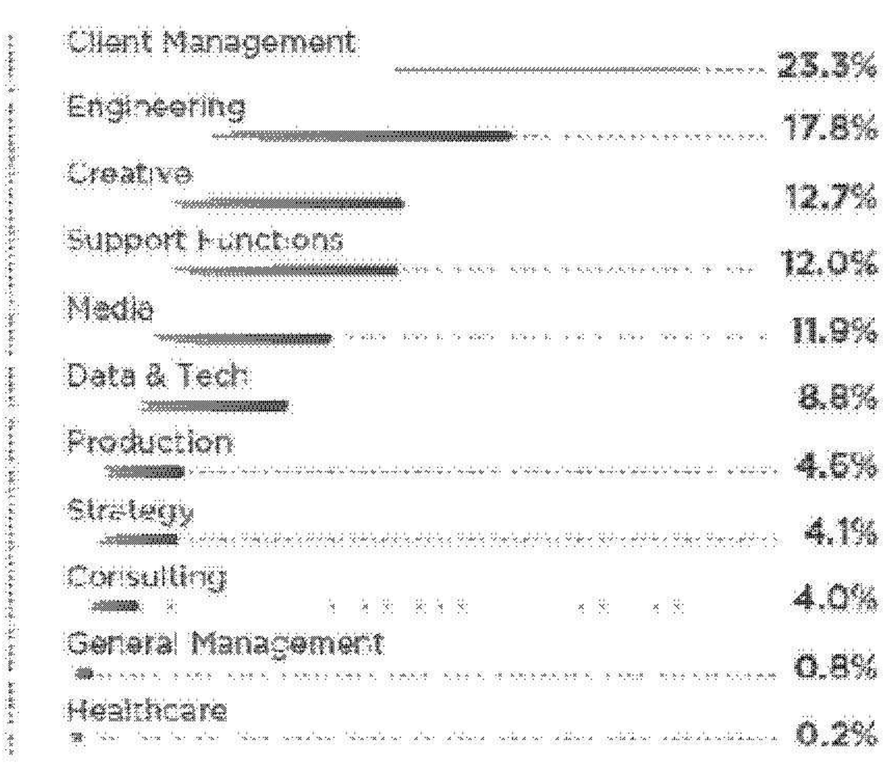
* Reference year: 2019
** RECs: Renewable Energy Certificates; GO: Guarantees of Origin.

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

2022 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 clients' expectations.





a) The Groupe had **98,022 employees in 2022.**

The net variation of employees is broken down as follows:

- arrivals: 32,736 in 2022;
- leavers: 25,841 in 2022;
- 2022 turnover: 27.9%.

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.

The job market in the communication, digital and tech business lines is tight in several countries, and in the agency business, it is structurally and historically very volatile. In addition, even in times of growth, Publicis Groupe is a Company whose entities and agencies carry out regular adjustments and which always prioritizes internal solutions.

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 local contexts and temporary needs for certain projects, freelance service contracts are offered for self-employed workers. The use of freelance occurs in temporary situations of work overload.

The Great Resignation: the pandemic years 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 phenomenon. This is a huge phenomenon of employee resignations that has affected Publicis Groupe like other large companies. In 2022, in view of the growth of the Groupe's activities, significant efforts to recruit and retain talent were carried out in parallel, with a net flow of more than 10% of the workforce.

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 remote working; 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.

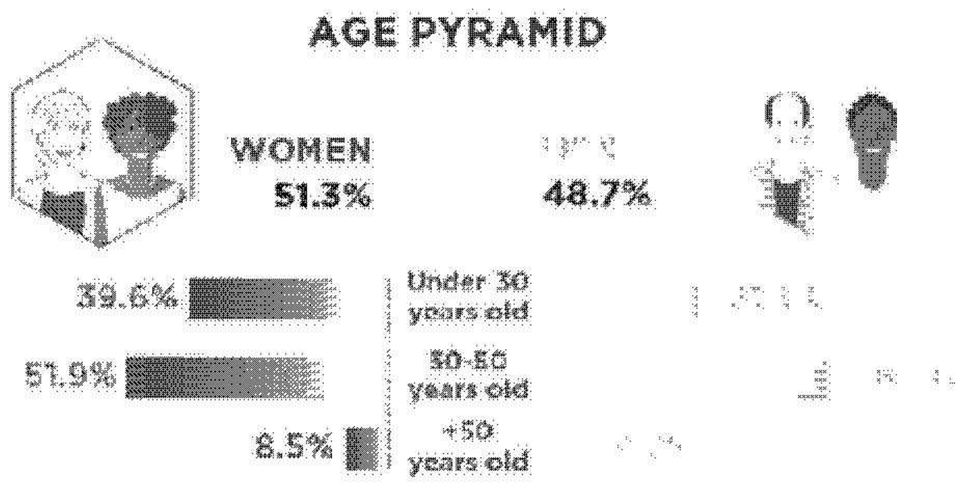
c) The absenteeism rate within the Groupe is estimated at 1.80%

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.

Indicators	Unit	2020	2021	2022
Groupe headcount	*number*	79,051	88,531	98,022
% Women	%	50.1	51.5	51.3
% Men	%	49.9	48.5	48.7
Employees on permanent contracts	%	93.9	98.6	92.5
% Women	%	92.9	98.4	94.6
% Men	%	94.9	98.6	94.0
Employees on fixed-term contracts or temporary contracts	%	6.1	1.4	7.5
% Women	%	7.1	1.6	5.4
% Men	%	5.1	1.4	6.0
Part-time employees	%	-	-	1.7
% Women	%	-	-	80.2
% Men	%	-	-	19.8
Leavers	*number*	15,893	26,327	25,841
Joiners	*number*	12,080	33,796	32,736
Turnover	%	17.1	27.7	27.9
Average age of Women	*Years*	35	33	34
Average age of Men	*Years*	36	35	35
Average age of Women-Men	*Years*	36	34	34.7

Gender balance by level	Unit	2020	2021	2022
% Women in Groupe key management positions (6)	%	40.4	41.1	42.5
% Men in Groupe key management positions (6)	%	59.6	58.9	57.5
% Women agency CEOs (1)	%	33.5	40	38.7
% Women on agency Executive Committees (2)	%	43.6	45	45.9
% Population in Senior Positions	%	5.7	4.9	4.7
% Women in Senior Positions (3)	%	40.8	40.2	42.5
% Men in Senior Positions	%	59.2	59.7	57.5
Average length of service in years – Senior Position	*number*	-	8.61	8.29
% Population in Mid-Level Positions	%	60.3	60.6	60.3
% Women in Mid-Level Positions (4)	%	47.8	49.3	49.9
% Men in Mid-Level Positions	%	52.2	50.7	50.1
Average length of service in years – Mid-Level Position	*number*	-	4.47	4.32
% Population in Entry Level Positions	%	34.0	34.4	34.7
% Women in Entry Level Positions (5)	%	57.4	56.9	54.9
% Men in Entry Level Positions	%	42.6	43.1	50.1
Average length of service in years – Entry Level Position	*number*	-	2.63	2.31
Number of nationalities among Groupe employees	*number*	-	152	160

(1) Women holding executive positions in the agency or entity.
(2) Women members of the Executive Committees of agencies or entities.
(3) Women/Men holding senior management positions within the agency or entity, country or region.
(4) Women/Men holding middle management positions within the agency or entity, country or region.
(5) Women/Men holding entry management positions within the agency or entity, country or region.
(6) Women/Men holding a Groupe key executive management position.



Simplified age pyramid	Women	Men	Total
Less than 30 years old	39.6%	31.5%	35.7%
Between 30 and 50 years	51.9%	58.9%	55.3%
More than 50 years	8.5%	9.6%	9.0%

Workforce and skills planning. Countries are responsible for making short- and medium-term forecasts. The communication and digital transformation sector is structurally a very dynamic job market, where experience is acquired through the diversity of projects, clients and sectors. Employees change agencies regularly, which is normal in this sector. Given this structural mobility, the challenge for Publicis Groupe's HR/Talent teams is to carry out distinctive recruitment actions in parallel to attract the best talent, to use retention levers in order to offer employees a comprehensive and enriching career path within the Groupe.

The Groupe's tools for this planning are Career settings, the HRIS (Human Resources Information System) allowing fairly detailed demographic analyses, by business line, level of experience, level of responsibility, and, Career Conversation on monitoring employees' performance and perception of their operational roles and functions. With the Marcel platform and thanks to these tools, the personalization of career paths has improved in recent years on the basis of objective data. The contribution of external partners on local labor market developments is also used. Lastly, relations with academic institutions (high schools, schools and universities) and training organizations enable cooperation on current or future changes to the training courses of future professionals (see Section 4.1.2). All positions are subject to anticipatory work, as they evolve quite rapidly. Particular attention is paid to the Data and Tech business lines, in very high demand everywhere, and for which the Groupe has real advantages in appeal, in terms of freedom of innovation and cross-skills.

Changes in data over more than ten years are available on the Groupe website, CSR section, CSR Smart data.

The Groupe's gender diversity at December 31, 2022

Diversity and equity are considered priority objectives. Since 2019, the Groupe has set itself the objective of 45% women among the Company's key executives by 2025 with a checkpoint reached in 2022 at 42.5% (Groupe Management Committee and Country and Regional Executive Committee).

The demographic data tables illustrate a balanced population at Groupe level.

Multi-year data trends are available on the Groupe website, in the CSR section of the CSR Smart data page.

Gender balance of Governance bodies as of December 31, 2022	% Women
The **Supervisory Board**, chaired by Maurice Lévy, has seven women out of thirteen members, including two members representing employees, one woman and one man (see Section 3.1.1 of this document)	45%
The **Management Board** chaired by Arthur Sadoun has one woman and two men	33%
The **Directoire+** includes two women and two men	50%
The **Management Committee** chaired by Arthur Sadoun has nine women among twenty-two members	43.5%
% of women amongst the Groupe's **key executives** (objective 45% in 2025)	42.5%

Gender balance by Business Line: Senior Level	% Women 2021	% Women 2022
Consulting	24.8%	29.8%
Client Management	47.8%	53.7%
Creative & Content	23.9%	27.3%
Data & Tech	26.9%	24.8%
Engineering	8.8%	8.8%
Support functions	54.5%	55.8%
Management	35.0%	37.5%
Healthcare	33.3%	36.4%
Media	47.6%	49.1%
Production	32.8%	32.1%
Strategy	42.3%	39.5%

Gender balance by region	% Women 2021	% Women 2022
Asia Pacific	43.4%	43.8%
Europe/Russia	57.1%	56.5%
Latin America	53.8%	53.0%
Middle East/Africa	53.3%	51.8%
North America	54.7%	55.1%
Grand total	**51.5%**	**51.3%**

4.1.1 Diversity, Equity and Inclusion (DEI)

The Groupe's Diversity, Equity & Inclusion policy, part of the Janus Code of Ethics, sets out the founding principles behind which local actions are aligned. The Groupe's policy is regularly updated, and the implementation of action plans in the countries and agencies is the responsibility of local management, particularly the Talent/HR Departments and the teams dedicated to DEI projects. Locally, employees are involved in the actions implemented and progress is shared at least once a year. DEI policies 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.

The Groupe's culture is based on the motto *Viva la Différence*, 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, and valuation of, differences is at the heart of the Company's culture.

The Five pillars of the Diversity, Equity & Inclusion policy

1) "Zero Tolerance": a principle embedded in the Groupe's values

This "Zero Tolerance" principle remains intangible and universal. It has always been applied to the fight against all forms of discrimination, whatever the grounds (gender, age, origin, sexual orientation, religion, etc.), and must be respected by everyone, 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 system is in operation: 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 Différence*: a purpose and an inclusive culture

During the *Viva la Différence* virtual seminar, which brought together all Groupe employees in December, the motto at the heart of the Company and the Groupe's strategy were the red wire of the discussions; this motto is the Company's purpose. This alignment between the Company's internal culture and the business approach is based on a foundation of values on which the Groupe has relied for decades, which gives meaning to the business lines and illustrates the Groupe's objective to help build a more inclusive world.

The Groupe has a proactive approach to diversity in its workforce (see Section 4.1.1.1 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 Groupe's 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) The Groupe's public commitments to inclusion

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.

The #WorkingWithCancer plan launched in January 2023 in Davos illustrates another of his personal commitments, in order to create a caring framework, by providing tangible support to employees facing cancer, a serious or chronic illness (see Section 4.1.3.3).

Publicis Groupe regularly reaffirms its commitments to gender equality, as equality for all is a factor of inclusion. As a member of the Global Compact of the United Nations, the Groupe is also a partner and/or 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;
- of 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;
- of Unstereotype Alliance under the aegis of UN Women and whose objective is to combat gender stereotypes in communication and advertising campaigns in order to promote greater diversity, by promoting real inclusion;
- of Catalyst for many years in order to implement certain programs; agencies have established local partnerships with committed organizations;
- of OneInThreeWomen, an international initiative, mobilizing companies around domestic violence against women. Through this commitment companies are required to set up support systems or facilitate access to concrete assistance for victims (temporary accommodation, various resources, etc.). Such systems are in place in the agencies in United States and Canada, India, France, the United Kingdom, Australia and New Zealand, to name but a few. Publicis France is a member of #StOpE (Stop Ordinary Sexism in the Company), the first inter-company initiative to combat "ordinary" sexism in the workplace.

Internally, the **Groupe DEI Council**, created in 2020, met every two months, under the responsibility of the Secretary General, comprising around fifteen DEI managers from several countries and led by the Groupe's CSR/ESG Director. Its roadmap is to share and amplify common actions on a few themes aiming to improve the diversity of the teams in the broadest sense, particularly with regard to under-represented populations in each country, gender balance, women in positions of responsibility, the visibility of LGBTQ+ people, and all the issues surrounding the various forms of disability. Mobilization was strengthened in November 2022 around domestic violence and violence against women.

In terms of recognition for its actions to promote inclusion, in 2022 Publicis Groupe is one of:

- 484 companies selected in the 2023 Bloomberg Gender Equality Index score of (76.43/100);
- the Top 100 international companies selected by Equileap Global (out of 4,000 companies assessed), with a score of 68%;
- the American companies that were assessed as 100/100 in Human Rights Campaign, taking action to combat discrimination against LGBTQ+ people, for the 11th consecutive year;
- those in the Ranking of the Feminization of the Governing Bodies of Companies of the SBF 120, ranking 20th out of 120 under the management of the French Ministry in charge of Gender Equality, Diversity and Equal Opportunities.

4) Internal affinity networks

The affinity networks (Business Resources Groupes – BRGs or Employee's Action Groupes – EAGs) illustrate the Power of One in action for and with employees. Fifteen cross-functional Groupes 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 Groupes 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 CSR Department, it is rolled out locally in most major cities. "VivaWomen!" USA has created two sub-Groupes; "Publicis Parents", to more closely support future parents, and "VivaWIT", focused on women in the technological and digital sectors. The network works around two areas: 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!" also participates alongside the networks of women of the Groupe's clients or with other companies, in order to act in concert. 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. "Égalité" has contributed significantly to the evolution of policies in place and activities to promote inclusion in the agencies. "Égalité" is now present in ten cities around the world.

"enABLE" – This more recent network created in 2019, 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 role is to promote the voices 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 can be players and decision-makers in all areas.

Since 2020, the Women's Forum has published its Barometer, 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 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 data from the 2022 edition of the Barometer speak for themselves: 74% of citizens in the G7 countries perceive inequality between women and men in terms of social, political and/or economic rights in their country, 67% of respondents are convinced that gender inequality at work is a real problem.

Forums

On the occasion of the 2022 Global Meeting in November 2022 in Paris, organized around the theme "Time to Act", 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. This 2022 hybrid edition brought together nearly 30,000 participants online in three days with 2,300 participants in Paris on the last day. In June 2022, a Women's Forum was held in Berlin in a smaller format with 250 participants, making it possible to highlight the recommendations of the Women's Forum to the members of the G7.

The Daring Circles and partnerships

Since 2018, the Women's Forum has Daring Circles, bringing together around 50 partners: companies, international institutions, NGOs and experts. Five intersector working Groupes are active and aim to implement 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.

Since 2021, when the Women's Forum launched WomenEntrepreneurs 4Good, its accelerator, in partnership with P&G and HEC, its aim has been 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. In France in 2022, in partnership with BNP Paribas and HEC, a list of 40 women was created through Club FWE40 (French Women Entrepreneurs) to support them in terms of innovation and entrepreneurship, as well as in CSR with the support of EcoVadis. Finally, the Youth Voices Initiative was set up to bring together 100 young women and men in Paris to involve them in workshops led by Boston Consulting Group on Climate, Health, STEM and Peace.

The Women's Forum organized a session on the theme of violence against women on November 24, 2022, in the presence of two ministers, Isabelle Rome and Marlène Schiappa. The Publicis head office was lit up in orange in support of this cause on November 25. And the Publicis Consultants teams carried out a general public influence campaign for the benefit of the FACE association.

WOMEN'S FORUM FOR THE ECONOMY & SOCIETY

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 without restriction in France and applicable worldwide. This is why every year since June 2020, Publicis Groupe has publicly shared its data on the ethnic origins of its employees only in the United States, as part of a regulation allowing it and a strong commitment to improve real inclusion within the agencies. Disability is a criterion that is unevenly followed in all countries; only French data is published in this document. For Publicis Groupe, indicators related to sexual orientation and religion are a matter of everyone's privacy; this does not diminish the fact that the Groupe takes into account the challenges of intersectionality and their difficulties, as inclusion must include all criteria without exception in order to fight effectively against all forms of discrimination.

4.1.1.1 Policies and actions in selected countries

1) United States

The action program in the United States is rolled out by the Diversity, Equity & Inclusion (DEI) team, supervised by the Chief Diversity Officer. This team makes it possible to scale up certain actions and to ensure the general alignment behind the motto *Viva la Différence*.

- In 2020, the Groupe launched its seven-point plan during the first session with all employees entitled Pause For Action. It is led by the Chairman of the Groupe's Management Board and monitored by the US Executive Committee. Pause For action is now an annual internal meeting to review with all teams and work together on areas for improvement. The publication of data on the ethnic origins of employees, in compliance with regulatory and data protection provisions, shows real progress.
- This seven-point plan guides all efforts and measures the steps to be taken, hence the importance of building an internal culture of allies (allyship). The training programs supplementing the mandatory sessions around unconscious bias are structured in three parts around: Disrupting Everyday Bias series, Inclusive Leadership, and Inclusive Hiring.
- The Black Talent Career Development program continued, again in the form of an individualized six-month support program enabling the employees concerned to better understand the opportunities within the Groupe and to build a stronger internal community. The second edition of the Black Talent Summit gave employees the opportunity to take the time to reflect on their future and professional projects.
- For the 13th consecutive year, the Groupe's proprietary program, the MCTP (MultiCultural Talent Pipeline) took place over two days: it welcomed 272 young people, 75% of whom were young women, proposed by 80 universities or schools with which the Groupe works. The active presence of the Groupe's agency executives is key to giving the young participants a very concrete and real experience of what it means to work in the Groupe.
- New partnerships have been developed to enhance certain more targeted actions, such as with the ANA Educational Foundation (AEF), and She Runs It & Out Leadership. In line with the actions encouraged by the Groupe in favor of disabled people, support for the Disability: In & Out & Equal conference made it possible to mobilize more people internally. Various internal tools have been updated, in particular the Societal Impact Response Guide for managers to help them respond to issues around identity-related traumas.
- Nine Groupe agencies received a score of 100/100 for the 11th consecutive year by Human Rights Campaign which distinguishes the companies "Best Places to Work for LGBTQ Equality".
- BRGs (Business or Employees Resource Groupes) have 80 chapters spread across the cities where the Groupe is present and rely on volunteers. Nearly one in two employees in the United States declares that they are an active member or ally. The aim of these affinity communities is to act together: VivaWomen! (women), *Égalité* (LGBT), VivaWomen! Of Color (Women of Color), PublicisParents (parents), VivaWIT (women in Tech), MOCA (Men of Color Alliance), Hola (Latin origins), GenNext (Young Talents), Publicis Connects (for HR managers and facilitating internal mobility), Cross Boundary (international mobility), Sages (for those over 50), PubVets (Military veterans), Conscious Mind (Well-Being and Health), *Écologique* (environmental concerns). enABLE (people with disabilities) really started its program of activities in 2022, with substantive work on invisible disabilities. Finally, the Pan-Asian Alliance was created, bringing together employees of Asian origin and the Pacific Islands (API). Given their large number, an Intersectional Committee was set up to better share experiences between volunteer leaders in these communities.
- Lastly, collaboration between the Groupe and its clients on inclusion issues is a very important area, based on the internal Workplace to Marketplace framework, in order to obtain more tangible results both internally and externally. The first step is based on the creation of truly diverse teams and the constant attention to an internal culture based on fairness and real inclusion to support our clients and serve them better. The second stage consists of structuring projects, such as the Once And For All Coalition, launched by Publicis and now a sectoral approach to promote media diversity, in order to better contribute to their development and financial strength (see Section 4.2.2). Since its launch, nine tools have been built by the Coalition to better track the commitments made; on average, advertisers increased their investment in these media by +50%.
- Two interesting lines of action have been initiated within Epsilon in order to go deeper towards a cultural change. The first concerns the integration of diversity and equity issues at the level of each team leader, in order to become a daily subject to anchor changes around an Inclusion Index scorecard applied to the department in question. The second involves cross-functional actions with a few clients, in order to work together with under-represented Groupes, in particular young people from disadvantaged backgrounds, to give them access to jobs that are in short supply.
- 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 is also active in the alliance of ANA SeeHer, intended to change the representation of girls and women in the media and advertising.

- The Groupe's agencies participate in the Alliance for Inclusive Multicultural Marketing (AIMM) to welcome and support more interns representing diversity. The alumni network of the MAIP (Multicultural Advertising Intern Program) initiated by the American inter-professional organization (4As, American Association of Advertising Agencies).
- The Diversity Progress Council created in 2020, bringing together people from outside the Groupe (clients, academics, etc.) with employees including young talent, met in November 2022 to monitor the progress of the actions undertaken by the Groupe reports and define joint projects.
- Each year, teams participate in a few selected conferences such as ADCOLOR recognizing young talent from diverse backgrounds, or the Black Enterprise Women of Power Summit, as well as Out & Equal that does a lot for transgender people, as well as Disability In to promote equality regardless of disability.

2) India

With nearly 22,000 employees in India, the Groupe has a significant presence there which makes it possible to deploy actions on a large scale.

Activities related to the Diversity, Equity & Inclusion program aim to sustainably change practices in terms of management, recruitment, appointment and promotion of women, and in favor of persons belonging to under-represented population Groupes. The objective is to change mentalities, practices, representations and internal culture, with a priority on women, who are few in number in the engineering and developer professions.

- The RISE (Redefine, Inspire, Strengthen, Elevate) program is dedicated to them, with a highly individualized approach to meet the challenges of each. It is based on internal sponsorship, which makes it possible to monitor the career of talented women over time, on mentoring to address specific topics related to professional life, and on training. One of these leadership training programs benefits around 300 women per year, and gives them access to committed managers involved in the program.
- The internal VivaWomen! network is active and helps to share experiences, highlight role models, meetings with inspiring women, and promotes public speaking at professional events.
- LGBTQI+ inclusion: this program affects all employees. Each new employee takes part in an awareness-raising session, and for each professional development, he or she will have another session on inclusion adapted to the challenges of his or her new functions. For managers, the Transformational Leadership Program (created in 2010) lasts one year and includes a day dedicated to the challenges faced by the LGBTQI+ community and the role that the Company can have in terms of inclusion. Activities are carried out with associations and communities (Solidarity Foundation or The Aravani Art Project), allowing total immersion for managers and facilitating changes in perception. Internal network activities of *Égalité* – Pride allow people concerned by LGBTQI+ issues to have a dedicated space to discuss personal situations, welcome experts and debate on these sensitive topics around gender identity, transformation and be in contact with this very supportive community. The Leading with Pride with Dwight Cook program has been in place for many years: it is based on mentoring from which employees have been able to benefit and managers have been mentors.
- The Rainbow Internship was set up to address the challenges faced by trans people. The objective is to better support them in a sometimes complicated journey and to provide them with support with the help of specialized organizations such as Perriferry or the TWEET Foundation.
- For people with disabilities, with the Disability Confidence program, various actions have been implemented. First, a proactive recruitment policy for the various departments, by training recruiters and giving them the tools to support these employees, the teams around them and the managers. The enABLE affinity Group organized internal conferences or round tables to discuss and experiment with disabled people to better understand the situation experienced by a person with a disability. Each year, the Accessibility Hackathon, led by the Chair of Publicis Sapient, aims to find new innovations and technologies that can help people with disabilities. The teams in India actively participate in the work of the Center of Excellence on Accessibility, aiming to make digital content truly e-accessible, and that this expertise is easily accessible in all countries.
- For caregiver employees and in particular the generation that must deal with the care of elderly parents or family complications while pursuing their professional objectives, the program makes it possible to help the employee concerned and provide them with support during the difficult period. The attention of co-workers is important, also for the Millennial and Z generations who are particularly stressed and anxious about their future, and who express it easily.
- The "HOWathon", Created by the Technology teams, allows many teams to work together to find new solutions. In 2022, the theme was around diversity, accessibility and sustainability. The participating teams are coached by a woman, they are mentored by managers, and they present their innovations and creations to an internal jury bringing together Publicis Sapient executives.
- 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 2022, Publicis France, with the support of the independent firm *indépendant*, is the first French communication Groupe to be part of an approach to assess its social footprint on the five pillars of:

- Social diversity and diversity of origins. With the 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. 90 BTS Communication students joined 18 of our agencies for seven-week internships. Five masterclasses were held in partner high schools in 2022. A partnership is underway with another public high school in the Paris region.
- At the same time, several mentoring initiatives for these young people took place with the Telemaque association (commitment over three years); with the Skills association (with four other companies) in the Tech/Data and digital professions; with Sciences Po as part of a Priority Education Agreement. The Groupe is still active in the PAQTE government program in favor of equal opportunities through actions to support young people and participates in discussions on Inclusion led by the Ministry of Education.
- The collective agreement in favor of gender equality continued to apply in 2022. 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. 12 agencies responded to the Gender Equality Index, the general objective remains 95/100.
- Publicis France is an active member of OneInThreeWomen bringing together companies committed to the fight against violence against women/domestic violence; and is also a member of StOpE sexism.
- Training actions continued with WeCare, in order to fight against discrimination and all forms of harassment, with 45 correspondent employees spread across the agencies, dedicated sessions for managers and an internal and external listening and reporting system.
- The Handicap mission was strengthened, with 22 disability officers and their training by TH Conseil. The Disability Agreement was signed in December 2022 and approved by the DRIEEST in mid-January 2023. Efforts focused on recruiting participants in three Disability Talent fairs dedicated to the Tech & Digital sectors. Several events took place during the European Week for the Employment of People with Disabilities (SEEPH). The IT teams entrusted the reconditioning of its used IT equipment to the adapted company AFB Social & Green IT. Lastly, Publicis France is a member of the *Cercle des Équitables*.

  The percentage of people with disabilities is 1.47% in France.
- In favor of the LGBTQI+ community, we are a partner of TETU Connect, the first Think Tank bringing together all players who can promote inclusion in the professional world, which led to the organization of three internal conferences. An internal exhibition "Ma Plus Grande Fierté" was organized with the support of Prodigious.
- In France, the Groupe is continuing its long-standing partnerships with several organizations bringing significant help to young people considered far from large companies: Origami, C'Possible, article 1, Job Ready, Simplon, Nos Quartiers ont des Talents, Baissez les barrières, Jeunesse et entreprises, Prométhée Éducation, etc. With regard to the allocation of the apprenticeship tax, the Groupe maintains diversity among its priority criteria (courses, job profiles, etc.).
- The Groupe remains active with the *Alliance pour la Jeunesse* (All4Youth) founded by Nestlé. In 2022, actions focused on the climate responsibility of tech players. The young participants in the program worked together on social, managerial, technological and limited-impact innovations that they wanted to see implemented for a more efficient and more respectful world. The Vet Week organized in Brussels allowed a restitution in front of the European Parliament.

4) United Kingdom

The topics of Diversity, Equity & Inclusion are strategic for Publicis UK and influence many aspects of the teams' work, with the ambition that the employer brand will reflect this commitment during the year 2022. Publicis UK received the Advertising Association DEI Charter award, illustrating the progress made in recent years.

- Several programs were rolled out in 2022, such as the setting up of ecumenical rooms in some buildings and rest rooms. A series of webinars on professional and personal topics enabled employees to discuss the following topics with experts: self-care; cultural appropriation; multicultural intelligence; understanding people with neurodiversity disorders; understanding micro-attacks; fighting against all racism; men and patriarchy; self-confidence, etc.
- For women, five entities published their data for Gender Pay Gap reporting, still showing demographic difficulties, with fewer women at certain levels of responsibility. Efforts are aimed at meeting the Groupe's objectives of having 45% of women in key management positions by 2025.
- The DEI team finalized a major project on internal policies of Publicis UK Life Stage Policies (covering in particular maternity, premature births, paternity, shared parental leave, adoption, miscarriages, fertility, menopause, the fight against domestic violence). The team also orchestrated various actions throughout the year such as the Race Equality Week, the National Inclusion Week, women's rights, and a strong action to fight against stereotypes around menopause with Break the Bias on Menopause. These activities are rolled out with the support of expert organizations such as the Stonewall's Global Diversity Champions program and its sessions around the mobilization of allies around LBTQI+ people, the Business

Disability Forum, the Black British Network, Catalyst, the Advertising Association Black Representation in Marketing initiative from which 15 employees were able to benefit.

- In terms of recruitment, targeted actions were carried out with the National Student Pride Recruitment Fair, and Uptree with different schools and universities. Publicis UK also participated in the film We Rise intended to encourage young people suffering from a neurodiversity disorder to take an interest in communication professions. A specific approach has been put in place internally with The Innovators enabling young people with autistic disorders to take an interest in data and commerce. The Multiverse program continued to help 10,000 young people from disadvantaged communities to enter professions that seem far removed from them, such as those in our agencies.
- This rich set constitutes a solid foundation, which responds to information from the internal "Raising Concern" mechanism or informal sessions, AskUsAnything CTO drop-in-days. All this has made it possible to change internal perceptions, recognizing that management has taken better account of all these subjects with very positive feedback from employees who took part in all these actions.
- As part of the Groupe's WorkingWithCancer program (see Section 4.1.3.3), Publicis UK worked with the Mcmillan Cancer Research center on the analysis of the needs of people facing the disease. A study of more than 2,000 patients or former patients highlighted the need for personalized support.
- The success of these actions also relies on the active role of BRGs (Business/Employees Resource Groupes) and DEI Champions – internal networks that support these positive changes throughout the Groupe through advocacy, the creation of alliances and awareness-raising. *Égalité*, Embrace, enABLE and VivaWomen! championed inclusion in 2022 with a series of innovative and cross-sectional programs and events. Two new Groupes were created: Divergent Minds around different people in terms of neurodiversity, and *Écologique* in order to accelerate changes in practices to limit environmental impacts.
- In London, Publicis Sapient EMEA launched its new mentoring program with a platform called PushFar, dedicated to linking of mentees and mentors according to the needs expressed by the mentees. Studies have been conducted by external firms to identify internal difficulties or stumbling blocks to take action. This made it possible to focus on specific points. 333 employees, from all practices, took part in training sessions aimed at changing mentalities in terms of real inclusion in the Tech professions.

5) Poland

So that initiatives do not come only from the Talent teams, the team of volunteers in the Growth X-Team is responsible for preparing sessions and scheduling workshops open to all employees on new topics; the priority in 2022 was on the themes of inclusion and ecology. This takes the form of a series of sessions with inspiring personalities from the agency or the Groupe, or from outside. In June 2022, internal events were held every week in favor of minorities or under-represented Groupes. Particular attention is paid to migrant workers, given their proximity to Ukraine. All this work has resulted in a best practices guide, to help clients improve on this subject, both in their content to be even more inclusive and to move towards highly targeted media, not to mention e-digital accessibility. In November 2022, the same logic was applied to issues related to body image and how to change it to stop obsolete stereotypes. The objective is to be deeply inclusive, whether for women or men, regardless of their age, skin color, weight, posture, etc. These sessions are very popular in the agencies with between 250 and 300 participants each time, because by addressing these topical issues, we meet the expectations of employees and they are even better equipped to discuss these same topics with their clients.

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 to participate in the transformation of the country. The agencies are "BBBEE – level 1" certified (Broad-Based Black Economic Empowerment), following an evaluation process carried out by external auditors. This level is achieved thanks to a voluntary strategy with specific efforts in terms of management, recruitment, training of all employees and a procurement policy focused on suppliers who have been disadvantaged in the past. In 2022, the focus was on training and upgrading the skills of 109 unemployed young people from the communities. At the end of the program, 61% of young people were offered a job and 19 young people had the opportunity to continue their training with a reputable organization, thus improving their qualifications. All of these efforts allow the agency to have 77% of so-called people of color. 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; the agencies work with a network of 380 various BBE-certified suppliers. 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, continuing to roll out important trainings around unconscious biases, inclusive leadership and cultural intelligence. The public holiday policy has been adapted accordingly with six days allowing everyone to act according to their choices.

A second DEI survey was conducted in 2022 to guide the efforts of the Publicis Belong roadmap. The DEI team has been strengthened with a new director to help with the deployment of actions; it also relies on the invaluable activity of the BRGs, led by volunteers:

- The local DEI policy was revised to clarify support measures relating to fertility, miscarriage, gender change and bereavement issues. A second perception survey was conducted to measure progress points and areas for improvement, thus determining priorities.
- VivaWomen! launched the Growth Equalizer in order to provide concrete help to women running their companies, by giving them access to strategy, creation, communication, media relations services, etc. Conferences were held in the agencies around Women's Rights Day and the fight against economic abuse. The VivaVoice series on Marcel continued with a steadily increasing audience.
- "Égalité" with several events enabled the entire community to meet, discuss and facilitate the identification of new internal allies. An art exhibition and film screenings were organized.
- embRACE Australia continued its actions around the Reconciliation Action Plan, national program to raise awareness of aboriginal culture, with innovative training at the Brisbane premises. In New Zealand, *Te Reo* continued and the *Maori* festival, was an opportunity to rename the meeting rooms. These actions were carried out in partnership with *Tupu Toa*, an association promoting the inclusion of young Aborigines in the world of work.
- 2022 was also the year that enABLE was created in the region, sponsored by the Executive Committee, and whose first steps were devoted to listening carefully to the needs expressed internally in order to create a positive environment for employees with a disability and turn it into a strength.

8) Inclusion of people with disabilities

While this inclusion remains a priority, the Groupe does not have a global indicator for legal reasons in various countries. Various levers are activated, such as the recognition of the uniqueness of people with disabilities in the workforce, the recruitment of people with disabilities, and support in terms of adapting or adapting the workstation of employees with invisible disabilities (more numerous). In recent years, a number of initiatives have been implemented in the agencies, including work on internal culture, the removal of taboos related to disability, the need to eliminate stereotypical and erroneous views, and a better understanding of individual situations. The creation of the BRG enABLE in recent years in the United States, the United Kingdom and India in particular, has also helped to remove taboos 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 mission, which has 22 Correspondents, worked more specifically on the recruitment and retention of employees affected by a visible or invisible disability (see the France section) and a first Disability agreement was signed in early 2023.

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 ten 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 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 all or partially virtual in 2022: 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;

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 Collaborating with academia, schools and universities

In 2022, some of the face-to-face programs or activities conducted in universities and schools resumed and others remained virtual (see CSR section on the Groupe's website). Following the consolidation of initiatives to improve efficiency, more than **500 programs** took place between the Groupe's agencies and various institutions. 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.

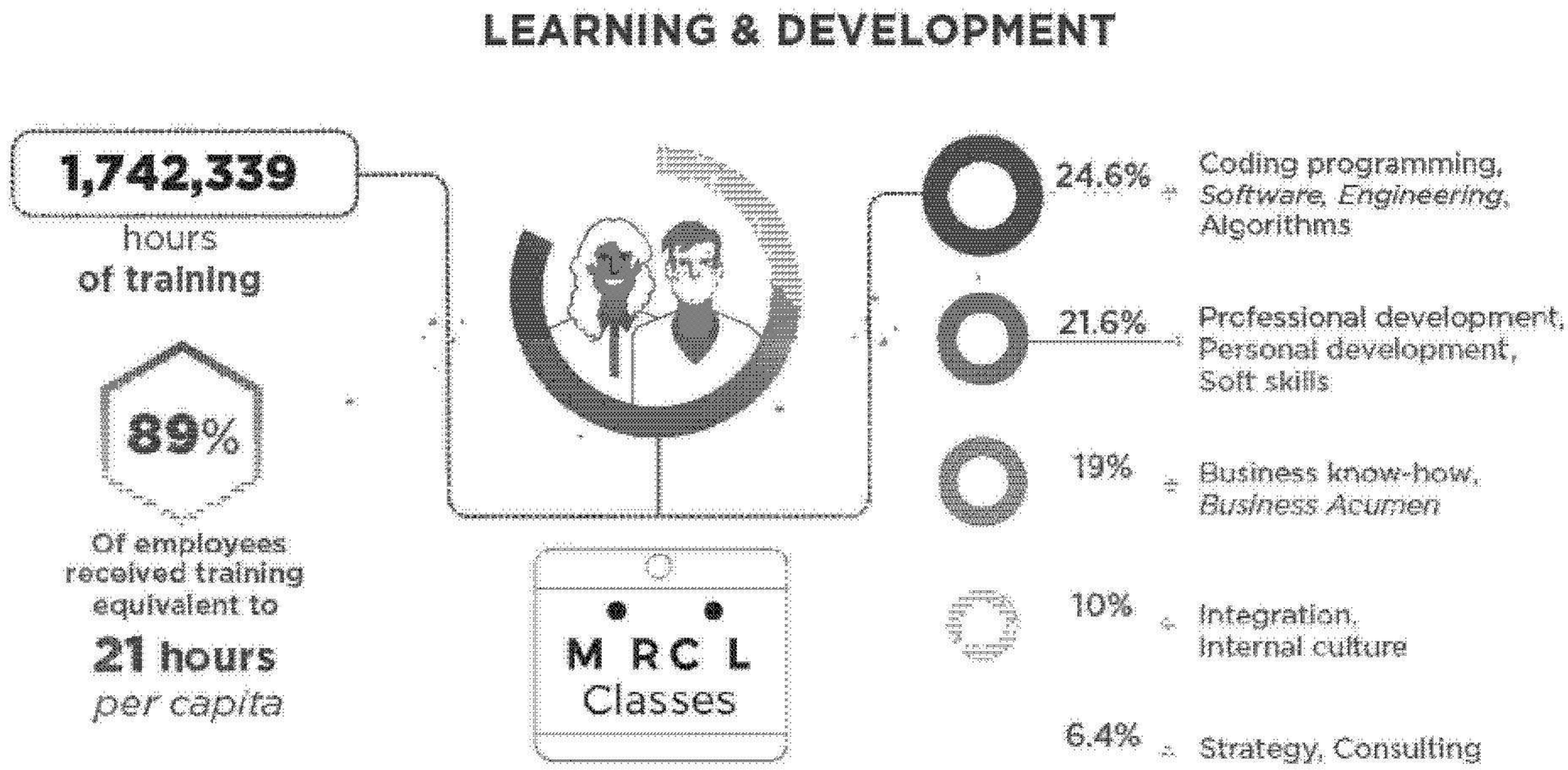
The Groupe remains committed to various schools, universities and organizations that are very active in promoting diversity in the United States, the United Kingdom and France. Publicis Groupe is a member of several corporate alliances such as All4Youth, created and led by Nestlé.

4.1.2 Developing skills, experience and careers

With Career Settings, the HRIS deployed throughout the Groupe for two years, the HR/Talent teams have a workforce management tool that provides a detailed analysis of needs in countries, by business line, by agency, by type of project. This analysis makes it possible to anticipate needs for training (including upskilling and reskilling), recruitment, professional development, in a quantified and planned manner, knowing that the Groupe and its employees are constantly on the move in order to better meet client expectations. This tool is also used for team composition to ensure that several areas of expertise and/or experiences can work together. This tool and the qualitative work carried out in parallel also make it possible to prepare the next generations of Groupe managers and executives, to monitor the development of their skills and expertise, in order to help them acquire new ones if necessary.

Since 2021, a Groupe course called "L'Avenue" has been set up to mark the first 133 days of newcomers. It consists of several modules: face-to-face meetings with the Groupe's managers, online training sessions, workshops and social events to build a sense of belonging to the Company's team.

2022 demonstrated the central role that the Marcel platform plays in supporting teams in terms of learning, by enriching the content and opportunities offered at Groupe level around the world. Marcel fulfills several roles, including an essential one for training, with Marcel Classes. This training serves all employees and the business' strategic plan in order to keep the learning culture alive.



- **89%** of employees received training or attended a Learning & Development program in 2022;
- 1,742,339 hours of training were provided during the year – *i.e.* nearly 21 hours *per capita* (based on the number of employees trained).

4.1.2.1 The Marcel platform at the heart of the employee training strategy

With Marcel Classes, in 2022, employee demand for training continued to increase sharply: +66% in consultation of training modules on the central Marcel Classes portal compared to 2020, it's year of deployment. The expectations formulated led to a change in the formats offered with more podcasts and micro-learning spread over several months allowing for certification. 2022 is also the year of live sessions with more than 100 hours with the Groupe's executives and inspiring guests. 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.

CLASSES

There are several ways to use Marcel Classes:

- self-learning, motivated by the interest of individuals themselves, with almost all modules accessible 24/7, allowing them 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;
- Live Learning, with simultaneous physical and virtual sessions and professional trainers, allowing cohorts to form and get to know each other better.

Training and Development indicators (Marcel Classes & others)		2020	2021	2022	Objectives for 2025
Workforce trained (% of employees)	%	74	82	89	**100**
% Women	%	50.1	51	51	
Number of training hours – total	Hours	1,640,540	1,670,395	1,742,339	
Number of training hours *per capita* (divided by the number of employees trained)	Hours	28.1	23.4	20	
Number of face-to-face hours	Hours	-	499,969	495,972	
Number of hours in e-learning	Hours	-	1,170,426	1,246,367	
Training fees (external)	€M	10.5	15.8	19.9	

Among the Groupe's training programs, Marcel LAB (for Live Action Boost) is a Groupe-wide immersion experience. It is aimed at the widest possible range of high potentials, from senior and executive levels to business and operational functions. This program is a career accelerator around the Groupe's vision and strategy, through very open discussions with inspiring executives and guests. A specific module Creative LAB was created for high creative potentials.

The Marcel Studio Series now include two formats: The Studio is 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. The Large Studio is intended for senior to manager levels. 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. The recommendation rate of over 80% encourages the Talent teams to enrich the program.

Groupe Programs	Levels	Women	Men	% Women 2022	% Women 2021	% Region or country	% Recommendation
The Studio 2022	Junior Managers & New Managers	957	720	57.0%	57%	25.6% APAC 22.1% EMEA 55.3% Americas	81%
The Large Studio 2022	Senior Managers & Directors	323	117	73.4%	57%	22.2% APAC 29.3% EMEA 48.5% Americas	82%
Marcel LAB Creation	Senior Directors & SVP	263	224	54%	50%	26.4% APAC 31.5% EMEA 42.1% Americas	N/A

4.1.2.2 The workplace of the future is already hybrid

Publicis Groupe will never be a "Zoom Company" even though face-to-face work is evolving; this is how the Chairman of the Management Board, Arthur Sadoun, framed the changes to come in his various internal and external communications in 2020. The vast internal project on The Future of Work theme was opened by inviting all employees to participate. 46% of them worked on future work options by integrating cultural differences. 90% of employees expressed the wish that the "return" would be different from the "before", based on clear expectations to which concrete solutions were provided:

1. flexibility in all its dimensions: places, times, moments in life, opportunities: flexibility at work has been rethought to offer more and more individualized mechanisms locally with expectations in terms of experience abroad It is this work that led to the creation of the international mobility program #WorkYourWorld (see below);
2. physical and moral well-being, thanks to experts, specific content or useful experiences: the actions in place enabling employees to take better care of their physical and mental health have been perpetuated locally in the countries. A global partnership has been signed with Thrive;
3. professional and personal development, in order to consider future professional challenges: Marcel Classes has been enhanced in several dimensions. The continuing education section includes new modules and new teaching methods that take into account distance and face-to-face learning; the creation of new tools on Marcel, such as the fully individualized Growth Dashboard, makes it possible to support everyone in their professional and personal development;
4. connection and relationship with others; mentoring programs in various entities have been reactivated in order to strengthen the interpersonal relationship. And with the return to the office, agencies have increased the opportunities to bring employees together, to facilitate interactions between teams;
5. the experience, allowing feedback to be received at a personalized pace and provide individualized responses; the Career Conversation tool integrated into Marcel is used flexibly in all entities to facilitate more frequent feedback (depending on the projects, quarterly or half-yearly, and not just annually), and to better support skills development.

#WYW – Work Your World

1,447 employees (of which 41% men and 59% women) benefited from the program in 2022 with a recommendation rate of 90%. With #WorkYourWorld, they were able to work from another global location, for an average stay of 33 days, with the Top 3 destinations: France, India and Italy. In December 2021 this program was announced by the Chairman of the Management Board Arthur Sadoun and it began in January 2022. It is an internal mobility system that is unique in the world, making it possible to respond in a sustainable manner to several wishes expressed by employees in a post-Covid-19 world. The expectations of employees revealed during internal work in 2020 on the future organization of work highlighted a demand for experiences abroad and physical exchanges. The widespread remote working has shown that all Groupe employees can work effectively from different locations. 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. #WorkYourWorld allows employees to work for up to six weeks from a destination of the employee's choice – abroad (89 possible countries) or elsewhere in their country of residence. This is agreed with the employee's direct manager, who validates this change with regard to ongoing projects (approval rate of 96%), and in consultation with his HR/Talent managers. (The employee pays for their transport and accommodation).

Mobility Indicators	2020	2021	2022
Number of employees who benefited from international mobility	-	723	1,442
Of which % Women	-	23%	29%
Gigs & Jobs proposed in Marcel	5,515	26,156	12,000
Number of employees who benefited from #WorkYourWorld	-	-	1,447
Of which % Women	-	-	59%

Internal mobility

1,442 employees benefited from international mobility in 2021, with international mobility starting to pick up (of which 74% men and 26% women).

In 2022, Marcel offered 12,000 Gigs and Jobs. 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 Balancing work and private life

With more than half of employees working at home in 2022, particularly in North America and Asia, flexibility is at the heart of work organization. The Groupe wants the Company to remain the main place to work, because it is through spontaneous exchanges that a unique dynamic is created, 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 (from 3 to 12 months) while remaining with the Groupe.

Parental leave

3,255 employees benefited from parental leave for the birth or adoption of their child in 2022 (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 (number of 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). In the same mindset, particular provisions have been put in place in the event of miscarriage. 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 Well-being in action

Health & Safety	2020	2021	2022
Absenteeism rate (% of employees)	1.77	1.51	1.8
Employees benefiting from health cover (%)	99	99	99
Employees with access to local health prevention plans (%)	100	100	100
Workplace accidents (%)[1]	0.19	0.11	0.15
Workplace accident frequency rate (%)[2]	0.99	0.60	0.86
Workplace accident severity rate (%)[3]	0.02	0.01	0.02

(1) Workplace accident rate: (Number of recordable workplace accidents/total workforce) x 100. 2022 coverage rate: 97.6%.
(2) Calculation of recordable workplace accident frequency rate: (Number of recordable workplace accidents/total number of hours worked) x1,000,000 (GRI403-9 standard) 2022 coverage rate: 97.6%.
(3) Calculation of workplace accident severity rate: (Number of days of work lost x 1,000)/Number of hours worked (GRI 403-9 standard) 2022 coverage rate: 97.6%.

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. The Groupe-wide global partnership with Thrive provides everyone with other support sessions on mental health and the prevention of the risks of overwork, and programs better adapted to specific issues. In 2022, the employee experience was not the same for all depending on the local health situation. Several programs are popular with employees, such as Thriving Mind, Thriving Performance, Thriving in the new normal accessible on Marcel. The Thrive Resets which are short 60-second formats, Meditative Stories or MicroSteps are very popular because they make it possible to change habits over time and break with certain routines.

A large majority of employees have experienced long periods of work from home, such as in the United States and Canada, where some employees have barely returned to the office at all for nearly two years. The premises remained open to host meetings where employees find it more comfortable to work.

The usual internal awareness-raising or prevention campaigns, linked to seasonal infections, pathologies or health risks, have been rethought 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.).

Healthcare prevention areas: the 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 linked to a sedentary lifestyle (cardiovascular diseases) are integrated into the health prevention plans, which include several components: office arrangements for working in a standing position, nutrition, physical/ocular exercises, disconnection, not forgetting advice on how to set up a pleasant corner in a constrained space for remote working. 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. In place since the lockdown or restriction periods, free virtual sessions for all allow those who wish to do physical exercise. 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 for several years in a vast mental health prevention plan (well before Covid-19), involving all employees in order to meet their needs:
  - 119 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. They are available to listen attentively to employees having difficulties or wishing to discuss this subject,
  - The Wellbeing/Headline program continued and was enhanced, always with the help of 145 volunteers, Wellbeing Champions trained in issues related to well-being at work and can provide concrete answers, particularly on economic issues related to inflation,
  - 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; Employees also have access to the Aviva Wellbeing app, which provides access to healthcare professionals,
  - In addition, with PepTalk, employees have access to resources enabling them to answer many questions, whether they are professional development, inclusion or sustainability,
  - Access to the platform Thrive offers yet another approach to support daily changes, to create new habits, simple and easy to implement,
  - The UK Executive Committee regularly held plenary sessions to answer all employees' questions, and the internal communication plan has always accompanied government health announcements,
  - These sessions were supplemented by Brave Space and another individual format, Ask US Anything days, which are days organized by the Talent and DEI teams, where employees 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 a free well-being portal with a 24/7 virtual access to specialist medical consultations, to help manage physical health issues as well as mental health issues and stress due to lockdowns. This is combined with the protections provided by the system to which the Groupe has subscribed, giving employees access to a medical concierge to troubleshoot or help in the event of an emergency. 100% of employees can contact health professionals and doctors on site and virtually, from gynecologists to physiotherapists and dieticians:
  - additional protection taken out to cover Covid-19 is included in the social security coverage of employees (and their family members), and a specific offer was put in place to provide supplementary family insurance at an affordable price to help families cope with the upheaval created by the pandemic,
  - the Groupe has invested in a training program for volunteers to become Mental Wellbeing Ambassadors (35 for Publicis Sapient India) in order to provide assistance to employees facing difficulties related to mental health and to obtain basic assistance. Some have been trained and certified Mental Health First Aid at Work. 400 employees were helped in 2022,

- the social welfare program 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 are always successful, including virtual ones. Again in 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,
- all these actions approved and implemented by the management teams have a significant impact on the use by all employees of these resources. This encourages employees to take time for themselves. By leading by example, managers help to build an internal culture where mental health and well-being are recognized as key topics;

- in **France**, the HR & Talent teams organized their priority action plans around needs clearly expressed by employees, including:
  - continuation of the Back to Basics campaign – in place since 2019 – relating to codes of good conduct at work, the areas of which are shared and displayed within the Groupe's agencies,
  - the implementation of facilitated access to Sport – preferential rates, free admission, organization of team races – in many agencies for activities such as running or yoga,
  - the continuation of the "Les Bonnes Oreilles" service – bringing together employees specifically trained to listen to employees wishing to discuss and confide,
  - organizing agencies during Quality of Life at Work Week with workshops on self-hypnosis, self-massage, dietary advice and during Sustainable Development Week with daily relaxation therapy sessions offered to all,
  - activities to (re)create links between employees in the agencies: *Mercredi* culture at Marcel, *Informés du vendredi* at Prodigious, Re-connect seminar at Sapient, Chorale at the Bastille site, etc.
  - in many agencies, the regular distribution of seasonal fresh organic fruit and access to a vegetarian dish each day at the Company canteen,
  - the continuation of training and awareness-raising actions against all forms of harassment and sexist acts as part of the program WeCare@Publicis.

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. 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;
2. 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 immediate 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;
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. Since 2021, a preparation and coaching offer has been 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);
- in **Poland**, 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. The healthcare offer is accessible to employees and their families, in order to have easy access to healthcare professionals (covering dental, eye, nutrition and mental health). In terms of mental health, an *ad hoc* system was set up where employees can express themselves in Polish, Ukrainian or English. A sports program allowing teams that so wish to access sports, swimming, gymnastics, dance and fitness facilities, as well as rock-climbing and skiing;
- in **Australia** and **New Zealand** the new EAP application (Employee Assistance Program) was rolled out providing free, 24/7 access to health professionals and psychologists providing mental health support. Doctors and specialists are also accessible to relatives of employees. Internal activities around the Mental Health & Wellbeing policy continued, in particular in terms of the training of volunteers as Mental Health First Aid which act as the first point of contact in the event of difficulties that an employee may face and that they can thus reinsure and support. 137 employees make up this precious internal cohort.

4.1.3.3 Preventing serious illnesses

#WorkingWithCancer

As the Chairman of the Management Board Arthur Sadoun was personally affected by cancer in 2022, and aware of the difficulties that employees may face. He wanted to take action to eliminate the stigma of cancer in the workplace. This subject should no longer be taboo. Two figures underpin this project: the fact that 50% of the adult population(1) will be affected by cancer during their lifetime, and the fact that 92% of employees(2) stated that a work environment that was attentive to their particular situation had helped them. Considering the multiple difficulties that employees must face during their illness (medical care and follow-up, personal and family organization, professional development and responsibilities, material constraints) or when they have a role of direct caregiver, the Chairman of the Management Board launched this program aimed at encouraging companies to take better account of individual situations surrounding the disease. From its official launch in January 2023 in Davos to 200 business leaders, Arthur Sadoun invited everyone to sign the #WorkingWithCancer Pledge to initiate a change in perception and action. This simple commitment asks companies and their managers to:

1. demonstrate publicly their support for the approach by pledging the name of the manager and the Company, in order to be clearly associated with the program,
2. take concrete personalized support measures.

For its part, Publicis Groupe indicated at Davos that it has made the following four commitments:

1. safeguarding the salary of employees affected by the disease for at least one year,
2. offering the employees concerned individualized support to help them manage professional and personal difficulties and facilitate their return,
3. creating an internal community of people directly or indirectly affected by the disease, trained to provide adequate support,
4. for caregiver employees, access to personalized support to assist them during this complicated period.

This #WorkingWithCancer Pledge covers employees affected by cancer or serious and/or chronic pathologies affecting personal and professional life, temporarily or permanently. #WorkingWithCancer works in France with the Institut Gustave Roussy and the Cancer@work association, as well as with the Memorial Sloan Kettering Cancer Center in the United States, and with MacMillan Cancer Support in the United Kingdom.

4.1.3.4 Healthcare coverage

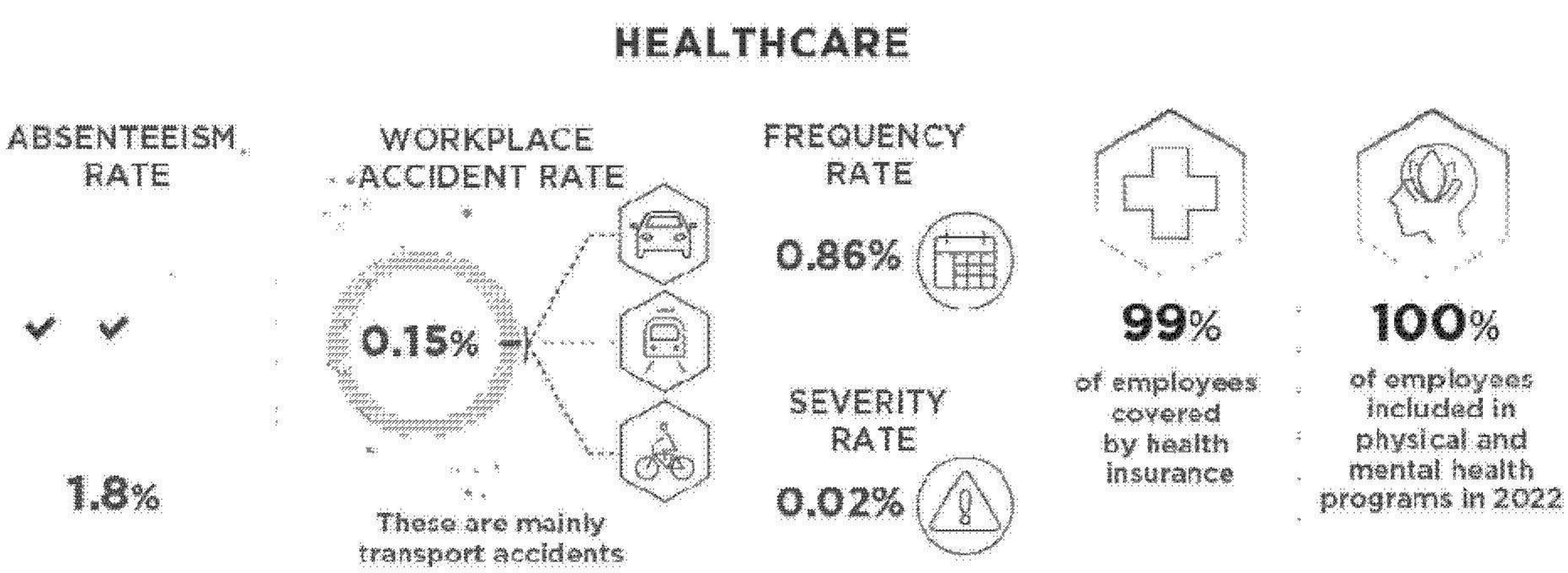
99% of employees (full and part-time permanent and temporary contracts) are covered by medical coverage (social security or health insurance), irrespective of local social security provisions (government, government-company-employee or private company-employee contribution plans or self-funded). These 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.

(1) British Journal of Cancer and International Agency for Research on Cancer (IARC) – Estimated number of new cases. all cancers, gender, ages (2020)
(2) Cancer@Work – France 2022 study.

The **workplace accident rate**[1] was 0.15%. The main causes of workplace accidents were related to transportation accidents (home-work commuting and work-related travel):

- the absenteeism rate is 1.8% which, when applied to all employees means four sick days *per capita*. These sick days cover a wide spectrum of illnesses or health problems, including those that are not work-related or occurring in the workplace, as well as those that may result from work-related difficulties (mental health, physical health, etc.);
- the accident frequency rate was 0.86%;[2]
- the severity rate was 0.02%.[3]

In terms of protection, Groupe employees benefit from disability/death cover according to the practices in the various countries.



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 also 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 48% 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.).

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.

(1) Workplace accident rate: (Number of recordable workplace accidents/total workforce) x 100. 2022 coverage rate: 97.6%.
(2) Calculation of recordable workplace accident frequency rate:
(Number of recordable workplace accidents/total number of hours worked) x 1,000,000 (GRI403-9 standard) Coverage rate 2022: 97.6%.
(3) 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 2022: 97.6%.

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 (earthquake, cyclone, flood, major fire, but also acts of terrorism, political tensions, etc.). LionAlert is overseen by the Groupe's Secretary General. In 2022, it was activated numerous times in Ukraine to monitor the situation of our employees in the context of the war, as well as in certain cities during deadly attacks, floods and cyclones, *i.e.* 91 activations spread across seven countries (of which Ukraine for 73/91).

4.1.4 Listening to and engaging with employees

Since 2020, the country managements have put in place local systems that enable them to be in very regular contact with all the teams, to better respond to their expectations, to encourage solidarity and mutual attention so as not to forget anyone, and thus to better detect any weak signals or warnings regarding employees who may be in difficulty.

At the Groupe level, four regional Roundtables (APAC, Europe & Africa & Middle-East, North America, South and Latin America) were held four times a year with, each time, the Chairman of the Management Board Arthur Sadoun, supported by the members of the Management Board/Directoire+, the Management Committee and key local executives. 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 around 10,000 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 included in Janus Code of Ethics the ten 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 Measuring employee satisfaction

In 2022, Moments that Matter was launched in the Groupe. This is a satisfaction survey program that may be addressed to all or some employees to better estimate their experience as employees within the Company. These are short, frequent surveys and sometimes linked to certain circumstances. In 2022, all new employees in the Groupe were surveyed through the Onboarding Survey. All employees were asked in the Mid Year Check In Survey, just as there is an Anniversary Survey (linked to the start date at the Groupe) and an Exit Survey for all employees voluntarily leaving the Groupe. In 2022, 87% of employees consulted had a clear vision of the Company's expectations, and 84% of employees felt comfortable in their duties and activities and 84% of employees feel comfortable being themselves in their work environment.

Other tools such as Pulse are also used. For example, the Publicis Sapient survey in September 2022 showed that 79% of employees find their work constructive and useful, 76% would recommend Publicis Sapient as an employer and 87% are proud to work there, with a Happiness Index of 4/5.

The Exit Survey carried out in 2022, with employees leaving the Groupe voluntarily, showed a rate of 84% of employees interested in returning to work in the Groupe one day. This is an important factor to keep in mind when analyzing the structurally high employee turnover rate in the communication sector. This is the multiple professional experiences that are the key point sought by employees.

4.1.4.2 Discussing everyone's professional assessment

90% of employees had an individual interview called the Wrap Up (talent review, annual appraisal or performance review) in 2022. This is an internal obligation and is part of the human resources management rules defined in the Janus Code of Ethics. Career Conversation is the tool used in the Marcel platform, which has the advantage of being used throughout the year, and to keep pace with the projects. This platform allows for more frequent meetings between employees and their managers, based on key objectives for Senior Management (KPIs), for all employees, to build a Growth Plan in order to achieve their ambitions, and to ask for 360° opinions. The Wrap Up is a summary exercise on the past year and on the employee's impact, and allows a forward view to the year to come.

Indicators	2020	2021	2022
Employee assessments (% of employees)	76.3	76	90
% Women	51	57	53

4.1.4.3 Involving 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.

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 Labour 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 with the union coordinators of the Publicis Groupe in France took place on Quality of Life at Work, and more specifically on the topics relating to remote working and the sustainable mobility package, which resulted in the signing of two agreements at the end of 2022. New discussions were opened to review the collective agreement on the right to disconnect, the objective being to define operating rules and terms of use of digital technologies to ensure everyone's right to disconnect and ensure 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 role of affinity Groupes (such as VivaWomen!, *Égalité*, enABLE and many others) or BRGs is important to lead to many changes in local policies benefiting all, in a very cooperative and constructive spirit.

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 kept 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' DEI teams, in particular following serious events such as racist or homophobic attacks, as 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 Reward and share value

Compensation and equal pay

Payroll and personnel expenses stood at euro 6,449 million in 2022. Trends are shown in Section 6.6, Note 4 of this document.

Compensation must respect 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 protective measures.

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, coordinated by the HR Operations Department, with support from the teams in charge of compensation (Compensation & Benefits) and the HR/CTOs of countries. The Groupe remains vigilant on gender equality issues and in the event of disparities, it is up to the local management of the agencies to remedy them.

The Syndio tool is being rolled out in 2022 by the Groupe's HR Operations Department in five countries, *i.e.* 60% of employees, with the aim of covering the entire Company. This tool makes it possible to cross-reference various diversity criteria and not only that of gender (age, ethnic origin when legally applicable, disability, etc.), to serve as a support for mandatory declarations and to support managers in their recruitment decisions and compensation, to guarantee equal pay:

- in the United Kingdom, nine entities with more than 250 employees published the comparative situation of the Gender Pay Gap Reporting (measuring the pay gap between men and women, not equal pay). Despite the efforts made, the data show that we must continue to make progress. 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, 2022. With an average of 90/100, at the level of France, 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.

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 of this document.

Value sharing: Exceptional 2021 results, Inflation

In April 2022, 35,000 employees who had been with the Groupe for more than two years, and who had no variable compensation, received an additional week of salary for the exceptional results of 2021, and to recognize their loyalty to Publicis and their performance.

In November 2022, in view of inflationary surges, employees in the Groupe for one year and having no bonus, received an additional week of salary.

During 2022, 90% of the Groupe's employees received a salary increase.

Employee profit-sharing: in France, the Groupe maintained 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 450 euros).

Long Term Plans	LTIP 2021	LTIP 2022
Number of management beneficiaries[1]	264	307
% Women	43%	43%

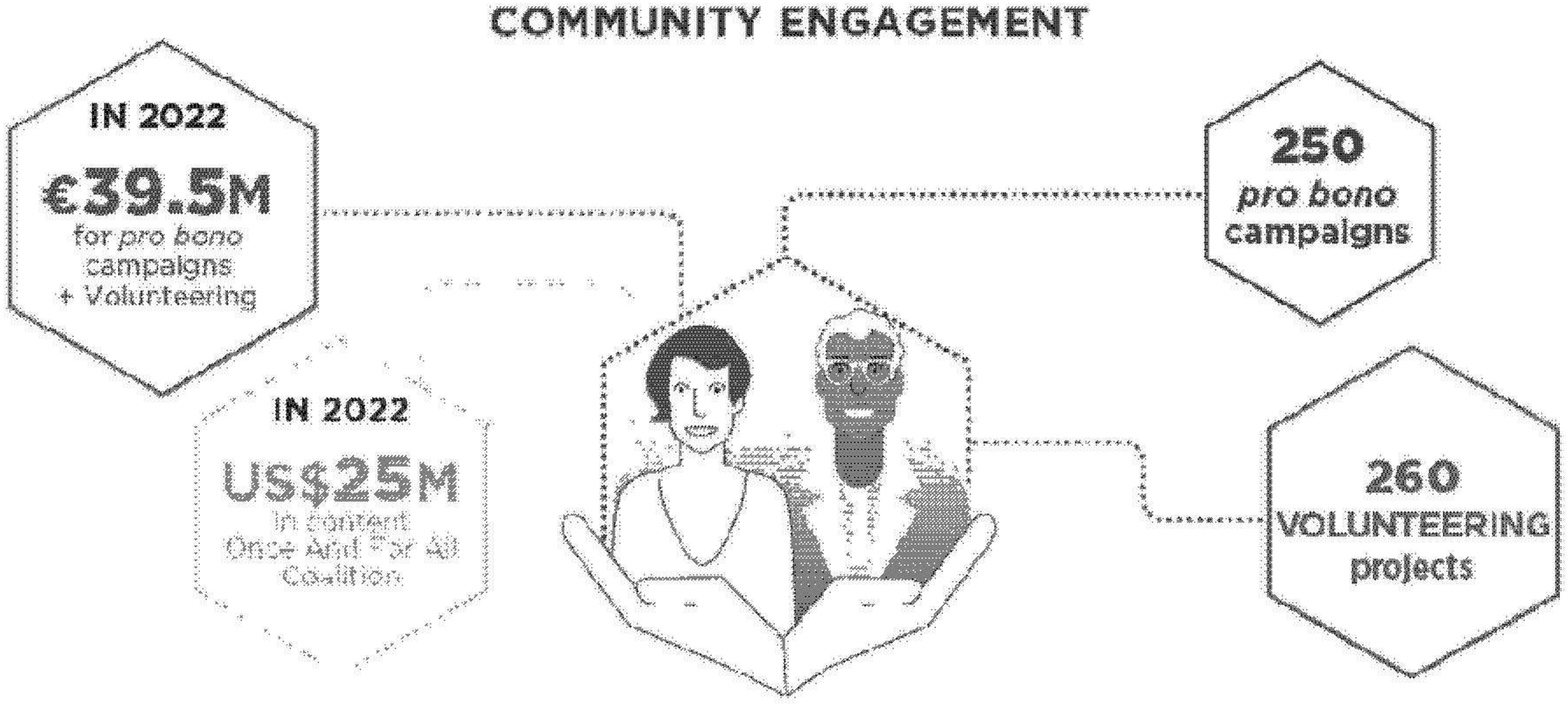
(1) Excluding Management Board (Directoire), Directoire+, Management Committee.

In addition, concerning 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 31.

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.

4.1.6 Commitments given by the Groupe, agencies and employees to local communities: Create & Impact 2022



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 2022 is the combination of all Groupe commitments having a societal impact, representing an estimated total of euro 39.5 million in 2022. 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 in all major cities.

The nature of the contributions made by agencies as part of Create & Impact has moved towards 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 seven 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).

Quarterly reporting was set up in 2022 to monitor these actions more regularly, as part of the Groupe's commitments made in 2020 to promote social justice. In this respect, we added to the 25 million USD invested by Publicis Media US (APX Content Ventures) as part of the commitments made within the Once And For All Coalition, to provide long-term support, through content aids, to media intended for under-represented Groupes (see Section 4.2.2.1).

Groupe agencies took part in **510 projects** in 2022.

The **250 *pro bono* campaigns** are free campaigns carried out by the 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 **260 volunteer initiatives** involved making one or more teams available for a limited period of time to provideoperational 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.

In 2022, to help their Ukrainian colleagues, Publicis Groupe employees took part in an internal campaign to raise dedicated funds, supported by the Groupe, which raised 750,000 euros to help Ukrainian employees relocate when their home was destroyed by the war.

Outside of exceptional circumstances, the Groupe regularly provides financial support to a few charities. The identification of these charities may be made by the Chairman of Supervisory Board, up to an amount set by the Board; others may be chosen by the Chairman and members of the Management Board.

La Fondation Publicis: in the United States, as part of the WorkingWithCancer program, the Publicis Foundation's mission is to support actions to combat the stigma of cancer in the workplace. The objective is to rally companies to advocate #WorkingWithCancer, to continue working with organizations that are experts in the subject, and to mobilize widely so that general awareness-raising promotes the evolution of the world of work on this subject. It is also in contact with the various institutions that are associated with the program (see Section 4.1.3.3).

LA FONDATION PUBLICIS

Create & Impact Indicators	*Unit*	2020	2021	2022
Total number of *pro bono* campaigns and volunteering initiatives	*Number*	420	440	510
of which *pro bono* campaigns/projects	*Number*	255	290	250
of which volunteering initiatives	*Number*	165	150	260
Financial valuation of *pro bono* campaigns, volunteering and charities	*€M*	45	41.4	39.6
Once And For All Coalition: Content investments	*$M*	-	-	25

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.

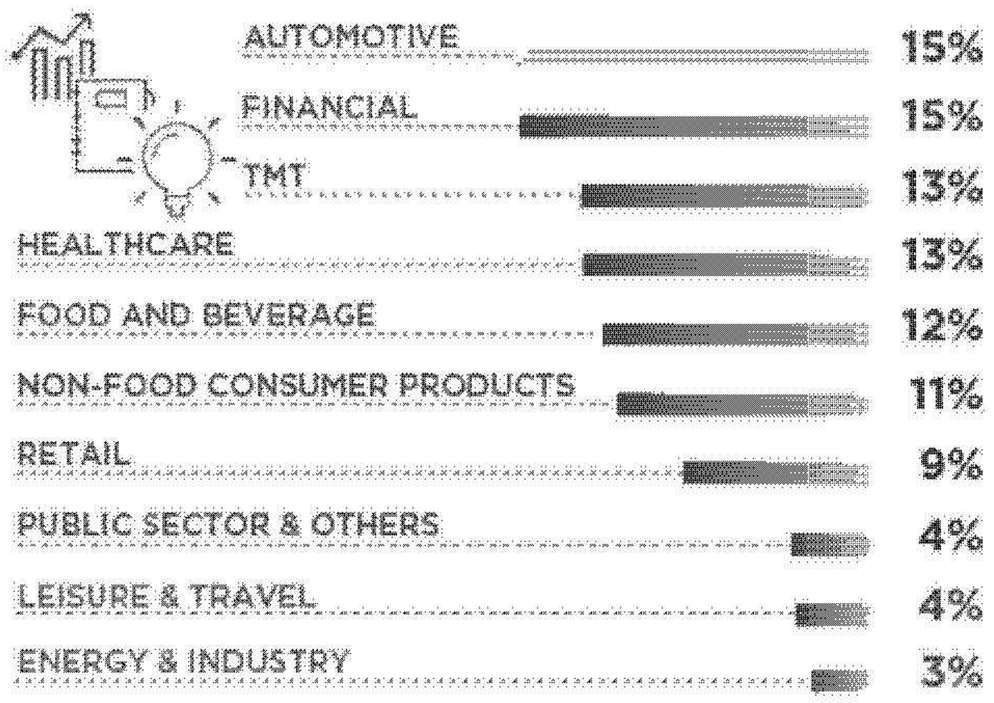
Several hundred clients are interviewed in this way every year, at least once a year. In addition to this qualitative approach, there are questionnaires administered by the agencies or by the clients themselves for annual performance reviews based on quantified indicators to assess the objectives and results achieved; more than 12,000 people at our clients responded in 2022.

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 9,100 people were questioned with 5,000 responses from more than 350 of the Groupe's major clients. This external tool also enables agencies to compare themselves with their competitors in their market. These surveys covered 79 countries.

/ Benchmarks on the Groupe's clients

Based on **3,620 clients representing 92% 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.

CLIENTS BY SECTOR



- The top 100 clients represent 57% of annual revenue (see Chapter 6, Note 29 of this document).
- Of these top 100 clients, at mid-March 2023, 65% had made climate commitments validated by SBTi (Science Based Targets initiative).
- In 2022, 182 clients asked Publicis Groupe to produce an external CSR assessment traceable on a third-party platform (such as EcoVadis, CDP, etc.).

Client satisfaction indicators	2020	2021	2022
Number of Client surveys conducted by agencies (persons interviewed)	≈12,000	≈12,000	≈12,000
Number of Clients (brands) which responded to TRR surveys	330	321	351
% of Groupe Revenue from Top 100 Clients	56%	56%	57%
% of Top 100 Clients with SBTi commitments	-	-	65%
Number of Clients (brands) requiring a CSR assessment completed by a third party	-	150	182

Responsible consumption: listening to our clients' customers

Social and environmental justice issues are at the heart of citizens' concerns. More than ever, the expectations of civil society and stakeholders aspire to 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. In the disrupted and inflationary context of 2022, the question of price is central to the purchasing choices made by citizen-consumers.

Attentive social and societal listening to the needs and expectations expressed is central to the Groupe's business lines. This explains the commitment of the Groupe's agencies to the principles of free will and free choice, which must be respected in the design and production of communications. The intention is to avoid the intrusive nature of advertising, regardless of the distribution channel. For many years, several of the Groupe's agencies have put in place systems for in-depth social listening, enabling studies to be carried out. In France, Free Thinking produced regular analyses, as in 2022, on the challenges of the middle classes; in the United Kingdom, Salterbaxter uses Progress Point.

Regarding education, Publicis Groupe has, for over ten years now, been a partner 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: a unique approach

4.2.2.1 This policy is rooted in the Groupe's history and values

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 cooperation. 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. Particular attention has been paid in recent years to the use of environmental arguments (green claims) in order to avoid any risk of greenwashing or confusion. With a view to constant improvement, the Groupe reviews its general responsible marketing policy each year, which is a public document available in the CSR Smart data section on www.publicisgroupe.com.

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, according to applicable legislation.

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) aimed at developing more precise indicators for responsible marketing. It addresses the major and operational challenges of the business lines to go beyond 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 for regulatory compliance, the application of the Charters and/or Codes of Best Practice issued by the client's sector and/or by the client itself. In 2022, internal work focused on production and media activities.

All of the Groupe's business lines are active in terms of professional standards attesting to responsible marketing in action:

- 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 progress: France's approach is exemplary with the NIBI (No Impact for Big Impact) program, which is a training plan for all employees, in order to integrate new eco-design reflexes in all areas, or that of Publicis Sapient, which adapts its innovation approach according to its sectoral business practices,
- **Creation**: 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 was introduced in France with sessions of the Make it Positive LAB, as part of the NIBI (No Impact for Big Impact) plan,
- **Production**, 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,

- **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 to energy consumption – and even select ink-saving fonts. In the same way, computer code languages such as Java, JavaScript or C++ can make it possible to build websites and applications that consume less energy, for an equivalent quality of service for the user. Thanks to 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,
- **Press relations and business lines influence**: thanks to its proprietary platform MSL Fluency, MSL US is continuing its studies on pay gaps between influencers based on gender and/or ethnic origins. In July 2022, MSL brought together all direct players in the influence business lines to work together on a roadmap that will make a lasting difference. In September, MSL UK published its "Just Influence" report exploring the situation in the United Kingdom, echoing the work carried out in the United States. In December 2022, a social listening of influencers made it possible to see that the subject of pay inequalities had greatly increased in visibility. This progress derives from the partnership established with The Influencer League, to build a training path enabling influencers to improve in terms of fair compensation;
- for **Media** business lines:
  - **Publicis Verified:** this is Publicis Groupe's proprietary program enabling a technological assessment of the services offered and the capabilities of the platforms and media, in relation to the standards defined by the Groupe. For more than ten years, the Publicis Verified team, has been responsible for verifying in which contexts the advertisements will appear (brand safety) and whether the traffic figures are accurate due to the share taken by automated processes (programmatic). The process is international and multi-criteria, covering more than 1,000 questions to ensure a certain level of quality, responsibility and safety; it is considered a certification of the supplier. Only 30% of partners were compliant during the initial review; 70% require at least two reviews. Publicis Verified works with all AdTech players to promote demanding standards, with third-party experts to cross-reference analyses (such as Truthset, Neuronian, Digitrust and many others), and adapts to the cultural nuances to be applied in the countries. In-depth work was carried out in 2021 and 2022 on diversity and inclusion standards,
  - **Publicis Lighthouse:** Publicis Groupe clients have exclusive access to Publicis Lighthouse, the industry's best-performing new verification solution using a combination of technologies and prior analyses to measure media based on ESG parameters. The spectrum covered ranges from the measurement of carbon emissions to the fight against disinformation to the logic of inclusion. Publicis Lighthouse harmonizes the measures and verifications of key players in the sector such as Zefr, Adelaide, Global Disinformation Index, Trustworthy Accountability Group, WIPO, ANA, 4A's, Scope3 and Peer39,
  - **Once And For All Coalition**: launched in 2021 at the initiative of Publicis Media US, this coalition is a consortium of more than 30 clients, the media, experts and professional organizations. The common objective is to build long-term relationships with media that are held by, and target, minorities or Groupes 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 with innovative content. Clients thus increased their investments with these media by 50%.

    In accordance with what was announced by Publicis Media at the launch of this coalition, APX Content Ventures in 2022 financed for USD 25 million, some twenty projects out of 167 proposals received, all from the "diverse-owned" media. Among them is the digital media program Fuse.tv entitled "We need to talk about America" composed of various elements: documentaries, debates and on-set programs on culture, education, lifestyles, etc. In addition to this investment component, hundreds of hours of programs were produced, in particular for Inside the Black Box in partnership with Crackle Plus and The General®; IMPACT with Gal Gadot in partnership with the National Geographic; and Big Boys Don't Cry in partnership with Sky TV and Royal London. This investment contributes to the commitments of the Pause For Action plan taken in 2020 in the United States in favor of effective and concrete support for communities and minorities,
  - **Global Standards Council**, since 2020, Publicis Media has hosted this Global Standards Council which meets in the form of monthly sessions open to employees and clients to take stock of current industry topics in terms of Brand Safety & Suitability, Brand Integrity and media quality. With internal and external experts, it brings together more than 90 clients in 25 countries, with the aim of general acculturation and sharing of best practices at an international level, with between 150 and 200 participants each month,
  - **Brand Integrity Workshop**, launched in 2022, this workshop aims to align the responsible marketing strategy with the ESG objectives of the client and its brands. The planned actions are analyzed through a prism based on purpose, authenticity, trust and ethics. It is a tailor-made analysis tool promoting continuous improvement to promote sustainability,

- **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 them to include or exclude sites, in order to prevent their ads from unintentionally funding infox or misinformation or 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** Groupes together employee 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;

- for **Data** activities:
  - the Epsilon database, which includes 260 million American profiles (**TSP** – Total Source Plus), from more than 40 different sources, is refreshed every six weeks, to ensure the success of targeted actions or the activation of certain consumer Groupes. This mechanism is part of Epsilon's responsible marketing practices in order to take into account client expectations and protect consumers. This approach makes it possible to precisely identify the target audiences and eliminate the risk of duplication and is a guarantee of 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; Epsilon's data protection policies are publicly available – see https://legal.Epsilon.com/global-privacy-policies;
- for business lines related to **DBT** (Digital Business Transformation), the approach is twofold around Digital for Good and Good Digital:
  - **Digital for Good**: the challenge is to systematically reduce anything that could limit access to products and services for some. Efficiency and broadest possible accessibility are imperative. Publicis Sapient has worked on online systems to facilitate access to Covid-19 vaccines for as many people as possible. In another program, by simplifying an application in partnership with a renewable energy Company, 1 million users were informed and then committed to a solar energy program enabling them to drastically reduce their housing costs. The Inclusion by Design principle remains central, in addition to the dual principle of transparency and accountability, particularly for projects based on deep learning or on artificial intelligence,
  - **Good Digital** consists of finding, for each project, solutions to reduce the impacts of digital to move towards Net Zero, through a series of Green IT audits and the implementation of eco-design in all digital projects,
  - the **Center of Expertise in Accessibility** created a few years ago has made it possible to train thousands of employees, and to create a kind of library open to all engineers in order to facilitate their specific tasks to write accessible code and constantly improve it. (see Section 4.2.2.2);
- Many agencies must respond to specific compliance issues such as **Healthcare** agencies. Communication in this sector is regulated in many countries. This requires that our teams are trained in the local regulatory framework and sometimes led by clients who are subject to specific regulations involving 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, must be consulted well upstream of projects. Data protection and security specialists must also be 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 laws and the Groupe's internal procedures. The lobbying teams operate in compliance with the laws and the Groupe's rules, particularly concerning combating conflicts of interest and anti-corruption. In accordance with legal obligations and best practices, the teams involved are 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 lobby on its own behalf in 2022. Publicis has the intangible and historical principle of refusing to work for partisan campaigns (political parties, cults or ideological organizations). The Company does not financially or otherwise support such organizations.

4) Artificial intelligence

The use of artificial intelligence, or algorithms based on deep learning (also called machine learning), is already integrated into the Groupe's business lines, with interesting and successful advances in Media activities, in data with Epsilon and in digital transformation with Publicis Sapient. This makes it possible to meet very large-scale customization needs.

Over the last few years, the Groupe's Responsible Marketing policy has defined five key principles to be respected:

1. **Equity and inclusion**: by applying the "Inclusion by design" principle to combat unconscious bias and ensure a diversity of viewpoints in the team so as not to offend anyone;
2. **Reliability and security**: critical review is part of the process of designing an IT program to ensure clarity and completeness for each user;
3. **Privacy protection and data security**: the "Privacy by design" principle is applied to these projects as described in the Publicis Groupe data protection policy;
4. **Transparency and accountability**: it is imperative to monitor performance to identify irregularities and continue to learn from all experiences;
5. **"Tests and trials"**: tests are the crucial steps to ensure that the project complies with regulations and industry best practices, and to validate the effectiveness of the proposed campaign or technological solution.

5) Commitment to professional organizations

The Groupe is active in professional organizations in all countries and its commitment is always publicly identifiable on the sites 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), AAF (American Advertising Federation); in France within the AACC (Association of Communication Consulting Agencies) or UDECAM (Union of Consulting and Media Purchasing Companies). Excluding the United States, an example is the United Kingdom, where the Groupe's participation in the sectoral initiative Actions not words in the fight against racism and inequalities, and is a founding member of Ad Net Zero in favor of reducing carbon emissions. In France, we should also mention the Groupe's active participation in the General Communications Meetings and the following projects promoting the ecological and social transition. This work has made it possible to put in place tools and indicators to drive the sector forward.

6) Vulnerable populations

With regard to vulnerable audiences: the Groupe defends and promotes the rules set out in the guide Marketing & Advertising to Children of the ICC (International Chamber of Commerce) 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).

7) Digital accessibility

Digital accessibility or e-accessibility: for the past ten years, teams of digital accessibility experts have been involved in numerous projects, notably within Razorfish and Publicis Sapient. An Accessibility Center of Excellence was structured in 2022 around the dedicated team, with experts in many cities. 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 upstream training of the teams that conceive, design and develop these projects, in order to simplify the indexing of pages, to facilitate the reading of all the elements (video, images, texts, links, navigation, etc.). Lastly, 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, and 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, the agencies have been using this *ad hoc* calculation tool, developed and monitored by Bureau Veritas on the calculation methodologies aligned with the GHG Protocol, and for updating the emission factors (emission factors issued by the IEA – International Energy Agency; DEFRA – Department for Environment, Food and Rural Affairs; ADEME – French Ecological Transition Agency). A.L.I.C.E. is a tool for the Company's Climate objectives (see also Section 4.3) for clients, in order to more precisely assess our ability to reduce the impacts of our products and services. 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, tested by the agency and offered to clients.

A.L.I.C.E. has already made it possible to 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. The simple measurement also makes it possible to identify levers that are easy to operate and which reduce impacts by 20-25%. In 2022, Prodigious in France carried out more than 700 assessments of different productions shared with clients. This exercise allowed the agency to have an impact framework enabling it to better anticipate certain aspects of production. For example, in terms of the size of visuals and/or video formats, reducing them can generate more than 50% savings on electricity consumption. The agency has defined new production standards to maintain visual quality and minimize these energy consumption impacts. These standards are then shared with the Media teams in a collaborative manner, then with partners and supports. A.L.I.C.E. is used with more than 180 clients.

A.L.I.C.E. has an educational role to play with employees, allowing them to materialize the concrete environmental impact in order to imagine less impactful solutions very early on. The objective is to sharpen everyone's reflexes to reduce all environmental impacts. 700 key users from 75 agencies in 20 countries make regular estimates. They were carried out on behalf of 180 clients/brands. The clients for which the teams use A.L.I.C.E consider that the calculation method used is robust and that the cross-functional approach to the Groupe's various business lines provides unparalleled homogeneity of calculation. A.L.I.C.E. is an open system, making it possible to interface with other internal tools such as Razoscan, built with the support of Green IT and Epsilon's Digilab. And with respect to external partners, in 2022 A.L.I.C.E. hosted two APIs with experts in the measurement of media-related impacts: Impact+ & Scope3. These two interfaces make it possible to refine the calculations of digital impacts, particularly those related to programmatic. Other partnerships are underway.

A.L.I.C.E.'s governance is the responsibility of the Groupe's CSR Department with a cross-functional project Groupe of around twenty employees from different business lines and countries, actively participating in A.L.I.C.E.'s improvements and developments. Bureau Veritas acts as a trusted third party and ensures compliance with the methodological framework. In 2022, a critical scientific review was conducted by an external third party, Resilio Solutions, based in Lausanne, in order to refine the measurement of digital impacts, particularly for calculations related to servers and data centers. A presentation methodological document is publicly available on the Groupe's website in the CSR section of the Responsible Marketing section.

A.L.I.C.E.

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 founding principles are that all communication must be **legal, decent, honest, truthful and socially responsible**. This code is neutral in terms of technology and media; no player can derogate from it. 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. Advertising claims related to climate change and environmental issues have been clarified, in order to clarify the proliferation of arguments and allow consumers to better navigate. The ICC Framework for Responsible Environmental Marketing Communication reports on this collective work on recommended standards. The objective of this guide designed for industry-professionals is to ban all forms of greenwashing. It includes an Environmental checklist intended to facilitate the teams' work, to have clear arguments;

- **Ad Net Zero**: Publicis UK is one of the founding entities of the sector initiative led by the British agency inter-professional body. After making the calculator AdGreen available, the interprofessional organization and the Communication holding companies have decided to work together on a set of methodologies for calculating the carbon footprint and environmental footprint of the business lines, products and services. The challenge is to define a common framework ensuring that everyone uses the same measurement methods. In 2022, Ad Net Zero set up in the United States with the aim of defining a common methodology for the impact of broadcasting and the media;
- Groupe agencies play an active role in **national and international *ad hoc* 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 Groupes. 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 traffic, 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 Groupe to be awarded "TAG Platinum" status in 2019 and maintained its compliance since in the following areas: TAG Certified Against Fraud, TAG Certified Against Piracy, TAG Certified Against Malware are 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). This work resulted in a label qualifying the sites with the best practices in terms of editorial context, visibility of advertising campaigns, the fight against fraud, priority access to content and respect for personal data;
- 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, a country-wide CSR Department was created in 2019. A community of 50 CSR ambassadors was set up, meeting twice every month to share, learn and disseminate common actions within the agencies. Since 2020, Publicis France has been the leading network in the country in terms of number of CSR agencies labeled Active Agencies of the AACC in partnership with Afnor Certification with 11 agencies (out of 12 eligible), including nine at the highest level. Publicis France is also the leading communication Groupe in France in terms of employees trained and certified in digital eco-design by the Green IT collective. Eight entities are now members of the French Business Climate Pledge. These efforts should also be compared with actions to promote diversity (see Section 4.1.1.1).

In 2022, Publicis France continued to make CSR transformation a major strategic challenge, both internally and with its clients, in particular with its responsible communication program No Impact for Big Impact (NIBI), including the Positive Media Project think tank, the Positive by Publicis content platform, the Positive for You internal conferences or the inspiring Positive Talks.

Publicis France launched its internal business transformation program, We Are Positivers (WAP), at the end of 2021 . More than 2,200 employees had been trained by the end of 2022. NIBI is now available to all Groupe employees in French and English on Marcel Classes. WAP in 2022 won a Strategic Engagement Communication Award and Good Economy Award. Responsible Communication training was also rolled out to five of our clients (700 people trained). 2022 also marked the start of the international roll-out of NIBI in the Groupe, with the provision of training and tools to all.

PUBLICIS GROUPE **N.I.B.I.**

Concerning the NIBI approach, more than ten major clients have already embarked on the process of operational transformation of their communication, and 30 others have been made aware. With A.L.I.C.E, more than 1,000 carbon assessments were carried out for production activities and 400 for media plans. Publics France continued to work on inclusion issues with its partners Singularist and Pic&Pick to be fairer in advertising representations, as well as with partners acting in the "behind the camera" business lines with "Séquences Clés" and "Collectif 50/50". Since the end of 2022, to accelerate the internal transformation of agencies in France, Top managers now have a CSR objective and a DEI objective in their assessment. The eco/socio-designed campaign carried out for SNCF illustrates how to reconcile creativity and responsibility. It won the Good Economy Grand Prix and was the subject of numerous reports and interviews in the press. As for the NIBI program, it won two Ekopo awards, rewarding positive economy projects.

Lastly, Publicis France continued to actively participate in the collective actions of the sector with the AACC, Udecam, CPP, UDM and also by participating in the discussions initiated by the French government. For example, Publicis has played an active role in raising awareness of the Climate & Resilience Act's Climate Contracts by leading by example and writing its own, but also by encouraging its clients and other agencies to publish their Climate Contracts, via client webinars and at AACC. Publicis Conseil has published its 3rd CSR report and worked with its Expert Stakeholder Committee (including four clients, one representative of the ARPP, two representatives of NGOs, one representative of an Inclusion & Diversity association, one representative of Responsible Digital Services, two representatives of Media and one 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.

In terms of priority, the agency focuses on the specific issues of women, in order to pay particular attention to under-represented Groupes, and to have teams that more closely reflect the patients, consumers and communities with whom the agency interacts regularly. The ultimate goal is that everyone can take full advantage of all professional opportunities.

Recurring partnerships have been set up with the National Alliance on Mental Illness (NAMI), the Skin Care Foundation (SCF) or with Multiple Sclerosis Association of America (MSAA). On each occasion, 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. For NAMI, in 2022 the agency orchestrated the 3rd Annual Talent Show Fundraiser in New York to raise funds to support several mental health assistance programs in the city. In 2022, the well-being at work program, promoting physical and mental health, welcomed various experts from these organizations to share their experiences with employees.

In 2022, the internal intern support program welcomed 65 young people. They were involved in the preparation of the HPV vaccination campaign for adults.

In terms of recruitment, the MAIP (Multicultural Advertising Intern Program) partnership in conjunction with the MCTP Group program, and various associations and NGOs, made it possible to welcome more diversified profiles and to help young people from less privileged backgrounds to access our jobs, as interns and then to be recruited. Publicis Health's affinity Groupes (BRGs) were active and participation in conferences such as ADCOLOR, Black Enterprise Women of Power, Out & Equal, 4As Vanguard or 3AF Asians in Advertising were continued and are beneficial opportunities for the employees concerned to contribute to the inclusive internal culture.

Publicis Health is a recognized agency in the medical and paramedical ecosystem, in permanent contact with doctors and medical experts or health practitioners; the role of Chief Patient Officer is key and has been praised by Reuters (Patient Advocate of the Year). As the health sector is highly regulated, teams work with compliance officers on a daily basis.

Publicis UK

- In 2022, Publicis UK, through its internal Green Council, continued its work on measuring the environmental impacts of all agencies and their activities, in order to accelerate the ongoing transformation. Publicis UK is a founding member of Ad Net Zero, the sectoral platform set up at the initiative of the communication industry and whose objective is to reach Net Zero by 2030. Publicis UK is also a founding member of AdGreen, the carbon calculator adapted from the one already in place for the film industry (Albert) for ten years. In this context, the priorities were organized around the reduction of carbon emissions in the Company but especially in our production, media and events activities. An essential part of the work is the evolution of messages to encourage consumers to act differently.
- A person responsible for these Sustainability Projects was designated with the key objective of reducing Publicis UK's carbon emissions, in line with the Groupe's SBTi objectives. It relies on external partnerships and a committed approach to suppliers.
- *Écologique*, the BRG (Business/Employee Resource Group) dedicated to the environmental impacts of our activities makes it possible to bring together internal goodwill to act and accelerate, around two areas. The first is to share knowledge and build a motivated community to change employee behavior and reduce impacts. The second is to have a holistic approach to engage clients and communities.
- Cross-functional work continues on the preparation of briefs respecting the "Route to Zero" framework, in order to integrate the need to make and have a discourse promoting low-carbon solutions from the first ideas and creative intentions.
- In 2022, Publicis UK management implemented various actions to meet the challenges of the social and environmental crisis: a free breakfast for employees every morning and on Tuesdays, Tuesday Vegan lunches also free of charge – not to mention the various actions to promote well-being at work (see Section 4.1.3.2).

Salterbaxter

In 2022, the pre-eminence of climate-related issues and the absolute necessity to profoundly and quickly transform economies, companies and civil societies was confirmed. The better understanding of these issues has not yet translated into sufficiently concrete actions.

With offices in London, New York, Los Angeles and Sydney, Salterbaxter is a firm renowned in its field, with ESG expertise combining technical know-how integrating the complexity of the challenges to be faced and putting creativity to work. The objective is to inspire and initiate changes that enable everyone to be a part of the solution.

With ProgressPoint, Salterbaxter has the first relevant analysis tool for those working on these issues in order to easily identify existing or future performance levers, draw a roadmap and allocate the necessary resources to action priorities. 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 such as non-financial performance, proactivity on current challenges and reputation, allowing each Company to express its specificities.

Salterbaxter is the creator of the Innovation Day, the agency's annual day dedicated to supporting social entrepreneurs. In 2022, for the 10th edition, around ten social entrepreneurs were supported, with the help of 65 volunteers from the 13 Publicis UK agencies. During this decade, 95 entrepreneurs were supported by this system.

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). In 2022, 85% of the Groupe's workforce has received training in the Janus Code and its contents. Training on the Janus Code of Ethics takes various forms: online training in Marcel, awareness-raising sessions during programs for new employees, and more specific internal sessions for the most exposed positions. In the induction programs, Janus is explained as part of the presentation of the Groupe and its activities. The key principles are detailed in particular regarding the standards of behavior of managers and teams, and the rules of operation to comply with fair practices. 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 historic 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.

JANUS

Indicators	2021	2022	Objectives for 2025
% Employees trained in internal Janus Code of Ethics	61	85*	**100**
Of which % ABAC (Anti-Bribery & Anti-Corruption)	55	89	
Of which % GDPR (Data Protection)	67.7	74	
Of which % GSO (Data Security)	70	75	

* Training on the Janus Code of Ethics takes various forms: online training in Marcel, awareness-raising sessions during programs for new employees, and more specific internal sessions for certain positions.

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, as soon as there is a data security question. A Groupe process is dedicated to incident response (Incident Response Process) to manage cybersecurity incidents and data breaches.

The data protection policy is based on the principle of 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 and their partners. 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), the CCPA (California Consumer Privacy Act) as well as on data security. Specific training was delivered also and as needed.

As required by law, the Groupe offers consumers access to their privacy rights. For example, with Epsilon, certain rights can be exercised using an automated tool: https://legal.epsilon.com/dsr. In addition, in the United States, Epsilon indicates in its privacy policy the number of requests received by consumers during the previous year: https://legal.epsilon.com/us/NA-products-privacy-policy

2) Certification

In 2022, for the second year, Publicis Groupe was assessed by CyberVadis and remained in the top 1% of companies in terms of security and data protection (score for 2022: 645/1000, 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 even 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 analyses are conducted to verify protection, security and compliance issues. This work is carried out in cooperation with the Procurement Department (see Section 4.2.7 of this document).

The data protection policy is an integral part of the Janus Code of Ethics and publicly available on the Groupe's website, in the CSR library.

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 throughout the Groupe. 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, tests, graphics, 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. The GSO team coordinates regular communication with all employees, recalling best security practices and detailing existing threats.

A dedicated team, the SOC (Security Operations Center) monitors cybercrime risks (ransomware, malware, phishing, etc.). The SOC is operational 24/7 and ready to intervene to protect infrastructure, systems, information and data and, where necessary, activate business continuity plans and disaster recovery plans.

2) Certifications and compliance

85% of GSO teams are ISO 27001 certified. The GSO program is subject to multiple independent external audits throughout the year. These audits are conducted by third parties but also at the request of our clients and partners, in order to maintain the highest levels of assurance and to continue improving the systems year after 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 (PCI DSS) or Health Insurance Portability Accounting Act (HIPAA) or Service Organization Control (SOC) Trust Criteria. Groupe information security policies are aligned with ISO 27001 standards; the Groupe's largest entities in the United States, India, the United Kingdom and Latin America are ISO 27001 certified. The GSO monitors these certifications. They work closely with the GDPO 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 help desk 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 Groupe Procurement Department (see Section 4.2.7 of this document). These are formal security risk assessments, reviewing various administrative, technical and physical security controls.

The Information Systems Security policy is an integral part of the Janus Code of Ethics; it is publicly available in the CSR library of the Groupe's website.

4.2.4 Duty of Care Plan

In accordance with Law 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 subcontractors or suppliers.

This plan includes:

- A mapping of risks for their identification, analysis and prioritization;
- Procedures for 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;
- 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 highlight 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 ten 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 procurement, CSR for Business Guidelines;
- the International Labour 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.

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, Risk Management and Internal Control 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. The Internal Audit Department 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 Duty of Care Plan 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 assessing the situation of subsidiaries, subcontractors or suppliers with which there is a commercial relationship are implemented. Aspects relating to the Groupe's employees are monitored by the HR/Talent teams of the agencies and countries through the indicators mentioned and 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 CSR for Business Guidelines document presents 15 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 "P.A.S.S" platform (see Section 4.2.7).

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 during the first quarter of 2021 and is considered to be still relevant. No risk of serious harm to the three pillars of the Duty of Care Plan had been identified.

The Groupe's intellectual services activities do not expose the Company to serious risks. However, three types of risks require special attention. The first relates to mental health, a risk that has increased in recent years and to which the Talent/HR teams have mobilized to provide employees with solutions that can 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. 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, also monitored by the Internal Data Audit Department. Lastly, in view of the news in recent years and the intensity of extreme weather events that can occur simultaneously and affect some of the teams and IT infrastructures, 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 be protected and respected whether in relation to employees, clients and partners, or suppliers:

- on the effective 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;
- on combating physical, sexual or moral harassment: the Groupe has a Zero Tolerance policy with regard to all forms of harassment and regularly trains its employees on these topics;
- on women's rights: 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 (or equality of rights) worldwide and at all levels. Publicis Groupe is the owner of the Women's Forum, an international platform that defends women's rights and human rights, as well as the essential contribution of women to the economy and society;
- on the protection of personal data: as these data are specific to each individual, they must be protected over time and be protected from any risk of theft, intrusion or falsification.

On these six 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. Several topics receive special attention:

- stress prevention and mental health: the agencies are responsible for taking measures to prevent psychosocial risks whether relating to work organization or team management. The agencies have set up *ad hoc* support systems for employees in difficulty, which, in addition to telemedicine, offers physical and psychological support – with dedicated applications, with psychological help lines and access to health professionals and sports sessions;
- 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;
- 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 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.

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 around the last 15 years, Publicis Groupe has had in place its "Zero Impact Climate Policy", which is based on eight pillars aligned with the SBTi objectives – 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 of 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. SBTi targets: 50% reduction in emissions by 2030; 90% reduction in emissions by 2040, 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 "irreducible" impacts.

Publicis Groupe expects its suppliers to make a serious commitment to combating climate change and alignment with the objectives of the Paris Agreement.

/ Summary of the key Duty of Care indicators

Indicators	2020	2021	2022
Number of Publicis Groupe employees	79,051	88,531	98,022
1 – Human rights and fundamental freedoms			
% employees trained at Janus	81	61	85(1)
- Data protection	-	67.7	74
- Data security	-	70	75
Suppliers assessed on Human Rights*	-	250	166
- Average score on two criteria (FBP) & (SUP)	-	-	49.7/100
2 – Personal health and safety			
Absenteeism rate (%)	1.77	1.51	1.8
Workplace accident rate (%)	0.19	0.11	0.15
Suppliers assessed on Health and Safety*	-	250	166
- Average score of suppliers on the criterion (LAB)	-	-	53.6/100
3 – Environment & Climate			
Carbon emission reduction objectives: SBTi trajectory aligned with the Paris Agreement and the 1.5° scenario, scopes 1+2+3	47%	47%	50% in 2030 90% in 2040
- Reduction of carbon emissions compared to 2019	-40.4%	-49.5%	-29.7%
- Share of renewable energies (objective 100% in 2030)	33.5%	38.8%	47%
Suppliers assessed on climate objectives*	-	250	166
- Average score of suppliers on the criterion (ENV)	-	-	52.5/100

(1) Training on the Janus Code of Ethics takes various forms: online training in Marcel, awareness-raising sessions during programs for new employees, and more specific internal sessions for certain positions.

* The criteria used are those of EcoVadis, according to their thematic classification: FBP = Fair Business Practices; SUP = Supply Chain; LAB = Labor; ENV = Environment. The average scores are those of the Publicis Groupe suppliers assessed on this platform and serve as the starting point for the CSR analysis of suppliers.

4.2.5 Anti-Bribery & Anti-Corruption Compliance Program

The Groupe complies with the provisions of the French law known as "Sapin 2", article 17 II.1°. The Groupe has implemented a compliance program 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 helpful guideline to illustrate how Publicis employees should behave;
2. a system for reporting concerns (also known as a whistleblowing system), which can be used to raise concerns about violations of Publicis policy, as described in the Reporting Concerns Policy;
3. regular corruption risk mapping, which analyses the Company's risks of corruption;
4. third party (clients, suppliers and partners) due diligence processes;
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 violations of the anti-corruption policy.

The Groupe's Legal and Compliance 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 Compliance Office and Groupe Legal Department, which constantly monitors the program. Their mission is to prevent bribery and corruption and to help ensure compliance processes and procedures are in place, applied and adapted to local markets. The aim is to maintain the high standards that comply with current applicable regulations and the Groupe ethics rules and policies. The Legal and Compliance experts who support the implementation and monitoring of the anti-corruption compliance program report into the Groupe's Chief Compliance Officer (CCO). Reporting to the Groupe Secretary General, the CCO oversees the Groupe's compliance programs, including the anti-corruption compliance program.

4.2.5.1 Anti-Bribery & Anti-Corruption 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 for any form of bribery or corruption. All employees must comply with this Policy, as well as with all applicable anti-corruption laws. This Policy includes:

- a strict prohibition of any form of bribery, corruption or influence peddling;
- potential significant risk areas requiring a high degree of vigilance;
- rules relating to gifts and entertainment, engaging with third parties, lobbying and more;
- a reminder on the system for reporting any violation of this policy, Janus, or applicable anti-corruption laws;
- helpful guidance for employees to illustrate how Publicis employees should behave and what risks to avoid.

This Policy is regularly reviewed by the Compliance Department to ensure it is up-to-date and effective. The Policy was last updated in early 2023 to include additional helpful guidance, following the 2022 Corruption Risk Map exercise, clarified that the Policy also applies to business partners, and added a reminder on Conflicts of Interests.

The Anti-Corruption Policy is accessible to all employees in the Anti-Bribery & Anti-Corruption chapter in Janus. 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. It can be accessed by the general public in the CSR Smart data section of the Groupe's website.

4.2.5.2 Employee Training and Monitoring

Publicis Groupe has made an online anti-bribery & anti-corruption training program available to all employees. The online training program includes a full anti-corruption training course: it is 25 minutes in length and is designed to guide them in prevention and detection of corruption risk and in applying the Zero Tolerance principle to any form of corruption. This training also covers how the whistleblowing system works. Specifically, the course highlights the rules around giving and receiving gifts and entertainment, working with public officials, and engaging third party representatives. The full course is mandatory for all employees and new joiners are invited to complete the course within one month of joining the Groupe. For all employees who have completed the full course, an anti-corruption refresher training, called the "Refresher", has been made available to all employees and is to be completed one-year after the full course. This program enhances 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. In 2022, the Groupe released an online training course on the Groupe's Reporting Concerns Policy, and how to raise a good faith concern about unethical behavior in the workplace. It reminded employees of the importance of raising their voice when they witness unethical behavior, how to report good faith concerns, including anonymously, if preferred, and how the Groupe treats concerns (promptly, confidentially, and without retaliation). In-person anti-corruption training is also available to employees with a heightened risk of exposure to corruption. Legal teams at

Groupe, country and regional levels host training sessions all year to targeted employee audiences and aim to raise awareness and strengthen compliance with the Groupe's rules around preventing and detecting corruption.

The Groupe Compliance Department regularly monitors attendance rates to both the online and in-person training programs and ensures the materials are effective at communicating the Groupe's commitment to ethics. In 2022, 85% of employees had received training.

4.2.5.3 Third-Party Assessment

Publicis Groupe completes an assessment of its third parties and performs anti-corruption-specific due diligence using a risk-based approach. 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 anti-corruption policy. Suppliers are assessed and verified in this regard before the contract is signed. For further detail regarding the Groupe's third party assessment efforts in procurement (see Section 4.2.7 of this document).

4.2.5.4 Accounting Procedures and Controls

Janus also includes an accounting policies and procedures framework applicable to the Groupe and all of its subsidiaries. These accounting policies and procedures are intended to ensure that the books, records and accounts are not used to conceal acts of corruption. Control tests are carried out by dedicated teams, the FMCs (Financial Monitoring Controls teams) periodically to ensure 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 Compliance Department, and the Internal Audit teams complete audits throughout the year. The Internal Audit, Risk Management and Control Department interacts regularly with these two departments in order to optimize audit and internal control practices and contribute to the anti-corruption program.

Audits are carried out by Internal Audit 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. Internal Audit reports on its work, including its anti-corruption work audit program, 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 Compliance Department, to influence decisions aimed at updating the policies, processes and procedures of the anti-corruption compliance program.

4.2.5.6 Whistleblowing

Employees, suppliers and third parties can report violations of the anti-corruption policy or applicable anti-corruption law by using the ethicsconcerns@publicisgroupe.com centralized whistleblowing system described in the Reporting Concerns policy. Alerts can be made anonymously and all alerts are treated promptly and confidentially. The Groupe will not retaliate against any employee who raises a good faith concern. All alerts are dealt with by the teams of the Internal Audit Department, reporting to the office of 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 all other parties may report any concern related to a potential violation of laws or Company policies on fraud, corruption, harassment, discrimination or any other ethics concerns, as stated in the Janus Code of Ethics Reporting Concerns or so-called "Whistleblowing" policy. This system is accessible to all employees and is publicly available in the CSR Smart data section of the Groupe's corporate website.

The dedicated address ethicsconcerns@publicisgroupe.com makes it possible to respond to all types of alerts, whether internal or external. All whistleblowing alerts received are processed even those sent anonymously. They are dealt with by the Internal Audit, Risk Management and Control Department or the Legal Department under the supervision of the Secretary General. Investigations are carried out by the Internal Audit Department or by a lawyer, 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 2022, 84 whistleblowing alerts were received and dealt with, of which 70% were internal reports. 52% of cases concerned HR issues. The increase in the number of alerts is due to increased internal communication from the Groupe and in the countries. The results of the investigations carried out are communicated to General Management and a report is provided to each Audit Committee.

Indicators	2020	2021	2022
Total number of alerts received	56	38	84
Of which % internal alerts	32%	45%	70%
Of which % external alerts	-	-	23%
Of which % anonymous reports	-	-	7%
HR topics (%)	41%	42%	52%
Topics related to fraud, corruption, conflicts of interest (%)	-	-	23%
Requests via the dedicated line Ethicsconcerns (%)	-	-	70%

4.2.7 Responsible procurement

4.2.7.1 Due Diligence

In 2022, and for the last three years, the Groupe Procurement Department has extended its supplier compliance program in order to have more precise monitoring. The scope of this risk analysis and compliance program is based on five pillars:

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-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 GDPO (Global Data Privacy Office) and depending on the level of data protection risks identified, the processes put in place are analyzed to ensure the proper application of mitigation measures;
4. **Security of IT systems**: Global 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. In the context of calls for tenders initiated by the Groupe Procurement Department, CSR assessments account for 20% of the final score awarded to the supplier's proposal.

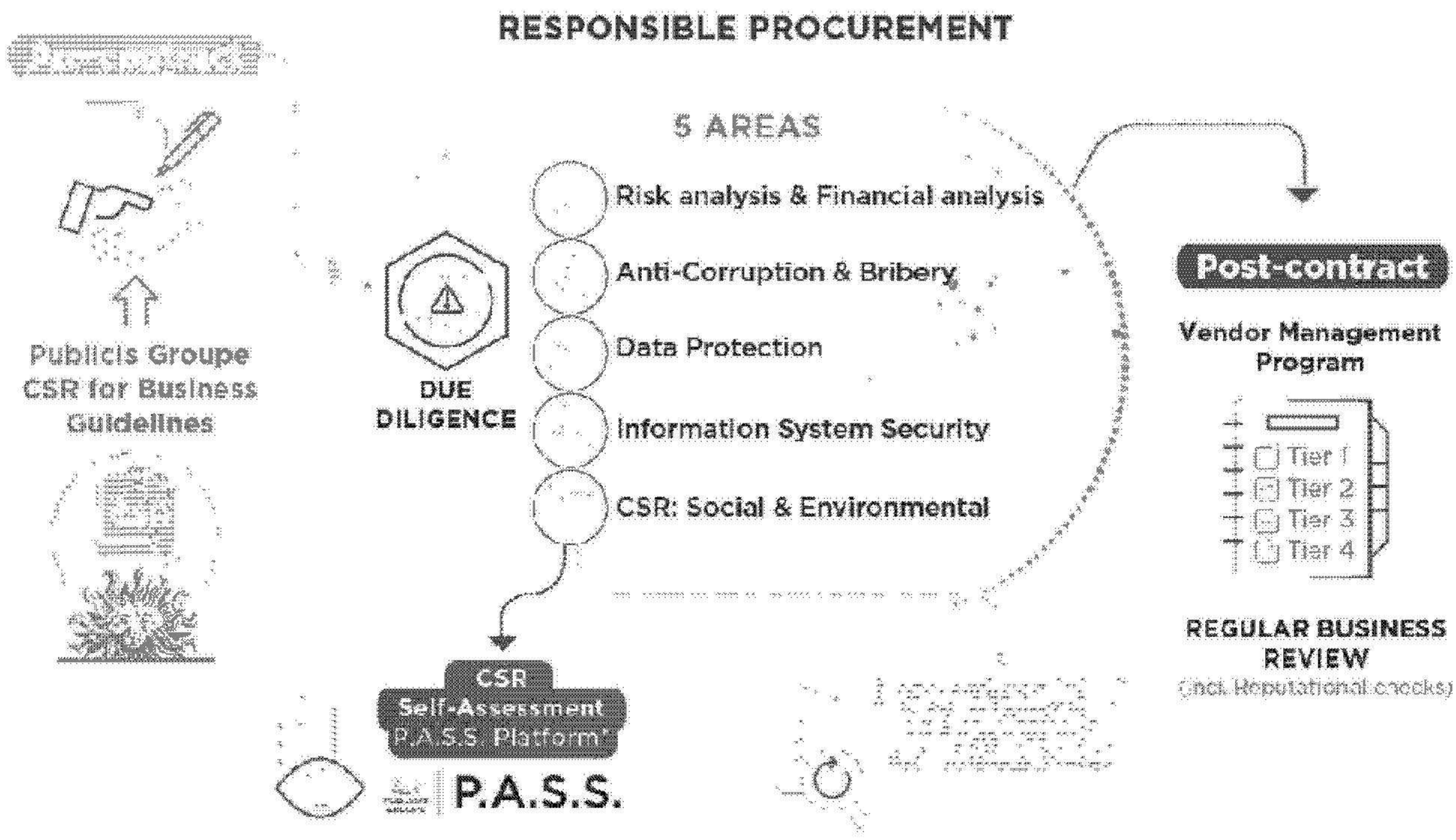
Two dimensions are treated in specific ways: suppliers' diversity, in order to better identify them and work with a greater number of them, and the climate commitments that are subject to *ad hoc* monitoring.

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 Duty of Care Law: human rights and fundamental freedoms, health and safety of people, environmental impacts. This 15-point policy reflects the continuous work carried out between the Groupe's Procurement and 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 15 points 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.



*P.A.S.S.: Publicis Groupe Providers Platform for a self-Assessment for a Sustainable Supply-chain

4.2.7.2 CSR assessment

This is structured as follows:

- CSR assessment by an external independent and internationally-recognized 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 98% in 2022; almost the 100% objective set for 2025. The scope of this level of strategic suppliers was therefore extended in 2022 to other partners at this level. In 2022, Publicis Groupe had 166 suppliers assessed by EcoVadis (average score: 60/100, up 8 points);
- 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 (anti-corruption, data protection and security) and environmental impacts. 70 new suppliers (China, India, Vietnam, Hong Kong, United States, France, United Kingdom, Germany, etc.) were assessed on P.A.S.S in 2022, each of whom received individualized support (average score: 42/100). This reduced number compared to 2021 is due to the technical work in progress with a view to a more complete integration with other supplier information systems;

P.A.S.S.

- 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. 2022 was devoted to informing these suppliers by the teams concerned.

Responsible Procurement Indicators	2020	2021	2022	Objectives
Strategic suppliers assessed by a third party in terms of CSR, compared to total purchases in this category (%)	85	90	98	**100%**
Groupe suppliers assessed during the year by EcoVadis (and other third parties) in number	-	250	166	
Average supplier score in EcoVadis (all sectors)	-	52/100	60/100	
Critical suppliers self-assessed during the year in terms of CSR *via* P.A.S.S, in number	100	180	70	
Average supplier score in P.A.S.S (all sectors), in number	-	42/100	44/100	
Supplier Diversity: number of certified suppliers (United States)	800	1,100	1,200	
Supplier Diversity: amount of purchases (United States only in millions of USD)	-	458	649	

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, LGBTQ+, 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).

The Groupe continues to focus on women-led companies through its partnership with WEConnect International which gives access to several thousand companies managed by women in many countries.

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 *Le Truc* in New York and Retrospect, an experimental design and technology studio that focuses on the cultural differences among various African-American communities.

The Groupe is active through the following ways:

- direct management of a portfolio of suppliers which are "Diverse Supplier" certified, with which relationships of trust have existed for many years. For example, the American agencies have been working for decades with a portfolio of more than 1,200 accredited suppliers, of which 25% are women-owned (WBE) and 23% minority-owned (MBE). In South Africa, the Groupe works with a network of 380 minority-owned suppliers;
- the deployment of an external tool providing access to a database of several thousand certified and qualified suppliers in relation to the needs of agencies and teams. This tool makes it possible to draw up a selection of suppliers to be approached according to the opportunities. The platform also makes it possible to immediately identify suppliers who have already worked with one of the Company's subsidiaries;
- these supplier diversity issues are processed within a Steering Committee, which meets monthly, chaired by the Secretary General, and coordinated by the Groupe's Chief Procurement Officer. The progress made shows a 42% improvement in the amount spent on the US market with these various suppliers. This Steering Committee also monitors partnerships with dedicated organizations such as the NMSDC (National Minority Supplier Diversity Council) or the WBENC (Women Business Enterprise National Council) in the United States, around their respective support programs for suppliers in the process of certification.

4.2.8 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.

Relations with start-ups and societal innovation

- **VivaTech** (created by Publicis Groupe and Les Echos Group). In six years, VivaTechnology 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 2022 reached 149 countries, with nearly 1,800 startups, gathered more than 91,000 visitors on site in Paris including more than 2,000 investors and 300,000 online participants. The 7th edition of VivaTech will take place from June 14 to 17, 2023, 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 Metaverse. 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 fund. This fund supports 40 or so technology companies with an overall revenue totaling euro 2.2 billion and a total headcount of 10,600 people. IRIS focuses on technology companies as start-ups, Early Stage, Late Stage and Growth with high potential, radically transforming their sector through the use of new technologies of the Web, Cloud, Artificial Intelligence or Robotics, among others: it addresses in particular Industry 5.0, the Internet of Things, Cybersecurity, B2B software, Fintech, 5G networks and logistics and e-commerce (see www.iriscapital.com).
- Publicis Groupe is a partner of the FCPI Alpha Diamant II and Alpha Diamant IV, raised by the AlphaOmega Foundation with a societal purpose, of which 80% of the capital gains go to the Foundation's actions. It provides support to associations active in helping young people and students in difficulty, who need to be supported in terms of training and reintegration, in order to regain their self-confidence and build their professional future (see www.alphaomegafondation.com).
- The Groupe has also been very involved with the ICM (Institut du Cerveau et de la Moelle Épinière) since its creation, and more recently in The Brain Fund 80% of the capital gains of which finance the fundamental research work and innovations of the ICM in neurological or psychiatric diseases.

4.2.9 Relations with other stakeholders

Stakeholders other than employees, clients and citizen-consumers are mentioned here. 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 the active way in which we want to build long-term partnerships (see Section 4.2.2.1).

In a completely separate manner, the Groupe's Communication Department supports the schedule of the Company's official announcements and major cross-functional projects such as: #WorkingWithCancer. 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 encourages more regular exchanges with environmental associations or biodiversity protection (fauna and flora), in order to find cooperation with certain clients, industrial or service companies. The agencies promote the co-construction of solutions with expert partners (see Section 4.2.2 with examples in France or the United Kingdom). At the head office in Paris, the Groupe has built a long-term relationship with Apiflordev, which helps communities of women in Africa set up their apiary, which becomes a lever for economic and social development (see Section 4.3.4).

4.2.9.4 With supervisory and self-regulatory authorities and inter-professional bodies

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 resort to any practices contrary to regulations;
2. **Transparency**: the Groupe complies with all tax disclosure requirements and prior requests to the tax authorities when required and all information is clearly presented to the relevant 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 General Management (see Section 6.6, Notes 1 and 9 in this document).

Stakeholder expectations (methods of dialog)	Our responses	Main actions implemented
Talent *(Career Conversation satisfaction surveys, individual interviews, workshops, conferences, seminars)* Health and safety protection, Increased inclusion in agencies, the Groupe, Support changes in society,	Protect the physical and mental health of employees, Increase diversity and inclusion, ***Viva La Différence***: each employee contributes to the Company's sustainable performance, Offer a learning culture to grow and benefit from professional opportunities,	Sustainability of physical and mental health prevention solutions covering 100% of employees, Launch of ***#WorkingWithCancer,*** Programs enabling women to access key positions in the Groupe: 42.5% (2025 objective: 45%) ***#WorkYourWorld*** program to work differently, Marcel: platform serving +98,000 employees for their professional and personal development, to learn and progress,
Clients *(satisfaction surveys, Business reviews, TRR, joint projects)* Offer innovative, sustainable and energy-efficient services, Transparency on data protection and use Environmental commitment (with suppliers),	Support the marketing and digital transformation of our clients with innovative solutions, Make responsible marketing the standard, Reduce our environmental impacts in line with the 2030/2040 objectives validated by **SBTi**	Offer **Power of One** around disruptive, inclusive and dynamic creativity, media, data and innovative technological solutions, Training of teams in the Groupe's ethics rules (Janus Code of Ethics): 85% trained [(1)], **A.L.I.C.E.** (Advertising Limiting Impacts & Carbon Emissions): carbon calculator for campaigns and projects promoting eco-design, Events such as **Women's Forum** and **VivaTechnology**
Suppliers & partners *(RFIs/RFPs, Annual/Quarterly reviews, P.A.S.S, joint projects)* Measure the social & environmental impacts of products and services purchased,	Together reduce all negative impacts and increase positive impacts, Help SMEs access our calls for tenders and diversify our value chain,	Due Diligence on suppliers to strengthen the strength of commercial relationships, Specific action plan with the **Supplier Diversity** program, Enhanced CSR assessment of suppliers by a third party,
Universities and schools *(teaching, group work, visits, conferences)* Promote social inclusion,	Welcome all differences, Cooperate to innovate together, Support educational and research programs,	Work in schools and universities to train **(MCTP, Publicis Track, etc.)** and co-construct the future of business lines, Targeted local programs for disadvantaged young people who are far removed from our business lines,
Associations & NGOs *(Meetings, conferences, pro bono & volunteering campaigns, joint projects)* Participate in the fight against inequalities and climate change,	Support causes of general interest fighting against social inequalities and the climate emergency,	Permanent dialog, and committed support through our business lines at the service of NGOs, Creation of the **Once And For All Coalition** in favor of media targeting minorities in the United States,
Shareholders and investors *(conferences, meetings, roadshows, General Shareholders' Meeting, written responses)* Create sustainable value,	Sustain the Company's financial, economic, social and environmental performance,	Regular and transparent communication through the provision of information,
ESG rating agencies *(questionnaires, discussions)* Enhance the available information,	Discuss as part of the assessments and examine the improvements to be made,	Make all data available with CSR Smart data on the Groupe's website,
Regulatory authorities *(conferences, meetings, joint projects)* Participation in inter-professional work,	Improve the standards of the profession and promote self-regulation,	Active participation in sector projects in countries where the Groupe operates, such as **Ad Net Zero, GARM**, and many others,

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Stakeholder expectations (methods of dialog)	Our responses	Main actions implemented
States and Administrations *(meetings, discussions)* Fulfill our obligations,	Meet local legal requirements and participate in local and global institutional dialog,	Member of the United Nations **Global Compact**, participation in international institutional events such as the World Economic Forum in Davos
Society & Consumers *(studies and surveys, workshops, events)* Promote responsible products/services	Listen carefully to expectations, Encourage responsible consumption behaviors,	Training of employees in eco-design with the deployment of the program **NIBI** and the use of **A.L.I.C.E.**

(1) Training on the Janus Code of Ethics takes various forms: online training in Marcel, awareness-raising sessions during programs for new employees, and more specific internal sessions for certain positions.

4.2.10 Compliance

The Compliance Department reports to the Groupe's Chief Compliance Officer who reports to the Secretary General. Its objectives are to promote an ethical culture within the Groupe and to design, deploy and monitor the implementation of compliance programs in all Groupe entities.

This department relies on a network of compliance officers operating at the local level. Under its supervision, they are responsible for coordinating and ensuring the effective deployment of compliance programs within their scope.

Compliance 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 to be applied 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 small number of agencies (fewer than ten) recorded incidents of non-compliance with regulations and voluntary codes to be applied 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 been convicted of conduct contrary to competition law or corruption.

Regarding article R. 225-105 of the French Commercial Code 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.

Among the main certifications in place in the agencies are ISO certifications: 22.3% of the workforce is covered by the various ISO certifications; the majority of them cover agencies in India and the United States.

ISO coverage	2020	2021	2022
Share of employees covered by ISO certifications (%)	26.3	25.8	22.3

ISO Certification	Number of branches
ISO 9001	23
ISO 14001	21
ISO 27001	9
ISO 17100	4
ISO 20121	4
ISO 45001	1
ISO 18587	4
ISO 37001	13
ISO 22301	4

- professional certifications: in some countries 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.

4.3 PRIORITY #3: FIGHT AGAINST CLIMATE CHANGE

4.3.1 Alignment with the European Taxonomy

The European regulation, known as the Green Taxonomy (EU Regulation 2020/852) is part of the implementation of the action plan for sustainable finance, whose objective is to achieve carbon neutrality by 2050.

The Taxonomy Regulation introduces reporting obligations for non-financial and financial companies based on a classification to define environmentally sustainable economic activities. This classification aims in particular to redirect flows towards so-called sustainable investments.

The European Taxonomy has set a framework around six objectives. At the date of publication of this document, only the first two have been the subject of a delegated regulation of the European Commission:

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.

Publicis Groupe must carry out an analysis of its activities that can meet the expected eligibility criteria defined in the Climate Taxonomy Delegated Act (EU 2021/21393) as well as the alignment criteria.

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).

An activity is said to be "eligible" when it is included in the evolving list of activities appearing in the delegated acts of the Taxonomy Regulation insofar as it contributes to the six aforementioned environmental objectives.

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. The European taxonomy primarily covers the activities with the greatest impact on the climate. Under current regulations, several of the Groupe's activities such as advertising creation and communication are not eligible.

Among the activities listed in the taxonomy, the following two categories have been retained as eligible to date:

- J63.11 "Data processing, hosting and related activities";
- M70.21 "Public relations and communication consultancy".

The methodology used for Taxonomy reporting is explained in Section 4.6 "CSR Reporting Methodology" of this document.

Eligible activities

Revenue

In 2022, the Groupe's revenue amounted to euro 14,196 million and corresponds to the amount shown in the Groupe's consolidated income statement.

Eligible revenue amounts to euro 2,002 million and corresponds to the Groupe's activities classified in category J63.11 "Data processing, hosting and related activities" and a very small part of activities M70.21 "Public relations and communication consulting" *i.e.* 14.1% of the Groupe's revenue. Epsilon's activities are the main ones concerned.

Capital expenditure ("CapEx")

In 2022, capital expenditure related to the Groupe's property, plant and equipment and intangible assets amounted to euro 198 million and corresponds to the amount shown in the Groupe's statement of cash flows. The share of eligible capital expenditure related to elgible revenue amounts to euro 54 million and corresponds to the investments made as part of the development of the Epsilon platforms.

CapEx also includes increases in right-of-use assets related to real estate leases for euro 120 million (see Note 24 to the consolidated financial statements). These investments are 100% eligible and represent the majority of eligible CapEx.

As a result, the amount of eligible CapEx amounted to euro 174 million, *i.e.*, 54.7% of the Groupe's CapEx.

Operating expenses ("OpEx")

In 2022, the indicator relating to operating expenses as defined by the Taxonomy mainly concerns office upkeep and maintenance expenses. However, this indicator is not considered significant.

Alignment of activities with the Taxonomy

In accordance with the Taxonomy Regulation, a so-called aligned (or "sustainable") activity is an eligible activity that meets three additional conditions: (i) it contributes substantially to one of the two climate objectives, by complying with the technical review criteria provided for by the Delegated Regulations of the European Commission, (ii) it does not cause significant harm to any of the other five objectives (Do No Significant Harm – DNSH) and finally (iii) it complies with the minimum social guarantees. For the 2022 financial year, for the eligible activities, companies must also publish the indicators (revenue, CapEx, OpEx) on the sustainable activities said to be aligned with the Taxonomy, and their contribution to the achievement of the first two objectives. The Groupe's approach is prudent in this first year of application of these Taxonomy criteria.

Substantial contribution: As explained in terms of CapEx, the Groupe has identified elements that meet the substantial contribution criterion. New internal criteria for analyzing the Groupe's activities should be rolled out in 2023 to allow a more detailed reading of the activities that may be concerned.

So-called DNSH criteria (Do No Significant Harm): The Groupe's environmental policy includes criteria relating to the certification of buildings and energy efficiency, in particular with regard to server installations and Data centers. For its activities, the Groupe has set itself the target of switching to 100% direct-source renewable energy by 2030. Climate risks were explored as part of the work of Climate Task Force internal created in 2022.

Compliance with minimum guarantees: The Groupe meets the minimum guarantee requirements of the Sustainable Finance Platform (PSF) report.

- Publicis Groupe is a member of the Global Compact of the United Nations and its ten Key Principles are included in the Janus Code of Ethics. It also refers to the OECD guidelines for multinationals, as well as the International Labour Organization (ILO) relating to the fundamental labor principles and rights, of the eight fundamental principles of the ILO and the International Bill of Human Rights. The Janus Code of Ethics applies to the entire Groupe and its subsidiaries worldwide, and therefore to all employees. As part of the Duty of Care Plan, measures are intended to ensure respect for Human Rights and Fundamental Freedoms, the Health and Safety of people, as well as in terms of environmental impacts (see Section 4.2.4);
- Publicis Groupe has a dedicated policy and organization to prevent corruption risks, aligned with the rules of the so-called Sapin 2 Law (see Section 4.2.5);
- Publicis Groupe considers that the contribution made by taxation contributes to the economic and social development of the countries in which it operates, for the benefit of local communities (see Section 4.1.5);
- The Janus Code of Ethics reaffirms the obligation to comply with local laws, including competition law. All employees are required to comply with these rules (see Section 4.2.3).

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, 2022. 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. This analysis is carried out by a tandem team composed of the Finance Department for financial reporting, and the Secretary General for non-financial reporting.

/ Revenue

Economic activities	NACE codes	Absolute revenue (in millions of euros)	Share of revenue (%)	Substantial contribution criteria: Climate change mitigation (%)	Substantial contribution criteria: Adaptation to climate change (%)	Do No Significant Harm: Climate change mitigation (Yes/No)	Do No Significant Harm: Adaptation to climate change (Yes/No)	Do No Significant Harm: Aquatic and marine resources (Yes/No)	Do No Significant Harm: Circular economy (Yes/No)	Do No Significant Harm: Pollution (Yes/No)	Do No Significant Harm: Biodiversity and ecosystems (Yes/No)	Minimum guarantees (Yes/No)	Share of revenue aligned with the 2022 Taxonomy (%)	Category (enabling activity/transitional activity) (H/T)
A. ACTIVITIES ELIGIBLE FOR TAXONOMY (%)														
A.1 Environmentally sustainable activities (aligned with the Taxonomy)														
• Public relations and communication consulting	M70.21	10	0.1%	n/a	100%	yes	yes	yes	yes	yes	yes	yes	0.1%	T
• Data processing, hosting and related activities	J63.11	-	0.0%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0.0%	
Revenue from environmentally sustainable activities (aligned with the Taxonomy) (A.1)		**10**	**0.1%**										**0.1%**	
A.2 Activities eligible for the Taxonomy but not environmentally sustainable (not aligned with the Taxonomy)														
• Public relations and communication consulting	M70.21	-												
• Data processing, hosting and related activities	J63.11	1,992	14.0%											
Revenue from activities eligible for the Taxonomy but not environmentally sustainable (not aligned with the Taxonomy) (A.2)		1,992	14.0%											
TOTAL (A.1 + A.2)		**2,002**	**14.1%**										**0.1%**	
B. ACTIVITIES NOT ELIGIBLE FOR TAXONOMY (%)														
Revenue from activities not eligible for Taxonomy (B)		12,194	85.9%											
TOTAL (A + B)		**14,196**	**100.0%**											

/ Capital expenditure ("CapEx")

Economic activities	NACE codes	Absolute CapEx (in millions of euros)	Share of CapEx (%)	Substantial contribution criteria: Climate change mitigation (%)	Substantial contribution criteria: Adaptation to climate change (%)	Do No Significant Harm: Climate change mitigation (Yes/No)	Do No Significant Harm: Adaptation to climate change (Yes/No)	Do No Significant Harm: Aquatic and marine resources (Yes/No)	Do No Significant Harm: Circular economy (Yes/No)	Do No Significant Harm: Pollution (Yes/No)	Do No Significant Harm: Biodiversity and ecosystems (Yes/No)	Do No Significant Harm: Minimum guarantees (Yes/No)	Share of CapEx aligned with the 2022 Taxonomy (%)	Category (enabling activity/transitional activity) (H/T)
A. ACTIVITIES ELIGIBLE FOR TAXONOMY (%)														
A.1 Environmentally sustainable activities (aligned with the Taxonomy)														
• Acquisition and ownership of buildings	L68.20	-	0.0%	100%	0%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0%	
• Public relations and communication consulting	M70.21	-	0.0%	100%	0%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0%	
• Data processing, hosting and related activities	J63.11	-	0.0%	100%	0%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0%	
Environmentally sustainable CapEx (aligned with the Taxonomy) (A.1)		-	0.0%										0%	
A.2 Activities eligible for the Taxonomy but not environmentally sustainable (not aligned with the Taxonomy)														
• Acquisition and ownership of buildings	L68.20	120	37.7%											
• Public relations and communication consulting	M70.21	-	0.0%											
• Data processing, hosting and related activities	J63.11	54	17.0%											
CapEx eligible for the Taxonomy but not environmentally sustainable (not aligned with the Taxonomy) (A.2)		174	54.7%											
Total (A.1 + A.2)		174	54.7%										54.7%	
B. ACTIVITIES NOT ELIGIBLE FOR TAXONOMY (%)														
CapEx not eligible for Taxonomy (B)		144	45.3%											
Total (A + B)		318	100.0%											

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/ Operating expenses ("OpEx")

Economic activities	NACE codes	Absolute OpEx (in millions of euros)	Share of OpEx (%)	Substantial contribution criteria: Climate change mitigation (%)	Substantial contribution criteria: Adaptation to climate change (%)	Do No Significant Harm: Climate change mitigation (Yes/No)	Do No Significant Harm: Adaptation to climate change (Yes/No)	Do No Significant Harm: Aquatic and marine resources (Yes/No)	Do No Significant Harm: Circular economy (Yes/No)	Do No Significant Harm: Pollution (Yes/No)	Do No Significant Harm: Biodiversity and ecosystems (Yes/No)	Do No Significant Harm: Minimum guarantees (Yes/No)	Share of OpEx aligned with the 2022 Taxonomy (%)	Category (enabling activity/transitional activity) (E/T)
A. ACTIVITIES ELIGIBLE FOR TAXONOMY (%)														
A.1 Environmentally sustainable activities (aligned with the Taxonomy)														
Environmentally sustainable OpEx (aligned with the Taxonomy) (A.1)		n/a	n/a										n/a	
A.2 Activities eligible for the Taxonomy but not environmentally sustainable (not aligned with the Taxonomy)														
OpEx eligible for the Taxonomy but not environmentally sustainable (not aligned with the Taxonomy) (A.2)		n/a	n/a											
Total (A.1 + A.2)		**n/a**	**n/a**										**n/a**	
B. ACTIVITIES NOT ELIGIBLE FOR TAXONOMY (%)														
OpEx not eligible for Taxonomy (B)		n/a	n/a											
TOTAL (A + B)		**95**	**100.0%**											

4.3.1.1 Publicis Groupe's climate commitments

Publicis Groupe, as a member of the United Nations Global Compact since 2003 and a Company committed to SBTi, is a signatory of the Business Ambition for 1.5° in support of the efforts of the IPCC (Intergovernmental Panel on Climate Change – or UN 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, are working on a trajectory 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 Ad Net Zero, a sectoral initiative with the objective to achieve Zero Waste – Zero Carbon in 2030. This body has adopted the AdGreen carbon calculator inspired by the calculator already in place in the United Kingdom for around ten years by the film industry.

Publicis Groupe is among the companies whose carbon trajectory is assessed by SBTi (Science Based Targets initiative), as well as by the United Nations Business Ambition for 1.5° and Race to Zero, which bring together committed companies.

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 on the Groupe, by analyzing several scenarios. An *ad hoc* working group was set up, Climate Task Force, managed by the Groupe's CSR Department with the support of the Risk Management, Finance, IT and GSO (infrastructure and information systems security), Legal, Real Estate and Insurance Departments and teams and with operational staff. This work made it possible to map risks and opportunities with regard to various scenarios, aligned with those of the IPCC (United Nations). 12 work scenarios were built and worked on with help from an external firm and aligned with the key points of the method used by Groupe Risk Management (time horizon, frequency, financial impacts, mitigation measures). Given the Groupe's intellectual services activities and its geographical presence, two scenarios were selected to guide the internal work:

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

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: they are 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; Six scenarios were examined taking into account rising temperatures, rising sea levels, extreme rainfall with flooding, major fires and tornadoes.

- Mitigation measures:
  - the Talent and HR teams in the countries have extended the spectrum of systems enabling employees to be supported in terms of physical and mental health prevention throughout the year, with the possibility of strengthening these systems, as was the case with the pandemic,
  - the IT Department duplicated its systems to ensure continuity of service from one region of the world to another; tests and safeguard plans are carried out regularly. The Re:Sources IT teams are able to equip all employees worldwide for an extended remote working configuration with the appropriate equipment for IT, connectivity and office automation (this was already the case for years in regions of the world subject to major climate hazards, and this covers 100% of the Groupe since the pandemic),
  - in terms of energy, the switch to 100% renewable energy expected before 2030 in the Groupe will reduce the impact of non-renewable energies for electricity needs,
  - ISO 14001 certification provides a method that helps anticipation strategies, especially for entities that may be the most exposed,

- working assumptions: these risks will increase inexorably over the coming years, but with a low impact on the operational functioning of the Company in view of the systems and *modus operandi* practiced.

2 - The transition risks: they come from changes in the market, regulations or technology to limit global warming to 1.5°C were grouped into six other scenarios. Particular attention was paid to possible regulatory changes, such as the end of certain product categories for the Groupe's clients, the ban on communicating on certain products, stricter restrictions for certain products, or the possible occurrence of additional taxes. The issues surrounding carbon taxes in different forms were analyzed in detail.

- Mitigation measures:
  - from a business point of view, Publicis Groupe participates in sectoral work enabling our various activities to anticipate regulatory changes and be a source of proposals to improve professional practices. The implementation of a proprietary A.L.I.C.E. carbon calculator or participation in AdGreen and Ad Net Zero are an illustration of this,
  - from a regulatory point of view, under the supervision of the Legal Department, various teams monitor international and national regulations in order to anticipate changes concerning us or our clients, to develop our standards, and to call upon external experts where applicable,
  - with regard to possible carbon taxes, the objective is to reduce all sources of carbon emissions without exception, and to work on long-term projects such as that of a Carbon Fund;
- working assumptions: these changes are expected in the coming years, but with a low impact in the short term in view of the work undertaken within the Groupe.

The Climate Task Force meets twice a year, and works in thematic sub-Groupes to examine, throughout the year, any new risks and/or opportunities, to share best practices, and to implement actions that strengthen the Groupe's resilience in the face of climate hazards and their consequences. It is also working on a transition plan.

This work has facilitated two projects carried out in close cooperation between the Secretary General and the Finance Department: one on the internal price of carbon, the other on the anticipation of the Groupe's future needs in carbon credits, with several options in terms of Carbon Funds.

a) The **internal carbon price or ICP/ICF** (Internal Carbon Price/Internal Carbon Fee). The Management Board is working on internal carbon pricing. This KPI would be applied to all Groupe entities, covering carbon emissions in scopes 1+2+3 including travel, including air transport, and direct purchases. The subsidiaries could thus better assess the financial impacts of their own carbon emissions, which should help accelerate the implementation of all solutions to reduce these impacts. This KPI would help finance Groupe-wide innovations to reduce carbon emissions.

b) The **Carbon Fund project** was the subject of a call for tenders at the end of 2022 in order to examine and then determine the best possible options. The objective is to set up a system that can provide the Groupe with access to solid, long-term projects, enabling real protection and preservation of natural ecosystems. The objective is also that these projects (Nature-based) generate only high-quality carbon sequestration credits that are certified by third parties by complying with international standards. The projects examined have an average duration of 10 to 20 years and are located in geographical areas linked to our own operations around the world. Technological options are not yet integrated into this framework, due to their low level of maturity and no outlook on their advantages and disadvantages for the moment.

4.3.1.3 Opportunities in 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. The Groupe relies on the following levers:

1) A specific request in terms of support for clients and their marketing related to their transformation towards more sustainable products, less impactful, and adapted to changes in consumer behavior (environmental trade-off criteria, use of the circular economy, privileged proximity, etc.)

2) The Company's ability to innovate, reduce its own emissions, and help clients reduce their own emissions, particularly those related to their marketing and communication, through adapted solutions, working with partners and suppliers committed and aligned behind these same carbon emissions reduction imperatives to achieve Net Zero before 2040.

Several Groupe 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 involving suppliers and partners in order to achieve the expected objectives together but with the lowest possible environmental impact. NIBI invites each business line to rethink its processes, invent new, more efficient approaches and think outside the box. At the end of 2022, the program was proposed to several countries for adaptation in 2023;

- in the United States in 2021, Publicis Sapient launched its **eMission Cloud View** solution which enables industrial companies to accurately monitor their energy consumption and impacts in real time, as part of their own carbon neutrality plan. eMission makes it possible to achieve immediate energy efficiency gains of 5% to 10%, reduce the OpEx concerned by 10% to 15% and manage global and local emissions more precisely. Several sectors of activity find immediate local application;
- **A.L.I.C.E.** is used for more than 180 clients to measure the carbon footprint of projects and reduce their environmental impacts. In Poland and Canada, Media teams have integrated A.L.I.C.E. measures into their media plan proposals to their clients, with a totally tailored approach;
- in the United States, Publicis Media has prepared its **Publicis Lighthouse** dashboard which incorporates six pillars of the campaign's performance analysis. One of these pillars is based on the calculation of carbon emissions, *via* A.L.I.C.E. or with very detailed additional analyses, and another pillar includes elements on the inclusiveness of the campaign according to the privileged minority Groupes (when the local context allows the monitoring of these indicators);
- in France, Razorfish (digital agency) at the start of 2022 launched 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. This tool is used in a similar way by the Epsilon and Publicis Sapient teams in the context of their own activities.

4.3.2 Reducing impacts with the Net Zero Climate 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.

Publicis Groupe has seen its **objectives validated by SBTi**, aligned with their new 2021 method:

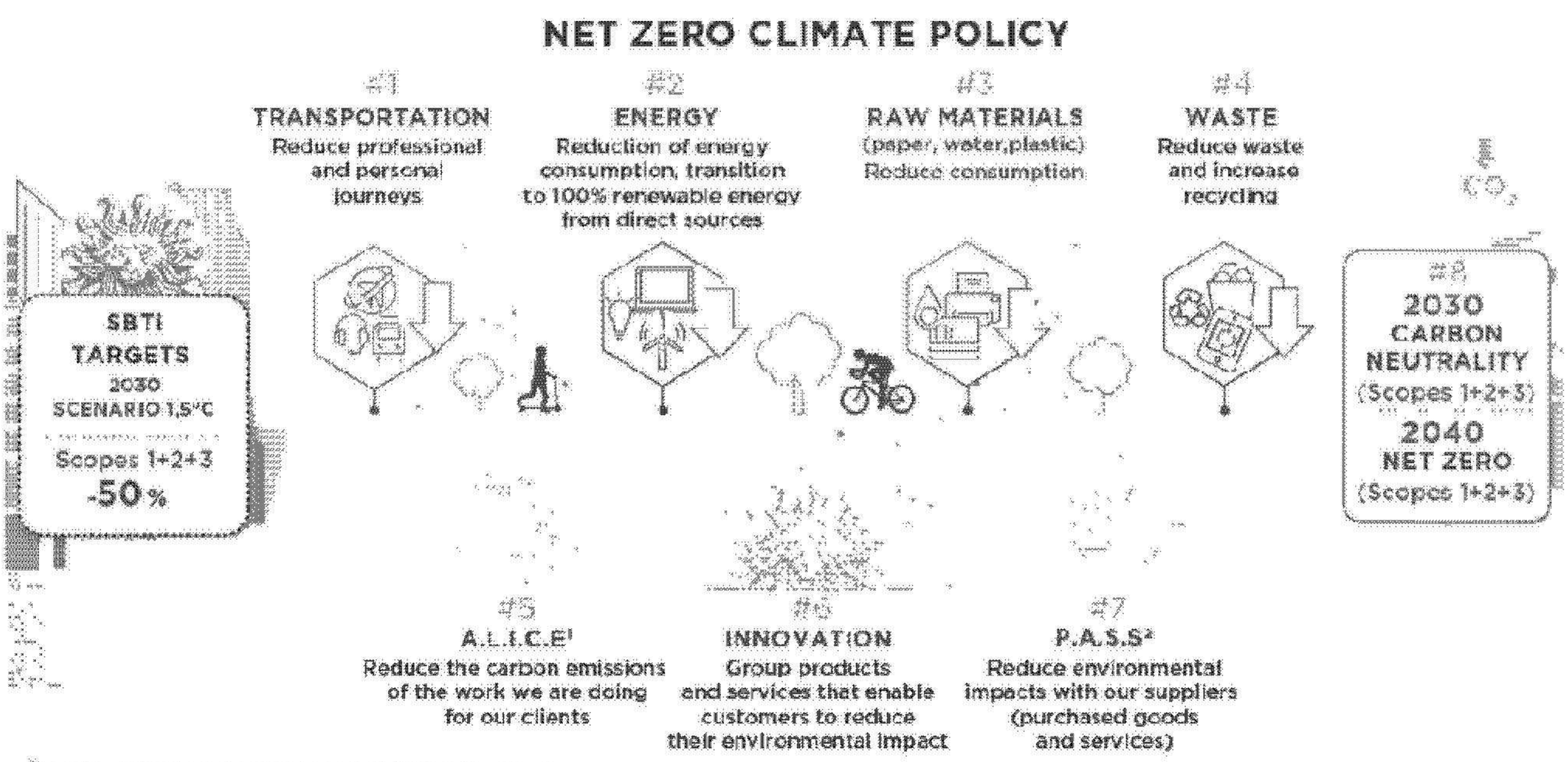
- **Near-Term Target 2030: 50% reduction in the impacts of scopes 1+2+3;**
- **Long-Term Target 2040: 90% reduction in the impacts of scopes 1+2+3.**

This projection includes another objective, which is the switch to 100% direct-source renewable energy throughout the Groupe. These objectives anticipate the fact that disruptive technological and operational innovations – still unknown on the market – will be implemented in the coming years. Taking into account the essential acceleration, the "Zero Impact Climate Policy" is backed by SBTi objectives.

This 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., P.A.S.S, 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.

/ Change compared to SBTi Objectives

SBTi Scope only	Unit	Objectives by 2030	2019	2021	2022	Change vs. 2019	Change vs. 2021
Scope 1 and 2	Teq CO_2	-50%	65,780	36,059	40,057	-40.6%	11.1%
Scope 3: Purchased goods and services	Teq CO_2	-50%	53,655	52,859	54,261	1.1%	2.7%
Scope 3: Energy-related emissions excluding Scopes 1+2+3	Teq CO_2	-50%	18,599	8,889	9,351	-49.7%	5.2%
Scope 3: Business travel	Teq CO_2	-50%	71,992	13,237	49,913	-30.7%	277.1%
Scope 3: Commuting	Teq CO_2	-50%	53,860	5,023	22,783	-57.7%	353.6%
Scope 3: Capitalized assets	Teq CO_2	-50%	33,906	35,026	34,104	0.6%	-2.6%
Total Scopes 1+2+3 (SBTi)	**Teq CO_2**	**-50%**	**297,792**	**151,093**	**210,469**	**-29.7%**	**39.3%**



The "Zero Impact Climate Policy" – whose **top priority is to reduce all impacts**, 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 of the impacts of campaigns and projects** completed 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 Cloud View** 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. **Net Zero target by 2040** with carbon neutrality for the entire Groupe as soon as possible before 2030. Options to acquire RECs (Renewable Energy Certificates) or VCCs (voluntary carbon credits) to offset irreducible impacts are a last resort, or to deal with a local shortfall in the renewable energy market, for example.

The Groupe's main voluntary environmental commitments underpinning the Groupe's policy were as follows:

- 2003: signature of the United Nations Global Compact, followed in 2007 by the United Nations advocacy Caring for Climate;
- 2009: first participation in the CDP (Carbon Disclosure Project);
- 2015: French Climate Business Pledge, signed in support of the Paris Agreement of COP21;
- 2018: alignment with the rules of the TCFD (Task Force on Climate-related Financial Disclosure);
- 2020: joined the Business Ambition for 1.5° then the mobilization campaign Race to Zero of the UNFCC (United Nations Framework Convention on Climate Change);
- 2021: validation of carbon emission reduction targets by SBTi; new validation in 2022 for Near-Term & Long-Term targets.

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 clients with whom they work, conducted by the Groupe's CSR Department. Each country then set up workshops and working Groupes 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 -design, as part of the NIBI (No Impact for Big Impact) program, reflects this determination. Several French entities were rewarded several times in 2022 for their eco-designed campaigns for their clients, and recognized as role models.

Eco-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-design approaches are tested and evaluated, some of which give convincing results. These voluntary initiatives make it possible to involve clients, suppliers and partners and to give employees the ability to take concrete action. In recent years, Conferences of Parties (COP) organized each year on the climate by the United Nations are a benchmark during the year for organizing internal activities (training, external speakers, round tables with clients and partners, etc.) around the mobilization against climate change.

4.3.4 Review of greenhouse gas (GHG) emissions

For the 14th 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 25%).

It should be noted that Publicis Groupe's impact on greenhouse gases is limited to the carbon impact, given that greenhouse gas emissions other than CO_2 are not significant.

2022 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. Additional databases are used, such as Dekra or Ecoinvent.

The total of scopes 1+2+3 in 2022, for the entire Groupe and its subsidiaries worldwide, is **215,931 TeqCO$_2$,** *i.e.* a carbon intensity of **2.2 TeqCO$_2$** *per capita*.

The breakdown by category of the GHG Protocol follows the presentation submitted and validated by SBTi for the 2030 & 2040 objectives.

The methodology and scope used for the GHG assessment are explained in Section 4.6 "CSR Reporting Methodology".

- **Scope 1+2**

With regard to Publicis Groupe's intellectual services activities, the impact mainly comes from:

1. **business travel by car, estimated** at 7,288 thousand km for associated emissions of 1,407 TeqCO$_2$. 2022 is marked by a resumption of business travel.

For Company vehicles or service cars, for the past 15 years, the Groupe has aligned its professional vehicles policy (Car Policy) on the European targets of 95gr CO_2 maximum, and supports the objective of zero-emission road mobility by 2035 indicated in the draft regulation Fit-for-55. Individual practices have evolved in favor of hybrid and electric vehicles;

2. **energy consumed** is estimated at 111,864 MWh for associated emissions of 31,100 TeqCO$_2$.

   Renewable energy accounts for 47% of total consumption (based on the certifications given by electricity suppliers). Electricity consumption in offices has picked up with the return to the office in several countries. The switch to 100% renewable energy supply contracts is continuing through discussions with the managers of the buildings where our offices are located. Depending on the country and the city, and on the maturity of the landlords on this subject, things are progressing relatively quickly, but our demands are not weakening. After purchases of RECs (Renewable Energy Certificates) and GOs (Guarantee of Origin), this rate rises to 92%. The Groupe CSR Department, together with the Real Estate Department, reviews the progress of these contract changes at least twice a year with the local teams and contributes directly to the negotiations if necessary 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 mainly in North America and Europe. In 2022, work was launched to analyze the best practices in place. In 2023, in-depth audits will be conducted in all data centers, both own and those of partners;

   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);

   c. **Energy efficiency**: from the summer of 2022, in a context of global tension on energy, a directive from the General Management was given to reduce electricity consumption by an additional 10% and to implement all appropriate measures.

- **Scope 3**

With the entry into force of Decree No. 2022-982 revising several articles of the French Environmental Code on the calculation scope of scope 3, and with the coming into force of the European CSRD, also requiring companies taking into account a wider scope, Publicis Groupe worked on the integration of new categories (*e.g.* social benefits and other services). This new expanded scope will be presented in the 2023 URD, with the years 2022 and 2021 recalculated, as well as the roadmap associated with the reduction of emissions, in line with the Company's SBTi objectives.

Upstream

1. **Products and services purchased,** which represent the largest part of scope 3, for an estimated total of 54,261 TeqCO$_2$.

   The following categories are taken into account in the calculation (included in the objectives validated by SBTi):

   - Information & Technology (IT): data centers & cloud services software licenses, development and consulting;
   - telecommunications and networks;
   - research and development, studies;
   - recruitment costs and external training costs;
   - insurance, banking and legal fees.

2. **Capital goods**, for an estimated total of 39,359 TeqCO$_2$ and including:

   - **real estate and offices**, taken into account for the total surface area occupied, in all countries, for an estimated total of 34,104 TeqCO$_2$.

     Environmental issues are integrated 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. With work in hybrid mode, the Groupe supports the transformation of workspaces while pursuing its objectives of optimizing surface area as part of the "All in One" program (Total office space has been reduced by 40% 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. More and more agencies are already 100% using renewable energies;
     - installations of "smart" energy-saving electrical meters 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.

     21 agencies are ISO 14001 certified (Spain, United Kingdom, India, etc.).

- **IT**: For an estimated total of 5,255 TeqCO_2. IT equipment (servers, workstations and laptops, screens, mobile phones, tablets, printers, etc.) are taken into account in the form of an exhaustive inventory of all office equipment and connectivity used by employees for their daily activities, in the workplace or at home. The Groupe seeks to use Green IT solutions wherever possible in order to be able to work on more energy-saving computers and use more virtuous software packages and programs.
- **paper consumption**: 152 metric tons were consumed, of which 87% 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 roll-out 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;

3. **Activities with energy consumption** excluding scopes 1+2 for an estimated total of 9,351 TeqCO_2.

The emissions measured in this category take into account upstream emissions and losses related to energy consumption, calculated from the Groupe's energy consumption using the appropriate data sets.

4. **Upstream transport**: *not relevant to the intellectual services business.*
5. **Waste** for a total of 2,759 metric tons:
   - the volume of non-hazardous waste recycled is estimated at 1,502 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.
   - 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. 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).

6. **Business travel**, for an estimated total of 49,913 TeqCO_2 and:
   - covering **air travel** for a total of 45,256 TeqCO_2. Since 2013, Publicis Groupe has been calculating the carbon emissions of flights according to the distance flown and the class of passengers, using monthly reporting that covers more than 90% of flights. This air travel is validated at several levels, which leads the employees concerned to rethink the organization of their trips, by concentrating meetings over several days to avoid unnecessary round trips. Business imperatives and in agreement with clients are priorities. For any other reason, this travel must be approved by a member of the General Management. With the resumption of physical meetings, business flights resumed, up compared to 2021 but down compared to 2019. Given the impact of these air travel, they are included in the Groupe's current carbon offset program. In 2022, a monthly monitoring of air travel was set up in order to identify the levers to reduce it.
   - **other travel,** by train and other modes including car rental

7. **Commuting** of employees for an estimated total of 22,783 TeqCO_2.

The Groupe's offices are located in major cities around the world. Employees are therefore encouraged to use public transport (partial or total) or other forms of soft mobility (electric bicycle, etc.), and to carpool. Partial remote working makes it possible to reduce these daily trips, and is less fatiguing for employees. In 2022, with the general return to the office, the impacts are up compared to 2021 but down compared to 2019, the reference year.

8. **Upstream leased assets**, for an estimated total of 34,104 TeqCO_2.

These emissions come from the operation of assets leased by the Groupe during the reference year, and which are not already included in the Groupe's scope 1 or scope 2 inventories, calculated in carbon equivalent per square meter of office space.

Downstream

9. **Transport and distribution**: *not relevant with regard to the intellectual services activity.*

   As an intellectual services Company, downstream transportation and distribution are not considered relevant, as there is no physical movement of materials as is the case in a manufacturing process.

10. **Processing of products and services sold**: *not relevant to the intellectual services business.*
11. **Use of products and services sold**: we work with our clients and partners to develop measurement methods through the use of A.L.I.C.E., the carbon calculator that applies to all of the Groupe's activities. These calculations are useful in particular for production or media activities that are part of clients' scope 3. The Groupe is active in industry work that will align all players behind a common and unilateral measurement method.
12. **End-of-life of products and services sold**: *not relevant with regard to intellectual services activities.*
13. **Downstream leased assets**: The Groupe has no assets leased to other entities, as would be the case in this category.
14. **Franchises**: *not relevant to the Company's activity*
15. **Investments:** This category includes the scopes 1 and 2 emissions of a few entities in which Publicis Groupe holds less than 50%, for a total of around 500 $TeqCO_2$. Other investments are already included in scope 1+2 emissions.

In addition,

- **water consumption** is estimated at 522,459 m^3 – approximately 5.40 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.

Additional point:

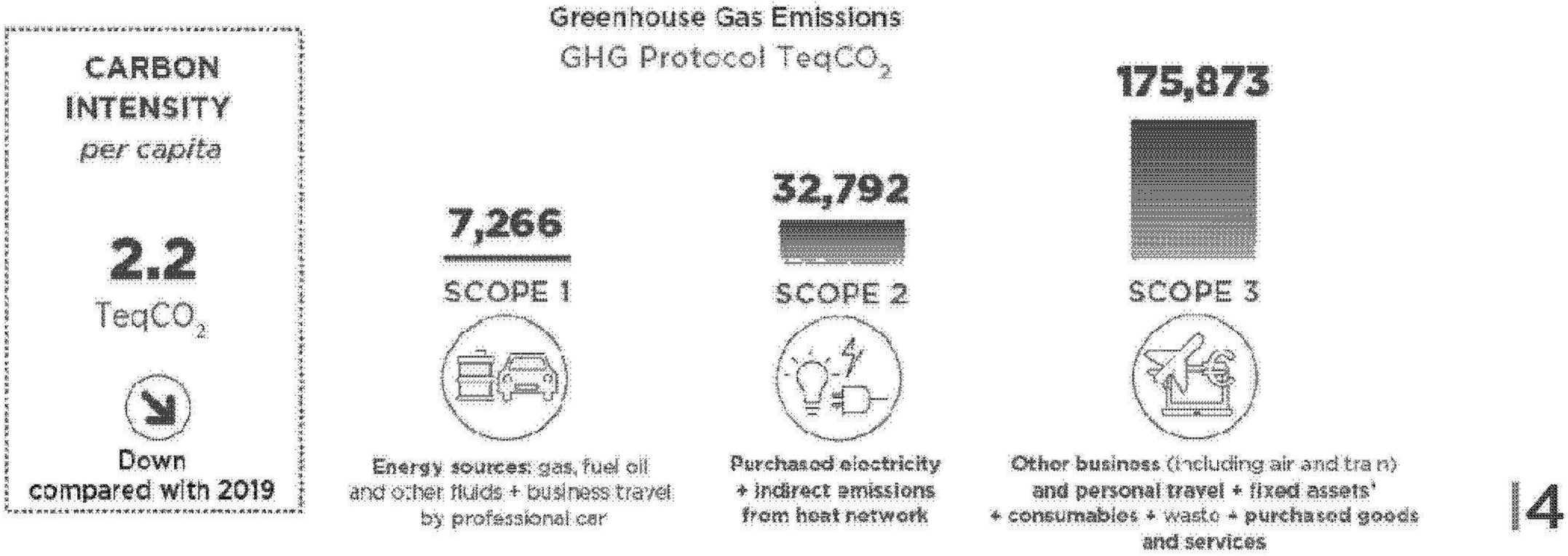
- concerning the **circular economy**, for more than a decade now agencies have been voluntarily committed to promoting documents from recycled paper, plastic, fabric and other materials for paper publications or regular and one-time events, by working with suppliers who guarantee these recycled raw materials (see the example of Publicis Live through its Sustainability Guidelines shared with suppliers involved in various events).

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 beekeeping sector, a partnership has been established with the Apiflordev association, which fights against poverty in Africa: 100% of the honey from Parisian beehives is used to finance the installation of beehives in Togo (canton of Tado) which are then entrusted to a community of women.

In Costa Rica, Re:Sources is continuing its plan involving employees in a carbon offsetting program designed to promote local biodiversity by preserving tropical flora and fauna in protected forests.

Nature protection is the subject of *pro bono* campaigns or volunteer activities in favor of environmental associations and the defense of natural resources and biodiversity (plant and animal) in many countries.



* Buildings, IT and Office equipment

4.3.5 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. These transactions appear publicly in the VERRA registers. Publicis Groupe is supported in these projects by an external firm, in order to validate the robustness of the projects selected and to monitor their evolution over time.

4.3.5.1 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: United States, Canada, United Kingdom, France, Germany, Italy, India, China Singapore.

With regard to the reduction of scope 3 impacts, the project began in early 2022 with a selection of major suppliers already actively reducing their own impacts. Despite the initial encouraging information collected, Publicis Groupe has chosen not to take them into account yet in order to continue to deepen the analysis and traceability method, as the suppliers are not at all at the same stage of progress, nor subject to the same local level of legal compliance.

4.3.5.2 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/Pawan program, by purchasing Voluntary Carbon Credits (VCCs) financing the deployment of wind farms in three 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. This project is aligned with SDGs 8, 13 and 15.

In 2022, the Groupe canceled the equivalent of 24,105 TeqCO_2 through VCCs. These reduction and offsetting actions enable Publicis Groupe to achieve **carbon neutrality for scopes 1+2 in 2022** (as since 2020), in accordance with the requirements of the Paris Agreement.

In 2022, Publicis Groupe included scope 3 emissions related to air transport as part of its business travel in its offset plan.

Lastly, Publicis Groupe is also monitoring the development of the first forests in which it participated in 2008 in Cameroon, by financing the planting of 6,000 trees for the Sanaga Forest (Douala – Yaoundé).

/ Carbon offsetting: projects supported in the 2020-2024 plan

Project name	Country	Project category	Type of project	Standard	Co-benefit standard	SDG alignment	Number of credits in 2022
Gandhi/Pawan	India	Reduction	Renewable Energy (wind turbines in 3 regions)	VCS	-	Nos. 7, 8, 13	21,694
Madre de Dios	Peru	Reduction	Avoided deforestation (preservation of plant and animal biodiversity)	VCS	CCB	Nos. 8, 13, 15	2,411

4.3.6 Consolidated Environment and Climate Indicators

Multi-year data trends are available on the Groupe website, in the CSR section – Smart data section.

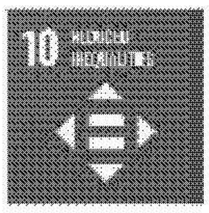
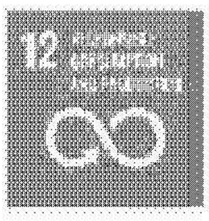
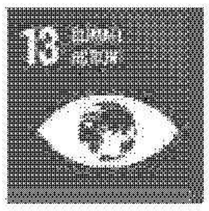
Indicators	*Unit*	2020	2021	2022	Objectives by 2030 [1]
Groupe headcount	*Number*	79,051	88,531	98,022	
Scope 1	*TeqCO₂*	7,531	4,299	7,266	**-50%**
Scope 2 "Location Based"	*TeqCO₂*	48,883	41,185	42,898	**-50%**
Scope 2 "Market based"	*TeqCO₂*	40,743	30,808	31,100	
Scope 2 related to steam consumption, heat	*TeqCO₂*	1,135	952	1,692	
Scope 3 total	*TeqCO₂*	140,622	121,024	175,873	**-50%**
Scope 3 by GHG Protocol categories[2]	*TeqCO₂*				
Products and services purchased	*TeqCO₂*	52,418	52,859	54,261	
Capitalized assets	*TeqCO₂*	6,634	5,838	5,255	
Fuel and energy emissions (not included in scope 1 or scope 2)	*TeqCO₂*	11,099	8,889	9,351	
Waste generated	*TeqCO₂*	82	153	206	
Business travel	*TeqCO₂*	20,730	13,237	49,913	
Commuting	*TeqCO₂*	15,786	5,023	22,783	
Upstream leased assets	*TeqCO₂*	33,871	35,026	34,104	
Investments	*TeqCO₂*	500	500	500	
Total* of Scopes 1+2 "Market Based"+3	*TeqCO₂*	188,299	157,083	214,239	
Emissions offset by Voluntary Carbon Credits	*TeqCO₂*	28,878	22,176	24,105	
% Scopes 1+2emissions reduced[3]	%	26.7	46.6	39.2	
% Scope 3 emissions reduced[3]	%	43.8	51.6	29.7	
% reduction of scopes 1+2+3 emissions[3]	%	40.4	50.3	32.2	
Carbon intensity *per capita*	*TeqCO₂*	2.4	1.8	2.2	
Carbon intensity to revenue	*TeqCO₂*	19.3	14.8	17.2	
Electricity consumption	*MWh*	125,655	108,137	111,864	
Energy intensity *per capita*	*MWh*	1.6	1.2	1.2	
Renewable electricity consumed (not RECs)	*MWh*	42,081	41,965	52,574	
Renewables as a percentage of direct sources	%	33.5	38.8	47.0	**100%**
Renewables as a percentage of direct sources + RECs	%	83.6	86.1	91.7	
RECs Purchased (MWh)	*MWh*	71,379	51,188	55,562	
Water consumption	m^3	506,374	407,169	522,459	
Of which water *per capita*	m^3	6.4	4.7	5.4	
Total volume of non-recycled waste	*metric tons*	907	1,467	1,257	
Total volume of waste recycled	*metric tons*	891	1,331	1,502	
Recycled waste *per capita*	*metric tons*	0.01	0.01	0.02	
Paper consumption	*metric tons*	257	232	152	
Of which FSC-certified, PEFC-certified paper, eco-labels	%	68	75	87	
Of which paper *per capita*	*metric tons*	0.003	0.002	0.002	
Total kilometers traveled (business trips and commuting between home and work)	*thousand km*	288,965	168,564	472,145	
Travel *per capita*	*thousand km*	3.65	1.94	4.9	
Business trips	*thousand km*	112,535	72,022	261,106	
Daily commute	*thousand km*	176,430	96,542	211,039	

(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.
* Total calculated on the basis of gross data (excluding reduction and offsetting actions).

4.4 SUSTAINABLE DEVELOPMENT GOALS

The Groupe measures its contribution against nine of the United Nations' Sustainable Development Goals that are aligned with the Company's CSR/ESG strategy.

SDG	Among the targets monitored	Actions implemented and mechanisms	Indicators
SDG 3 – Good health and well-being	• 3.8: Ensure that everyone benefits from universal health coverage, including protection against financial risks and access to quality essential health services and safe, effective, high-quality essential medicines and vaccines at affordable cost	After the pandemic years, all Groupe agencies have maintained their local prevention and support plan in place for mental health, to better help employees. The *#WorkingWithCancer* (WWC) program's was launched by the Group's CEO in early 2023 to mobilize companies against the taboo of cancer in the workplace, with the aim of better protecting employees.	100% of employees have access to healthcare prevention plan. 300 companies joined the advocacy campaign WWC
SDG 4 - Quality education	• 4.4: Significantly increase the number of young people and adults with the skills, including technical and vocational skills, necessary for employment, decent work and entrepreneurship.	Continuous training is at the heart of the employee skills development plan with Marcel and Marcel Classes accessible 24/7 in 13 languages, all employees have access to training. The Groupe continued its actions in favor of young people far removed from our agencies in order to show them that they have a place among us. (14th MCTP Program – USA, 2nd Publicis Track – France)	89% of employees trained. More than 1,740,000 hours of programs took place (20 hours *per capita*).
SDG 5 - Gender equality	• 5.1: End all forms of discrimination against women and girls worldwide. • 5.5: Guarantee the full and effective participation of women and their equal access to management positions at all levels of decision-making in political, economic and public life.	The "Zero Tolerance" policy with regard to discrimination and harassment in all their forms remains central. The US seven-point plan launched in 2020 has made it possible to improve diversity within teams. Unconscious bias training is mandatory in many countries. With Career settings, the Groupe has a more precise management tool to monitor its demographic and social evolution. Diversity, equity and inclusion are at the heart of the Groupe's social vision.	42.5% women key executives in 2022. Objective 45% by 2025
SDG 8 - Decent work and economic growth	• 8.2: Achieve a high level of economic productivity through diversification, technological modernization and innovation. • 8.5: By 2030, achieve full and productive employment and ensure decent work and equal pay for work of equal value for all women and men, including young people and people with disabilities. • 8.7: Take immediate and effective measures to eliminate forced labor, end modern slavery and human trafficking, prohibit and eliminate the worst forms of child labor, including the recruitment and use of child soldiers and, by 2025, end child labor in all its forms.	The Groupe directly employs 98,022 employees worldwide, representing a personnel expense of euro 8,211 million. 85 million euro was redistributed to employees as bonuses in 2022. The principle of equal opportunities (or Rooney Rule) has been strengthened in the diversity action plans (recruitment, promotion, succession, etc.). Publicis Groupe supports the 10 Principles of the United Nations Global Compact, defends human rights, including forced labor and child labor, and supports fundamental freedoms.	Sustained equal opportunity efforts to recruit and promote more diverse profiles. 35.7% of employees are under 30 years old.

SDG	Among the targets monitored	Actions implemented and mechanisms	Indicators
SDG 10 - Reduced inequalities 	• 10.2: By 2030, empower all people and promote their social, economic and political integration, regardless of their age, gender, disability, race, ethnicity, origin, and religion or their economic or other status.	Publicis Groupe was the first communication Groupe to sign the United Nations Global Compact in 2003, and signed seven WEPs (UN Women) 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.	98% of strategic suppliers assessed by an expert third party. 166 suppliers assessed by EcoVadis in 2022.
SDG 12 - Responsible consumption and production 	• 12.2: By 2030, achieve sustainable management and rational use of natural resources.	Supporting our clients in their sustainable development projects is an integral part of the service offering, in order to encourage behavioral changes and move towards new models. Increased internal awareness of employees in many countries, on best practices and eco-gestures to reduce all our direct impacts; the French NIBI (No Impact for Big Impact) program will be extended to several countries.	75 agencies using A.L.I.C.E.
SDG 13 - Fight against climate change 	• 13.3: Improve education, awareness and individual and institutional capacities regarding climate change adaptation, mitigation and impact reduction and early warning systems	The Groupe's environmental policy "Net Zero Climate Policy" incorporates the new impact reduction targets for 2030 and 2040 validated by SBTi, aligned with the Paris Agreement and the 1.5°C scenario, for scopes 1+2+3 with a Net Zero target for 2040. The objective of switching to 100% renewable energy from direct sources by 2030 is maintained.	2030 objective: 50% reduction in scopes 1+2+3 2040 objective: 90% reduction in scopes 1+2+3 ENR 2022: 47%
SDG 16 - Peace, justice and strong institutions 	• 16.3: Promote the rule of law at the national and international levels and give everyone equal access to justice • 16.5: Significantly reduce corruption and bribery in all their forms	The Groupe is a defender of human rights and fundamental individual freedoms. The Groupe's ethical principles include the fight against corruption, fraud and conflicts of interest with a Zero Tolerance approach. Training teams in legal changes is key. The Duty of Care Plan extends CSR monitoring to Groupe and agency suppliers.	Advocacy of the Women's Forum in June 2022: Call to Action to G7 Leaders
SDG 17 - Partnerships to achieve the SDGs 	• 17.17: Encourage and promote public partnerships, public-private partnerships and partnerships with civil society, building on the experience acquired and funding strategies applied in this area	Every year, Publicis Groupe monitors which SDG refers 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 Nos. 4, 7, 8, 10, 12, 13, 15, 16 and 17 or Alliance4Youth initiated by Nestlé (SDGs Nos. 4, 5, 8 and 10). The Groupe's advocacy #WorkingWithCancer (WWC) supports SDGs 3, 5 and 8.	510 *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 2022 with ten non-financial rating agencies and among which the Groupe ranks first in its sector in seven of them.

Publicis Groupe is the only Company in its sector to appear in the 2023 Yearbook by S&P.

Publicis Groupe is included in several ESG indices, including: DJSI Europe and DJSI World, FTSE4Good, Euronext CAC40 ESG, CAC40 SBT 1.5, Ethibel Sustainability Index Excellence Europe, ECPI Index.

The Groupe is also subject to annual ESG assessments by numerous agencies and organizations specializing in more social and inclusion issues, such as the Bloomberg GEI Index, TOP 100 Equileap, Ethics & Boards, Ranking of the Feminization of the Governing Bodies of CAC40 companies, WDI.

Details are available on the Groupe's website, www.publicisgroupe.com, in the "About" section.

ESG agencies	Description	2022 Score/Assessment
S&P Global	The rating conducted by Standard & Poor's Global Ratings assesses a Company's ability to prepare for future sustainability risks and opportunities. Publicis Groupe is the leader in its sector.	62/100
MSCI	MSCI (Morgan Stanley Capital International), a non-financial rating agency, provides in-depth research services on ESG topics on thousands of companies. Publicis Groupe is in the TOP 25% of the 69 companies in the sector.	A
FTSE4Good	Created by global index provider FTSE Russell (London Stock Exchange Group), the FTSE4Good indices are used to create and value responsible investment funds. Publicis Groupe is in the Top 5%.	3.7/9
ISS ESG	ISS (International Shareholder Services) allows investors to integrate these criteria into their responsible investment strategy. Among the 123 companies in the sector, Publicis Groupe is in the top decile with the C+ Prime status.	54.57/100
SUSTAINALYTICS	Sustainalytics (Morningstar) assesses the sustainability of listed companies based on their ESG performance. Publicis Groupe ranks 12th out of a sector comprising 288 companies.	10.9
Moody's	Since 2021, VigeoEiris has been part of Moody's ESG Solutions, analyzing ESG and climate criteria. In a sector comprising 28 companies and an average score of 44/100, Publicis Groupe is the leader.	67/100
SUSTCO	SUSTCO (CRD Global) is a rating methodology developed to facilitate investment decisions combining ESG criteria and stock market performance.	49.8/100
CDP	CDP is a non-profit organization that encourages companies to publish their environmental data and analyzes transparency efforts. Publicis Groupe is among the 23% of companies that achieved "Management" level.	B
Bloomberg	Bloomberg provides a variety of proprietary scores that investors can use to assess companies' ESG performance. Publicis Groupe holds a leading position.	54.88/100
ecovadis	EcoVadis analyzes the application of ESG policies in Company practices, with a particular focus on the value chain. Publicis Groupe is among the top performing companies and leads its sector.	85/100

4.6 ESG REPORTING METHODOLOGY

Scope and process

CSR/ESG reporting is based on social, societal and environmental indicators collected in 784 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. It is based on the collection and consolidation of **actual data collected at the level of each subsidiary/entity**. However, some 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 97.5% of headcount;
- electricity: coverage rate of 97.7% of headcount;
- water: coverage rate of 94.3% of headcount;
- waste: coverage rate of 75.7% of headcount;
- paper: coverage rate of 80.2% of headcount;

2022 CSR reporting focuses on the period from January 1 to December 31, 2022 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 collected *via* Career Settings, the human resources reporting system (HRIS – Human Resource Information System). The data included in this system are the responsibility of the Chief Talent Officer (CTOs or Human Resources Managers) of the agencies and countries, in charge of data verification. Backed by Career Settings, Career Conversation makes it possible to carry out and monitor employee assessments and the various systems for taking stock. Lastly, Marcel and Marcel Classes are also used to consolidate data related to employee training.

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 calculated for greenhouse gas emissions 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.

Automatic exclusions: as every year, subsidiaries acquired on or after July 1, 2022 are not included in the 2022 CSR/ESG reporting; they will be included in the 2023 reporting.

Governance of the CSR/ESG reporting process

Since May 2021, the Supervisory Board has had an ESG Committee. Chaired by Suzan LeVine, it met twice in 2022 (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 regular monitoring of demographic, social and diversity indicators. Certain topics related to talent and diversity are regularly discussed during Supervisory Board meetings. Groupe and structuring projects on the three ESG priorities are validated by the Management Board.

A summary of CSR/ESG key indicators is presented to the General Shareholders' Meeting annually.

The CSR Department manages a CSR Steering Committee internal grouping of the Groupe's main corporate functions (finance, HR, internal audit, legal, purchasing, risk management, etc.) which covers all key areas included in CSR or non-financial reporting. The CSR Steering Committee plays a role in the detailed work done on integrated reporting. The CSR Department is also supported by external firms such as Ecoact on environmental issues and Bureau Veritas on issues of measurement and methodology related to greenhouse gas emissions. 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 2022 CSR Reporting Guidelines, is updated annually; it approves 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 has been distributed to a cross-functional working group of roughly 100 people and more than 1,000 contributors during preparatory online sessions held from October 2022 to January 2023. 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. Grant Thornton auditors carried out 107 so-called "on-site" audits in the branches (sometimes 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, United Arab Emirates, Mexico, Singapore, *i.e.* 17 countries representing 53% 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.

The external auditors presented their findings to the Supervisory Board's ESG Committee.

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 of said Code 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 Duty of Care Law 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 ten principles (GRI 101). The 2022 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, since 2017 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 **Sustainability Accounting Standards Board** (SASB) 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- and market-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.
12. in anticipation of the entry into force of the European CSRD, this reporting also took into account elements appearing in the **ESRS – European Sustainability Reporting Standards** established in 2022 by the EFRAG (European Financial Reporting Advisory Group).

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 CROSS-REFERENCE TABLES

DNFP: 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.

	Chapter
I. The Company's business model	Introduction; 1.3
II. Analysis of Company risks	2.1; 4; 4.2.4; 4.3.1
Main risks associated with the Company's business activity	2.1; 4; 4.2.4; 4.3.1
Policies implemented to mitigate, and prevent the occurrence of, these risks	2.1; 4; 4.2.4; 4.3.1
Outcome of these policies, including key performance indicators	2.1; 4; 4.2.4; 4.3.1
III. A – Declaration of relevant disclosures associated with the main risks/measures mentioned in II	2.1; 4; 4.2.4; 4.3.1
1 – Employee-related information	
Employment	
Total headcount and breakdown of employees by gender, age and geographic region	Introduction; 4.1
Hiring and lay-off	4.1
Compensation and trends	3.2; 4.1.5
Organization of work	
Organization of working hours	4.1.2; 4.1.5
Absenteeism	4.1; 4.1.3
Health and safety	
Health and safety conditions in the workplace	4.1.3
Frequency and severity of workplace accidents and occupational illnesses	4.1.3
Labor relations	
Organization of social dialog, employee information, consultation and negotiation procedures	4.1.4
Review of collective agreements	4.1.4
Training	
Training policies implemented, including on environmental protection	4.1.2
Total number of training hours	4.1.2
Gender equality	
Measures taken to promote gender equality	3.1.6; 4.1.1
Measures taken to promote the employment and inclusion of people with disabilities	4.1.1
Anti-discrimination policy	4.1.1
2 – Environmental information	
General environmental policy	
Environmental issues taken into consideration	4.3
Environmental assessment or certification	4.2.10
Resources devoted to the prevention of environmental risks and pollution	4; 4.3.1.2
Circular economy	
Waste prevention and management	4.3.4
Preventive measures, recycling, reuse and other forms of waste recovery and disposal	4.3.4

	Chapter
Measures to combat food waste	4.3.4
Sustainable use of resources	
Water consumption and water supply	4.3.4
Consumption of raw materials	4.3.4
Measures taken with the aim of using raw materials more efficiently	4.3.4
Energy consumption and measures taken to improve energy efficiency	4.3.4
Use of renewable energy sources	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	4.3.3
Measures taken to adapt to the consequences of climate change	4.3.1
Voluntary medium- and long-term reduction targets set to reduce greenhouse gas emissions, and means implemented	4.3.1; 4.3.2; 4.3.3
Protection of biodiversity	
Measures taken to protect or restore biodiversity	4.3.4; 4.3.6
3 – Societal information	
Societal commitments to sustainable development	
• Impact of the Company's business activity in terms of local employment and development	Introduction; 4.1.7
• Impact of the Company's business activity on neighboring or local communities	4.2.9
• Relations with the Company's stakeholders and means of dialog	Introduction; 4.2.9
Partnership or philanthropic initiatives	4.1.6; 4.2.9
Subcontracting and suppliers	
Consideration of social and environmental issues in procurement policy	4.2.7
Consideration of social and environmental responsibility in relations with suppliers and subcontractors	4.2.7
Fair trade	
Measures taken to promote consumer health and safety	4.2.2
Specific information	
Information on combating corruption and measures taken to prevent corruption	4.2.5; 4.2.6
Information on combating tax evasion; measures taken to prevent tax evasion	4.2.9.5
Information on human rights with reference to the International Labour Organization's fundamental conventions in relation to	
The respect of freedom of association and the right to collective bargaining	4.1.4
Ending discrimination in respect of employment and occupation	4.1.1
Ending forced or compulsory work	4.2.4.4
The effective abolition of child labor	4.2.4.4
Other human rights initiatives	4.2.4.4
Information not published as not relevant or not subject to any significant risk – See Compliance	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*	

TCFD (Task Force on Climate-related Financial Disclosures)

Topics	Chapter
Governance	
1. Oversight by the Supervisory Board of climate-related risks and opportunities	3.1; 4
2. Role of General Management in assessing and managing climate-related risks and opportunities	2.2.1; 2.2.4
Strategy	
1. Risks and opportunities related to the climate, identified in the short, medium and long term	4.3.1
2. Impact of climate-related risks and opportunities on the Groupe's business, strategy and financial forecasts	4.3.1
3. Resilience of the Company's strategy, taking into account different climate-related scenarios	4.3.1
Risks and opportunities	
1. Procedures to identify and assess climate-related risks	4; 4.3.1
2. Procedures to manage climate-related risks	4; 4.3.1
3. Integration of procedures to identify, assess and manage climate-related risks in the Groupe's overall risk management	2; 4; 4.3.1
Indicators	
1. Indicators used to assess climate-related risks and opportunities, in line with the Groupe's risk management strategy and procedure	4.3.1; 4.3.2
2. Scope 1, Scope 2 and Scope 3 greenhouse gas emissions and associated risks	4.3.4
3. Objectives used to manage risks and/or opportunities related to the Groupe's climate and performance in relation to its objectives	4.3.2

4.8 REPORT BY THE INDEPENDENT THIRD-PARTY ORGANISATION ON THE CONSOLIDATED NON-FINANCIAL STATEMENT

Included in the Groupe management report.

For the year ended December 31, 2022

This is a free English translation of the report by the independent third-party organisation issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the shareholders,

In our capacity as the independent third-party body ("third party") of Publicis Group, accredited by COFRAC (Cofrac Inspection accreditation no. 3-1080, scope available on the website www.cofrac.fr), we conducted our work in order to provide a limited assurance on the historical information (observed or extrapolated) of the extra-financial performance statement, prepared in accordance with the entity's procedures (hereinafter the "Guidelines"), for the year ended December 31, 2022 (hereinafter the "Information" and the "Statement" respectively), presented in the management report in accordance with the provisions of Articles L. 225-105-1, R. 225-105 and R. 225-105-1 of the French Commercial Code.

It is also up to us to express, at the request of the entity and outside the scope of accreditation, a reasonable assurance conclusion that the information selected by the entity and identified in footnote have been established, in all material respects, in accordance with the Guidelines.

Reasoned opinion on the conformity and sincerity of the Declaration

Conclusion

Based on the procedures we performed, as described in the "Nature and scope of our work" section, and on information we obtained, nothing has come to our attention that causes us to believe that the non-financial performance statement is not in compliance with the applicable regulatory requirements and that the information, taken as a whole, is presented fairly in accordance with the Guidelines.

Preparation of the non-financial statement

The absence of a generally accepted and commonly used framework or established practice on which to base the evaluation and measurement of Information allows for the use of different, but acceptable, measurement techniques that may affect comparability across entities and over time.

Therefore, the Information should be read and understood with reference to the Guidelines, the significant elements of which are presented in the Statement (or available on the website or upon request from the entity).

Limitations inherent in the preparation of Information

As indicated in the Declaration, the Information may be subject to uncertainty inherent in the state of scientific or economic knowledge and in the quality of the external data used. Certain information is sensitive to the methodological choices, assumptions and/or estimates made in preparing it and presented in the Statement.

The entity's responsibility

- selecting or establishing appropriate criteria for the preparation of the Information;
- preparing a Statement in accordance with legal and regulatory requirements, including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies applied with regard to these risks and the results of these policies, including key performance indicators and, in addition, the information required by Article 8 of Regulation (EU) 2020/852 (green taxonomy);

- preparing the Statement in accordance with the entity's reporting framework referred to above;
- implementing the internal control that it deems necessary for the preparation of information that is free from material misstatement, whether due to fraud or error.

The Statement has been prepared by applying the Company's procedures (hereinafter the "Guidelines"), the significant elements of which are set out in the Statement.

Responsibility of the independent third-party body

On the basis of our work, our responsibility is to provide a report expressing a limited assurance conclusion on:

- the compliance of the Statement with the provisions of article R. 225-105 of the French Commercial Code;
- the fairness of the historical information (observed or extrapolated) provided pursuant to 3° of I and II of Article R. 225-105 of the French Commercial Code, namely the results of policies, including key performance indicators, and actions, relating to the main risks.

As it is our responsibility to form an independent conclusion on the Information as prepared by management, we are not authorized to be involved in the preparation of this Information, as this could compromise our independence.

It is not our responsibility to express an opinion on:

- the entity's compliance with other applicable legal and regulatory requirements (in particular with regard to the information required by Article 8 of Regulation (EU) 2020/852 (green taxonomy), the Vigilance plan and the fight against corruption and tax evasion);
- the truthfulness of the information provided for in Article 8 of Regulation (EU) 2020/852 (green taxonomy);
- the compliance of products and services with applicable regulations.

Regulatory provisions and applicable professional doctrine

Our work described below was performed in accordance with the provisions of Articles A. 225-1 et seq. of the French Commercial Code and the professional guidance issued by the *Compagnie Nationale des Commissaires aux Comptes* (CNCC) relating to this type of engagement, in particular the technical notice issued by the CNCC, *Intervention du Commissaires aux Comptes - Intervention de l'OTI - Déclaration de performance extra-financière*, with our audit program used for the mission, and with the International Standard on the Evaluation of Financial Information (ISAE) No. 3000 (Revised).

Independence and quality control

Our independence is defined by the provisions of Article L. 822-11 of the French Commercial Code and the Code of Ethics of the Statutory Auditors. In addition, we have implemented a quality control system that includes documented policies and procedures designed to ensure compliance with applicable laws and regulations, ethical rules and professional guidance issued by the French Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this engagement.

Means and resources

Our work was carried out by a team of fifteen people between December 2022 and March 2023, for a duration of approximately sixteen weeks.

We called upon our specialists in sustainable development and social responsibility to assist us in our work. We conducted about 20 interviews with the people responsible for the preparation of the Declaration, representing among Executive Management, Human Resources, Investor Relations, Internal Audit, Legal, Data Protection and IT security, Procurement, and CSR departments.

Nature and scope of work

We planned and performed our work considering the risks of material misstatement of the Information.

In our opinion, the procedures we have performed in the exercise of our professional judgment enable us to provide a moderate level of assurance.

In this respect:

- we analyzed the activities of all the companies included in the scope of consolidation and the main social and environmental risks associated with these activities;
- we assessed the appropriateness of the Guidelines in terms of its relevance, completeness, reliability, neutrality and understandability, taking into account, where appropriate, best practices in the sector;
- we verified that the Statement presents the information required by II of Article R. 225-105 when relevant to the principal risks and that the Statement includes, where applicable, an explanation of the reasons for the absence of the information required by the second paragraph of III of Article L. 225-102-1;
- we verified that the Statement presents the business model and principal risks of all entities included in the scope of consolidation, including, where relevant and proportionate, the risks created by its business relationships, products or services, as well as policies, actions and results, including key performance indicators;
- we consulted documentary sources and conducted interviews to:
  - assess the process for selecting and validating the main risks and the consistency of the results, including the key performance indicators selected, with the main risks and policies presented;
  - corroborate[1] the qualitative information (actions and results) that we considered most important;
- we verified that the Statement covers the consolidated scope, i.e. all the entities included in the scope of consolidation in accordance with Article L. 233-16;
- we analyzed the internal control and risk management procedures implemented by the entity and have assessed the collection process aimed at ensuring the completeness and fairness of the information;
- for the key performance indicators and other quantitative results that we considered most important[2], we performed:
  - detailed tests on a test basis, consisting of verifying the correct application of definitions and procedures and reconciling the data with supporting documents. This work was carried out on a selection of contributing entities[3] and covered between 48% and 53% of the consolidated data selected for these tests;

(1) **Qualitative information:** governance of ESG issues, analysis and management of ESG risks, public engagements of the Group for inclusion (Women Empowerment Principles, actions in United-States, OneinThreeWomen,...), internal affinity network (VivaWomen !), local actions (United-States, India, France, United Kingdom, South Africa), Le Studio program, Le Grand Studio program and Marcel LAB Creation program, #WYW – Work Your World, initiatives for parental leaves, well-being at work, PRISMS, Brand Integrity Workshop, ALICE, Razoscan, 37001 certifications.

(2) **Quantitative information**:
Diversity, Equity & Inclusion and Fight for Social Justice: total headcount, % women (on agency Comex, CEOs of agencies, in senior positions), number of employees trained during the year, number ot training hours (e-learning and face-to-face), number of employees on parental leave, number of employees with medical coverage, absenteeism rate, frequency rate and severity rate of accidents at work, turnover rate, results of the employee satisfaction survey;
Responsible Marketing & Business Ethics: number of employees participating in Pro Bono campaigns, number of employees trained in Janus, financial value of the donation of working time, number of customer satisfaction survey, results of supplier CSR assessments;
Fight for Climate Change: energy consumption and associated CO_2 emissions, refrigerant leakage and associated CO_2 emissions, business travel and associated CO_2 emissions, water consumption, quantity of non-recycled waste.

(3) Germany: Publicis Media Duesseldorf, Saatchi & Saatchi Duesseldorf, Leo Burnett Frankfurt, Starcom Germany, Digitas Pixelpark Berlin, Metadesign GmbH, PS DE Shared Capabilities;
Berlin, Metadesign GmbH, PS DE Shared Capabilities;
Australia: ANZ HQ, LeoBurnett Australia, Mediavest Spark Australia, Starcom Australia, Zenith Australia, PS AU Shared Capabilities;
Brazil: DPZ&T, Publicis Brazil Communication;
Canada: PS CA Shared Capabilities, Publicis Canada, Leo Burnett Canada agency, Starcom Toronto;
China: China country HQ, P&G One China, Starcom China, Zenith China;
Colombia: PGD Colombia, SMG Colombia, Leo Burnett Colombia, PMX Colombia;
Costa-Rica: PGD Costa Rica, Re:Sources Costa Rica BS;
United Emirates: PS AE Shared Capabilities, LB Dubai Agency, Saatchi & Saatchi Dubai, Starcom UAE, PME Optimedia, Spark Foundry FZ-LLC;
Spain: Publicis Comunicacion Espana S.L.U., Starcom, MediaVest Group Iberia S.L.U., Zenith Spain;
United-States: AEDMI-Automotive, AEDMI-Platform CRM, AEDMI-Platform Other, NVMED-CRM, Digitas Agencies, PS HQ US, PS US GS Public Sector, PS US Shared Capabilities, Arc USA, LB USA Brand Advertising, SC USA Division, Digitas Health, Publicis Health Media, Mediavest USA, PMX Center, Publicis - New York agency, S&S Wellness;
France: Epsilon France, PS FR Shared Capabilities, Publicis Luxe, Publicis Media France, Prodigious France, Publicis Conseil - Base Agency, Mediagare, Metrobus, Metrobus Ile De France;
Italia: LB Milan Agency, Publicis Italy agency, Starcom MediaVest Group Italia S.R.L., Trading Italy, Zenith Italy S.r.l.;
India: EPSIN-Agility Loyalty, EPSIN-Automotive, EPSIN-DX Services, EPSIN-Email Services, EPSIN-Epsilon Overhead, EPSIN-Loyalty, EPSIN-Platform CRM, Digitas Mumbai, Hanmer MSL, Performics.Convonix India, Re:Sources India Gurgaon Sapient BS, Re:Sources India Gurgaon Sapient IT, LB Bombay, PGD India, PS HQ India, PS IN Shared Capabilities;
Mexico: Lion Communications Mexico, MediaVest Worldwide Mexico City, Optimedia Mexico, SC Mexico;
Poland: Publicis Poland (agency), Re:Sources Poland BS, Spark Foundry Poland;
United Kingdom: PS GB Shared Capabilities, PS HQ UK, LB London Agency, Prodigious UK TFG, S&S UK, Spark Foundry Limited, Starcom UK, Zenith International Ltd, Zenith UK, DigitasLBi Limited, Publicis Health UK, Publicis.Poke;
Singapore: Publicis Media Singapore, PG One Singapore, Publicis Creative Singapore.

- we assessed the overall consistency of the Statement with our knowledge of all the entities included in the scope of consolidation.

We believe that the work we performed in the exercise of our professional judgment enables us to provide a limited level of assurance; a higher level of assurance would have required more extensive audit work.

Reasonable Assurance Report on the Selected Information

Conclusion

In our opinion, the Selected Sustainability Information[1] by the entity has been prepared, in all material respects, in accordance with the reporting protocol.

Nature and scope of work

Concerning the Information Selected[4] by the entity, we carried out work of the same nature as that described in paragraph 1 above for the key performance indicators and the other quantitative results that we considered the most important, but in a more thorough, especially with regard to the extent of the tests.

The selected sample thus represents 48 to 53% of the Selected Information.

We believe that this work allows us to express reasonable assurance on the Selected Information.

Neuilly-sur-Seine, 14th April 2023

One of the Statutory Auditors

French member of Grant Thornton International

Grant Thornton

Partner

Vincent Frambourt

(1) Diversity, Equity & Inclusion and Fight for Social Justice: total headcount, % women (on agency Comex, CEOs of agencies, in senior positions), number of employees trained during the year, number ot training hours (e-learning and face-to-face), number of employees on parental leave, number of employees with medical coverage, absenteeism rate, frequency rate and severity rate of accidents at work, turnover rate, results of the employee satisfaction survey;
Responsible Marketing & Business Ethics: number of employees participating in Pro Bono campaigns, number of employees trained in Janus, financial value of the donation of working time, number of customer satisfaction survey, results of supplier CSR assessments;
Fight for Climate Change: energy consumption and associated CO2 emissions, refrigerant leakage and associated CO2 emissions, business travel and associated CO2 emissions, water consumption, quantity of non-recycled waste.

CHAPTER

5 COMMENTARY OF THE FINANCIAL YEAR

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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 Chapter 2 "Risks and risk management".

5.1 INTRODUCTION

The global economy grew 2.8% in 2022, a return to normal after an upswing of 6.8% in 2021 and a 3.7% drop in 2020. Economic growth in 2022 reflects a combination of multiple factors. First and foremost, **the economic catch-up** linked to the end of health restrictions was still marked in developed countries, particularly in Europe, whereas the opposite phenomenon was observed in China due to the adoption of the "zero Covid" policy. Secondly, **the confirmation of price rises**, particularly for energy and food, exacerbated by the Ukrainian crisis, had a direct impact on household purchasing power. Measures to support consumption, particularly in Europe, largely helped to offset the effects of inflation on growth. Finally, tight monetary policies prompted sharp increases in regulated and market rates, which began to curb economic activity at the end of 2022. Furthermore, **the overall labor market was strong**, with confirmed labor shortages in many sectors, fuelling wage growth and weighing on activity. This global growth, which is more in line with long-term averages, covers varying situations in different geographic regions. **With a growth rate of 3.2%, the euro zone outperformed the USA** (up 1.9%), with growth curbed by lower public spending and higher interest rates, **and China** (up 3%), affected by the "zero Covid" policy. The strong recovery of the tourism sector, finally free from health restrictions, boosted growth in southern European countries (Italy up 3.8%, Spain up 4.6%), while Germany (up 1.8%) suffered due to its industry-focused economy and its dependence on Russian gas and Central European countries. France was in between (up 2.5%). UK GDP grew 4.3%, partly due to a stronger "Covid catch-up" effect and an increase in its public deficit, in contrast to other major developed countries.

In the USA, GDP growth was negative in the first and second quarters (-1.6% and -0.6% respectively), before recovering in the third quarter (up 3.2%). During the full year, GDP is expected to grow 1.9%, after the 5.9% upswing in 2021. While it was in a "technical" recession (two consecutive declines in GDP at an annualized quarterly rate) in the first half of the year, mainly due to the impact of Covid variants on business and supply chain problems, the US economy returned to growth in the second half of the year despite the major change in monetary policy announced by the Federal Reserve. Faced with a rise in inflation that was initially considered temporary, the Fed opted for a very rapid and significant increase in its key rates, which rose from 0.25% to 4.5% between March 16 and December 26, 2022, staggered over a total of seven hikes, a 40-year high. Meanwhile, having reached 6.8% in March, inflation peaked at 7% in June before dropping to 5.5% in November 2022 (PCE Price Index, Personal Consumption Expenditures). Despite the rise in prices and interest rates, household consumption, which remains by far the largest component of US GDP, is expected to grow 2.7% in 2022, nearly 1% more than GDP growth: US consumers continue to dip into their savings and take on debt. Public spending dipped 0.9% in 2022, contributing to the general economic slowdown; the public deficit shrank from 12.3% in 2021 to 5.5% in 2022. Business investment rose 3.8%, and the unemployment rate remained particularly low. Conversely, household investment in residential property fell by 9.8%, mainly from the third quarter onwards, due to the combination of higher financing rates and the sharp rise in the cost of building materials. The contribution of foreign trade remained negative, as imports grew faster than exports.

In the euro zone, GDP rose 3.2%. The region benefited from a more significant post-Covid catch-up than in the USA, and from the alleviation of supply chain problems and shortages. Nevertheless, the growth trend slowed steadily and significantly over the course of the year. The labor market remained strong, and the unemployment rate was very low, which is symptomatic of a generally healthy economy. Within the euro zone, household consumption, combined with near-full employment, explains the solid annual performance of 3.9% growth, while public spending increased by just 0.9%: the public deficit expressed as a percentage of GDP shrank from 5.1% in 2021 to 3.8% in 2022. Business investment grew in line with GDP, while the contribution of foreign trade fell significantly due to the sharp rise in energy prices: following a strong surplus of 2.3% of GDP in 2021, 2022 marked a 0.5% deficit in the euro zone's balance of payments. Starting in August and mirroring the USA, the ECB decided to raise its key rates from 0% to 2.5% at the end of December 2022 due to persistent inflation (10.6% at the end of October, 9.2% at the end of December, or 6.9% excluding volatile components of the index). In terms of countries, **Germany's** economic performance (up 1.8%) was below the euro zone average, due to its greater exposure to energy prices and exports to China, Central Europe and Russia. **France's** GDP (up 2.5%) performed

better due to greater support from public spending and less exposure to exports. **Italy** (up 3.8%) and especially **Spain** (up 4.6%) posted the highest growth figures in 2022, mainly due to their greater exposure to tourism revenues resulting in a more impactful economic reopening post-Covid.

UK GDP grew 4.3%, outperforming the euro zone and the USA. This economic growth is partly attributable to the increase in public spending and, unlike the other major Western developed countries, an increase in public deficit from 5.4% to 6% of GDP. Household consumption increased by 4.7%, while the balance of payments deficit widened sharply (from 1.5% to 5.5% of GDP). This unsustainable trajectory led to a financial and political crisis, the resignation of Liz Truss, and the implementation of a more balanced monetary and financial policy. As in Europe and the USA, inflation reached 40-year highs and the Bank of England pursued a tight monetary policy by raising interest rates.

China experienced a significant economic slowdown, with GDP growth falling from 8.1% in 2021 to 3% in 2022, the lowest figure since the 1970s. The "zero Covid" policy implemented in 2022 led to lockdowns in highly populated regions, which brought a significant part of China's manufacturing infrastructure to a standstill. In addition, a worsening crisis in the real estate and construction sector, which accounts for more than a quarter of economic activity, reinforced recessionary trends in the country. Inflation rose from 0.9% in 2021 to only 2% in 2022. In response to social unrest and growing awareness of the harmful economic consequences of the "zero Covid" policy, the government decided to reopen the economy almost completely at the end of the year. The health situation deteriorated very quickly, but the economic outlook is improving in light of the full reopening of the economy in 2023.

The price of oil and energy soared at the beginning of 2022 due to the start of Russia's military operations in Ukraine in February. Prices fell throughout the second half but remained tight at the end of the year due to the embargo on Russian oil and OPEC's policy of maintaining prices at high levels. Underinvestment in upstream oil over the past 10 years also explains supply-side problems.

In this complicated macroeconomic environment and concerned about a potential recession, the advertising market continued to grow in 2022. According to Zenith's December 2022 forecasts, global advertising spend grew 7.3% in the year, to reach 846 billion dollars. Although lower than the June 2022 forecast, growth in 2022 remained at a historically high level, especially since it followed a 16% increase in 2021.

Advertisers have continued to increase their investments in technology, infrastructure and advertising after a pandemic that has profoundly transformed consumption habits and prompted companies to transform.

For 2023 and despite the macroeconomic difficulties that remain, Zenith anticipates a good global advertising market, with budget growth of around 4.5% year-on-year. This increase should be driven in particular by the strong development of new channels such as Retail Media or the potential to advertise video-on-demand services. According to Zenith, advertising spend should accelerate in 2024 to grow by 7.2% including the impact of several events, including the presidential elections in the United States and the Olympic Games.

In this context, the Groupe continued to deploy its services and products through a unique business mix and positioning, to help its customers transform their marketing and business model.

This enabled the Groupe to record another record year in 2022 for all its indicators.

In 2022, the Groupe's net revenue came in at euro 12,572 million compared to euro 10,487 million in 2021, up +20% on a reported basis and +10.1% organically.

Operating margin was euro 2,266 million, an increase of +23% year-on-year, resulting in an operating margin rate of 18.0%, 50 basis points higher than in 2021.

The Groupe's net income was euro 1,222 million, up 19.0% compared to 2021.

Headline net income (as defined in Note 10 of the consolidated financial statements) stood at euro 1,611 million, compared to euro 1,264 million in 2021. Diluted headline net income per share was 6.35 euros, an increase of 26.5% compared to 2021.

The balance sheet as of December 31, 2022 showed net cash of euro 634 million compared to net financial debt of euro 76 million as of December 31, 2021. Average net financial debt stood at euro 685 million in 2022 compared to euro 1,530 million in 2021.

The dividend that will be proposed to the General Shareholders' Meeting of May 31, 2023 is 2.90 euros per share. As a percentage of diluted headline earnings per share, it represents a pay-out ratio of 45.7%, in line with the 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 5, 2023, entirely in cash.

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
2021 net revenue	**10,487**
Impact of exchange rates	864
2021 net revenue at 2022 exchange rates (A)	**11,351**
2022 net revenue before impact of acquisitions[1] (B)	**12,495**
Net revenue from acquisitions[1]	77
2022 net revenue	**12,572**
Organic growth (B – A) / A	**10.1%**

(1) Net of disposals

Organic growth was +10.1% in 2022, double-digit for the second consecutive year.

Organic growth for each quarter in 2022 was:

- first quarter: +10.5%;
- second quarter: +10.3%;
- third quarter: +10.3%;
- fourth quarter: +9.4%.

5.3 ANALYSIS OF CONSOLIDATED INCOME STATEMENT

5.3.1 Net revenue

Publicis Groupe's net revenue for the full year 2022 was euro 12,572 million, up 19.9% compared to euro 10,487 million in 2021. This included a euro 864 million positive impact from Exchange rate variations and a euro 77 million positive impact from acquisitions (net of disposals).

Organic growth was +10.1% in FY 2022 compared to 2021. Compared to 2019, this implied organic growth of +13%, accelerating in H2 at +15% after +11% in H1.

With organic growth at double-digit again in 2022, the Groupe continued to show its ability to capture the structural shifts in the industry towards first-party data management, digital media, commerce, and business transformation. This is visible through the rise in organic growth at Epsilon and Publicis Sapient globally, up +12.0% and +18.5% respectively, both again very accretive to the Groupe's performance. It was also visible through the momentum of the Groupe's Media and Creative operations, which organically grew double-digit and mid-single digit respectively.

/ Breakdown of FY 2022 net revenue by region

The following table shows the evolution of net revenue in Publicis Groupe main markets.

	Net revenue		Growth		
(in million of euros)	FY2022	FY2021	Reported	Organic vs. 2021	Organic vs. 2019
North America	7,869	6,368	+23.6%	+9.9%	+18%
% du total	63%	61%			
Europe	2,879	2,534	+13.6%	+12.3%	+7%
% du total	23%	24%			
Asia Pacific	1,176	1,038	+13.3%	+6.5%	+10%
% du total	9%	10%			
Middle East & Africa	359	304	+18.1%	+7.5%	+6%
% du total	3%	3%			
Latin America	289	243	+18.9%	+10.4%	+11%
% du total	2%	2%			
Total	**12,572**	**10,487**	**+19.9%**	**+10.1%**	**+13%**

In **North America**, net revenue was up +23.6% on a reported basis in 2022, including a significant positive impact of the US dollar to euro exchange rate. On an organic basis, the region grew by +9.9%. The US were also up +9.9% organically, a performance similar to the previous year. Epsilon saw its net revenue increase by +12.2% on the year, with particularly strong performance in Digital Media. Publicis Sapient generated organic growth of +17.5%, capturing strong demand in digital business transformation, after a +20% increase in 2021. Creative activities were up mid-single digit and Media double-digit on the year.

Net revenue in **Europe** grew +13.6% on a reported basis and +12.3% on an organic basis, including +22.3% in the United Kingdom, +8.5%(1) in France and +4.3% in Germany. Central and Eastern Europe grew by +10.3% organically despite the activity in Ukraine being virtually stopped. Excluding the impact of specific outdoor media activities and the Drugstore, organic growth was +12.8% in Europe.

Asia Pacific saw its net revenue grow +13.3% on a reported basis and +6.5% on an organic basis. China organic growth accelerated throughout the year and recorded +6.6% in 2022, supported by new business and despite the lockdowns.

The **Middle East and Africa** region was up +18.1% on a reported basis and +7.5% organically.

In **Latin America**, reported growth was at +18.9% while organic growth was at +10.4%.

(1) Excluding Outdoor Media activities & the Drugstore

5.3.2 Operating margin and operating income

Operating margin

EBITDA amounted to euro 2,801 million in 2022, compared to euro 2,317 million in 2021, up 20.9%. EBITDA was 22.3% as a percentage of net revenue (compared to 22.1% in 2021).

Personnel costs totalled euro 8,211 million in 2022, up by 23.7% from euro 6,639 million in 2021. As a percentage of net revenue, the personnel expenses represented 65.3% in 2022, compared to 63.3% in 2021. Fixed personnel costs were euro 7,109 million representing 56.5% of net revenue versus 54.6% in 2021. The cost of freelancers rose by euro 64 million in 2022, representing euro 456 million. Restructuring costs reached euro 82 million, up from the low 2021 level of euro 53 million.

Other operating costs (excluding depreciation & amortization) amounted to euro 3,184 million, compared to euro 2,782 million in 2021. This represented 25.3% of net revenue compared to 26.5% in 2021. The agile structure of the Groupe allowed to contain G&A costs in a context of top line increase. In addition, the accounting treatment linked to the renewal of two large outdoor media contracts for 5 and 10 years, as mentioned in 2021 accounts, resulted in a technical c. 75 basis point impact, entirely offset in depreciation; those contracts were accounted for as cost of sales in 2021, and are now accounted for as right of use and lease liability leading to depreciation.

Depreciation and amortization expense was euro 535 million in 2022, up euro 58 million compared to 2021. This increase reflects the combination of foreign exchange rates and the offsetting of the Outdoor Media contract renewal described above, partly mitigated by our actions over the last years to optimize our real estate footprint.

The **operating margin** amounted to euro 2,266 million, up +23.2% compared to 2021. This represents a margin rate of 18.0%, up 50 basis points from 17.5% in 2021.

Operating margin rates were 18.8% in North America, 16.1% in Europe, 21.2% in Asia-Pacific, 8.7% in Latin America and 14.2% in the Middle East Africa region.

Operating income

Amortization of intangibles arising from acquisitions totalled euro 287 million in 2022, up from euro 256 million in 2021. Impairment losses amounted to euro 109 million (euro 122 million in 2021), essentially related to the real estate consolidation plan "All in One", which leads to a reduction in the number of sites, while allowing better collaboration between the teams.

In addition, **net non-current income** is negative at euro 103 million in 2022 (versus a negative euro 28 million in 2021), including an euro 87 million loss linked to the Groupe's exit from Russia as announced in March 2022.

Operating income totalled euro 1,767 million in 2022, after euro 1,434 million in 2021.

5.3.3 Other income statement items

The financial result, comprising the cost of net financial debt and other financial charges and income, was an expense of euro 117 million in 2022, equivalent to that of 2021, euro 118 million.

The net charge on net financial debt was euro 17 million in 2022 (compared to a charge of euro 85 million in 2021). It included euro 102 million of interest largely related to Epsilon's acquisition debt, partly mitigated by interest income of euro 85 million, a euro 71 million increase compared to 2021, reflecting higher cash balances and interest rates, in particular in the U.S.

Other financial income and expenses were a charge of euro 100 million in 2022, notably composed by euro 87 million interest on lease liabilities and 9 million in income from the fair value remeasurement of Mutual Funds. In 2021, other financial income and expenses were a charge of euro 33 million, notably composed of euro 70 million interest on lease liabilities and 42 million in income from the fair value remeasurement of Mutual Funds.

The revaluation of earn-out payments amounted to a loss of euro 2 million compared to a gain of euro 27 million in 2021.

The tax charge is euro 431 million, corresponding to an effective tax rate of 24.8% in 2022. This compared to euro 307 million in 2021, corresponding to an effective tax rate of 23.4%.

The share in profit of associates was an income of euro 5 million (zero in 2021).

Minority interests were negligible compared to an income of euro 9 million in 2021.

Overall, **net income attributable to the Groupe** was euro 1,222 million in 2022, an increase of 19.0% compared to euro 1,027 million in 2021.

5.4 FINANCIAL POSITION AND CASH

5.4.1 Cash flows

Net cash flows from operating activities resulted in a surplus of euro 2,417 million in 2022 compared to a surplus of euro 1,792 million the previous year. Income tax paid totaled euro 430 million in 2022 compared to euro 362 million the previous year. The change in working capital requirements was negative at euro 5 million, compared with euro 216 million in 2021.

Net cash flows 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 investments was a use of euro 749 million in 2022, following a use of euro 405 million in 2021. Net investments in tangible and intangible assets amounted to euro 194 million (including investments relating to the "All in One" real estate plan) compared with euro 136 million in 2021. Investment (net of disposals) in the acquisition of subsidiaries amounted to euro 566 million, including in particular the acquisitions of Tremend, Profitero, Wiredcraft, Yieldify and Retargetly, as well as the euro 49 million negative impact of the disposal of the Russian subsidiary, compared to euro 273 million in 2021.

Financing activities resulted in an outflow of euro 1,000 million in 2022, after an outflow of euro 1,675 million the previous year. Outgoing cash flow is mainly related to the dividends paid which amounted to euro 607 million, compared to euro 236 million in 2021, due to the removal of the option for payment of the dividend in shares, which led to the payment of the dividend fully in cash in 2022. Repayment of lease liabilities and related interest amounted to euro 404 million in 2022 compared to euro 365 million in 2021. Loan repayments amounted to euro 10 million compared to euro 862 million in 2021 (related to the 2021 Eurobond and a medium-term loan of euro 150 million for the acquisition of Epsilon). Interest (net) paid in 2022 amounted to euro 17 million compared to euro 80 million in 2021. Lastly, the (net) buybacks of treasury shares and the exercise of equity warrants ("BSA") generated a cash surplus of euro 127 million over the financial year (compared to a cash utilization of euro 127 million in 2021), mainly related to the share buyback program of 2,500,000 treasury shares, which mainly took place in the last quarter of 2021 for an amount of euro 144 million.

Overall, the **Groupe's cash position** net of bank credit balances increased by euro 968 million during the financial year, compared with a euro 50 million reduction the previous year.

Including lines of credit that can be drawn down on short notice, the **Groupe's available liquidity** amounted to euro 6,616 million at December 31, 2022 compared to euro 5,903 million at December 31, 2021.

Free Cash Flow

The table below shows the calculation of the Groupe's free cash flow:

(in millions of euros)	2022	2021
EBITDA	**2,801**	**2,317**
Financial interest paid (net)	(17)	(80)
Refunding of lease commitments and associated interest	(404)	(365)
Taxes paid	(430)	(362)
Other	51	53
Cash flow from operations before changes in WCR	**2,001**	**1,563**
Investments in fixed assets (net)	(194)	(136)
Free cash flow before changes in WCR	**1,807**	**1,427**
Additional payment in January 2023 of tax for 2022 related to the application of the TCJA regulation	(110)	-
Free cash flow before change in working capital requirement after TCJA paid in 2023	**1,697**	**1,427**

The Groupe's free cash flow, before change in working capital requirements, amounted to euro 1,807 million, up euro 380 million compared to 2021, i.e. +26.6%.

In January 2023, the Groupe paid an additional amount of euro 110 million in respect of the 2022 financial year, reflecting the implementation of the "Tax Cuts and Jobs Act" (TCJA) in the United States, which was confirmed at the end of December 2022. This change in tax legislation requires the capitalization and amortization of R&D expenses in the United States over five years and has no impact on the effective tax rate.

Taking into account this additional payment, the Groupe's free cash flow before change in working capital requirement amounted to euro 1,697 million in 2022, up +18.9% compared to euro 1,427 million in 2021.

Financial interest, including mainly interest on Epsilon's debt and higher financial income due to an average cash balance and higher interest rates, amounted to euro 17 million, a decrease of euro 63 million compared to 2021 (see cash flow). Taxes paid amounted to euro 430 million, excluding the impact of the new US tax legislation "Tax Cuts and Jobs Act", mentioned above, up euro 68 million compared to euro 362 million in 2021. Net investments in fixed assets amounted to euro 194 million, up by euro 58 million compared to euro 136 million in 2021.

The change in working capital requirement was negative at euro 5 million, compared with a negative change of euro 216 million in 2021.

5.4.2 Groupe share capital and debt (long- and short-term)

Consolidated equity attributable to holders of the parent rose from euro 8,588 million at December 31, 2021 to euro 9,635 million at December 31, 2022, as a result of the following:

(+) Net income for 2022: euro 1,222 million

(+) Other comprehensive income, net of tax: euro 322 million

(-) Dividends: euro 603 million

(+) Share-based compensation, net of tax: euro 66 million

(+) (Purchases)/Sales of treasury shares: euro 25 million

(+) Equity warrant exercise: euro 16 million

(-) Other items: euro 1 million

Minority interests were negative at euro 35 million, compared to euro 33 million at December 31, 2021.

/ Net financial debt

(In millions of euros)	12/31/2022	12/31/2021
Financial debt (long-term and short-term)	3,616	3,630
Fair value of hedging derivatives on the 2025, 2028 and 2031 Eurobonds[1]	260	97
Fair value of derivatives hedging intra-group loans and borrowings[1]	106	8
Total financial debt including market value of the associated derivatives	**3,982**	**3,735**
Cash and cash equivalents	(4,616)	(3,659)
Net financial debt	**(634)**	**76**
Net debt/equity (including minority interests)	**n / a**	**0.01**

(1) Presented under "Other receivables and current assets" and/or under "Other creditors and current liabilities" on the consolidated balance sheet.

At December 31, 2022, the Groupe had a positive cash position of euro 634 million, compared to net debt of euro 76 million at December 31, 2021.

The Groupe's average net debt was euro 685 million, versus euro 1,530 million in 2021.

The Groupe's gross debt amounted to euro 3,982 million at December 31, 2022, compared with euro 3,735 million at December 31, 2021. This debt consisted of 82% long-term borrowings (see Note 23 to the consolidated financial statements in Chapter 6 for a detailed maturity schedule of Groupe debt).

Financial liabilities, after taking into account the interest rate swaps on the Eurobonds, are essentially made up of fixed-rate borrowings (97% of the gross debt excluding debt related to long-term equity investments and commitments to buy-out minority interests), with an average rate recognized for 2022 of 2.8%.

Debt breakdown by currency (after currency swaps) as at December 31, 2022 was as follows: euro 3,373 million denominated in euros, euro 170 million denominated in US dollars, and euro 73 million denominated in other currencies.

The table below presents the Groupe's financial ratios for 2021 and 2022:

	2022	2021
(Average net financial debt + average lease liabilities) / operating margin before depreciation and amortization	1.2	1.6
(Net financial debt + lease liabilities) / equity	0.20	0.25
Interest coverage: operating margin before depreciation and amortization / (cost of net financial debt + interest on lease liabilities)	27	15

5.4.3 Terms of borrowings and financing structure of the Groupe

To address liquidity risk, Publicis holds both a substantial amount of cash (cash and cash equivalents) totaling euro 4,616 million as of December 31, 2022 and also undrawn confirmed credit lines representing a total of euro 2,000 million as of December 31, 2022 and corresponding to a multi-currency syndicated credit facility 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 broadly meet its general funding requirements.

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.

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 financing 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.

Publicis has a BBB rating with a stable outlook from the rating agency S&P Global, as well as a Baa2 rating with a stable outlook by Moody's Investors Service. There were no developments in the ratings of these two agencies in financial year 2022.

See also Notes 23 and 29 to the consolidated financial statements (Section 6.6 "Notes to the consolidated financial statements").

5.4.4 Restriction on use of capital

As of December 31, 2022, and at the closing date of the financial statements, 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

The Groupe 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.

Given its cash position and its confirmed unused credit lines amounting to euro 6,616 million at December 31, 2022, the Groupe has the necessary liquidity to meet its operating requirements and investment plan.

5.5 PUBLICIS GROUPE SA (PARENT COMPANY OF THE GROUPE)

Operating income totaled euro 91 million in 2022, compared with euro 76 million in 2021. It includes revenue, comprised of real estate rent and fees for assistance services contracted by Groupe subsidiaries, totaling euro 24 million (compared with euro 29 million in 2021) and rebillings and other income totaling euro 67 million (compared with euro 48 million in 2021), most of these items have no impact on the Company's income, as they have an offsetting entry in operating expenses.

Operating expenses for the financial year amounted to euro 87 million in 2022 compared with euro 69 million the previous year.

Financial income amounted to euro 95 million at December 31, 2022 compared to euro 106 million the previous year. This decrease is mainly due to the decrease in dividends received in 2022 (- euro 10 million) compared to the previous financial year.

Financial expenses totaled euro 69 million in 2022, compared with euro 73 million the previous year. The decrease is mainly due to the repayment of the 2021 Eurobond in December 2021, which therefore no longer generates a financial cost in 2022, and whose impact was partially offset by the increase in the interest expense relating to the Groupe's cash pool.

Pre-tax profit was a positive euro 29 million in 2022, compared with a positive euro 41 million the previous financial year.

Exceptional **items** generated a loss of euro 4 million. There were no exceptional items in financial year 2021.

After inclusion of a euro 6 million **net tax gain**, comparable to that of 2021, resulting from tax consolidation in France, the **net income** of Publicis Groupe, the Groupe's parent Company, was profit of euro 31 million at December 31, 2022 compared to euro 47 million at December 31, 2021.

/ 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 (1 day or more)
(A) Late payment tranches						
Number of invoices involved	-					17
Total amount of invoices involved, inc. tax (in euros)	-	202,349	19,237	19,237	87,776	328,598
Percentage of revenue, inc. tax, for the financial year	-	0.22%	0.02%	0.02%	0.10%	0.36%
(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 (1 day or more)
(A) Late payment tranches						
Number of invoices involved	-					6
Total amount of invoices involved, inc. tax (in euros)	-	33,321	5,974	6	398	39,700
Percentage of total amount of purchases, inc. tax for the year	-	0.36%	0.06%	0.00%	0.00%	0.43%
(B) Invoices not included in (A) relating to bad debts and receivables or not recognized						
Number of invoices not included						9
Total amount of invoices not included (in euros)						53 492
(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.					

Information on acquisitions and disposals by the Company of its own shares

The liquidity contract with Kepler Cheuvreux ended on September 9, 2022. A new contract was signed with EXANE as of September 12, 2022.

Under the liquidity contract, the Company acquired 4,165,911 shares in 2022 at an average price of euro 54.38, and sold 4,161,487 shares at an average price of euro 54.69.

The trading fees and other expenses incurred by the Company during 2022 for transactions executed pursuant to the share buyback program, authorized by the 20th resolution of the General Shareholders' Meeting on May 26, 2021, and then by the 17th resolution of the General Shareholders' Meeting on May 25, 2022, amounted to euro 66,693.

/ Summary table of trading by the Company in Publicis Groupe SA shares in 2022:

	Deliveries of free share plans	Deliveries of stock options	Procurement (liquidity contract)		Sales (liquidity contract)	
At 12/31/22	**Amount** (in shares)	**Amount** (in shares)	**Amount** (in shares)	**Average price** (in shares)	**Amount** (en actions)	**Average price** (en euros)
Under the 20th resolution of the General Shareholders' Meeting of May 26, 2021	1,089,222	175,876	2,193,000	56.99	2,135,000	57.41
Under the 17th resolution of the General Shareholders' Meeting of May 25, 2022		281,431	1,972,911	51.47	2,026,487	51.81
Total	**1, 089,222**	**457,307**	**4,165,911**	**5,,38**	**4,161,487**	**54.68**

At December 31, 2022, Publicis Groupe SA owned 2,319,795 shares with a par value of euro 0.40, representing 0.91%% of its own share capital, for an overall cost price of euro 137,795,802 and an average price per share of euro 59.40.

These shares are broken down into 57,924 shares held under the liquidity contract and 2,261,871 shares allocated to free share plans or stock options.

Allocation of 2022 net income and setting the dividend

The General Shareholders' Meeting called to approve the 2022 financial statements on May 31, 2023, will be asked to allocate distributable earnings, which consist of:

- net income for the 2022 financial year: euro 31,184,283.42;
- minus allocation to the statutory reserve: euro 33,978.04;
- plus earnings brought forward at December 31, 2022: euro 5,499,373.20;
- total of **distributable earnings: euro 36,649,678.58;**
- to which is added an **amount taken from conversion premiums: euro 700,854,715.42.**

i.e. **a total of euro 737,504,394 distributed to shareholders** (based on a **dividend of euro 2.90 per share** and 254,311,860 shares, including treasury shares, as of December 31, 2022).

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
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	251,129,966	2.40	602.7	59.20	4.05%
2022	**254,311,860**	**2.90[3]**	**737.5**	**59.42**	**4.88%**

(1) Number of shares receiving dividends, after deducting treasury shares, except for the 2022 distribution, which includes treasury shares existing as of December 31, 2022.
(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 vote during the General Shareholders' Meeting of May 31, 2023.

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, the Groupe paid a dividend of euro 2.40 per share for 2021 and will propose to shareholders a dividend of euro 2.90 per share for 2022 at the General Shareholders' Meeting on May 31, 2023. This dividend corresponds to a payout ratio of 45.7% of diluted earnings per share.

5.7 TRENDS

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 November 4, 2003.

The Groupe announced its 2023 outlook during its Full-Year presentation on February 2, 2023.

For the year 2023, the Groupe announced that it expected **organic growth** of +3% to +5%, with the middle of the range corresponding to the average annualized growth rate over the last three years.

The Groupe also announced that it expects to maintain very solid financial ratios in 2023.

On the one hand, **operating margin** is expected to be between 17.5% and 18% as the Groupe continues to invest in its talent and improve its competitiveness while leveraging its efficient structures in a context of inflation.

On the other hand, **free cash flow** is expected to be around euro 1.6 billion[1] in 2023, before change in working capital.

The Groupe published its revenue for the first quarter of 2023 on April 20, 2023, showing a very good start to the year with organic growth of +7.1%.

On this occasion, the Groupe confirmed all the 2023 objectives set in February when the 2022 annual results were published, despite a more uncertain macroeconomic environment. Regarding **organic growth**, the Groupe has indicated its confidence in its ability to reach the top half of the range of +3% to +5% for the full year 2023, thanks to the strong performance of the first quarter and the expectation of a solid second quarter between +3% and +5%. The Groupe reiterated the 2023 guidance for **operating margin rate** and **free cash flow** announced on February 2.

Based on its Free Cash Flow forecast and its solid financial structure, the Groupe set the following allocation for 2023 when publishing its annual results:

- **Dividend** for a total of circa euro 740 million fully paid in cash, corresponding to a euro 2.90 dividend per share that will be submitted to the vote of its shareholders at its next AGM as of May 31, 2023. This corresponds to a 45.7% payout and is a 21% increase compared to prior year.
- An envelope of euro 500 to 600 million for **acquisitions**, stable compared to 2022, to continue strengthening the Groupe's data, tech and commerce capabilities.
- A **share repurchase plan** of circa euro 200 million covering 3 million shares, in order to stabilize the number of shares in circulation. This program intends to cover the obligations related to long term incentive plans granted to employees.
- Further **deleveraging**, by circa euro 100 million.

(1) Based on a Euro/ US dollar exchange rate of 1.08

CHAPTER

6

2022 CONSOLIDATED FINANCIAL STATEMENTS

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6.1 CONSOLIDATED INCOME STATEMENT

(in millions of euros)	Note	2022	2021
Net revenue [1]		**12,572**	**10,487**
Pass-through revenue		1,624	1,251
Revenue		**14,196**	**11,738**
Personnel costs	4	(8,211)	(6,639)
Other operating costs	5	(3,184)	(2,782)
Operating margin before depreciation & amortization		**2,801**	**2,317**
Depreciation and amortization expense (excluding acquisition-related intangible assets)	6	(535)	(477)
Operating margin		**2,266**	**1,840**
Amortization of intangibles from acquisitions	6	(287)	(256)
Impairment loss	6	(109)	(122)
Non-current income and expenses	7	(103)	(28)
Operating income		**1,767**	**1,434**
Financial expense	8	(118)	(115)
Financial income	8	101	30
Cost of net financial debt	8	**(17)**	**(85)**
Revaluation of earn-out payments	8	(2)	27
Other financial income and expenses	8	(100)	(33)
Pre-tax income of consolidated companies		**1,648**	**1,343**
Income taxes	9	(431)	(307)
Net income of consolidated companies		**1,217**	**1,036**
Share of profit of associates	14	5	-
Net income		**1,222**	**1,036**
Of which:			
• Net income attributable to non-controlling interests		-	9
• Net income attributable to equity holders of the parent Company		1,222	1,027
Per-share data (in euros) – Net income attributable to equity holders of the parent Company	10		
Number of shares		*250,972,110*	*248,620,158*
Earnings per share		4.87	4.13
Number of diluted shares		*253,605,167*	*251,695,105*
Diluted earnings per share		4.82	4.08

(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)	2022	2021
Net income for the period (a)	**1,222**	**1,036**
Comprehensive income that will not be reclassified to income statement		
• Actuarial gains (and losses) on defined benefit plans	42	48
• Deferred taxes on comprehensive income that will not be reclassified to income statement	(10)	(8)
Comprehensive income that may be reclassified to income statement		
• Remeasurement of hedging instruments	(21)	29
• Consolidation translation adjustments	311	590
Total other comprehensive income (b)	**322**	**659**
Total comprehensive income for the period (a) + (b)	**1,544**	**1,695**
Of which:		
• Total comprehensive income for the period attributable to non-controlling interests	-	9
• Total comprehensive income for the period attributable to equity holders of the parent Company	1,544	1,686

6.3 CONSOLIDATED BALANCE SHEET

(in millions of euros)	Note	December 31, 2022	December 31, 2021
Assets			
Goodwill, net	11	12,546	11,760
Intangible assets, net	12	1,247	1,379
Right-of-use assets related to leases	24	1,753	1,489
Property, plant and equipment, net	13	610	615
Deferred tax assets	9	186	175
Investments in associates	14	55	25
Other financial assets	15	394	276
Non-current assets		**16,791**	**15,719**
Inventories and work-in-progress	16	327	277
Trade receivables	17	12,089	11,315
Contract assets		1,149	979
Other receivables and current assets	18	926	897
Cash and cash equivalents	19	4,616	3,659
Current assets		**19,107**	**17,127**
Total assets		**35,898**	**32,846**
Equity and liabilities			
Share capital		102	101
Additional paid-in capital and retained earnings, Groupe share		9,533	8,487
Equity attributable to holders of the parent Company – Groupe share	20	**9,635**	**8,588**
Non-controlling interests (minority interests)		(35)	(33)
Total equity		**9,600**	**8,555**
Long-term borrowings	23	2,989	3,446
Long-term lease liabilities	24	2,197	1,801
Deferred tax liabilities	9	219	274
Long-term provisions	21	504	543
Non-current liabilities		**5,909**	**6,064**
Trade payables		15,660	14,479
Contract liabilities	26	549	470
Short-term borrowings	23	627	184
Short-term lease liabilities	24	360	288
Income taxes payable		486	328
Short-term provisions	21	291	274
Other creditors and current liabilities	25	2,416	2,204
Current liabilities		**20,389**	**18,227**
Total equity and liabilities		**35,898**	**32,846**

6.4 CONSOLIDATED STATEMENT OF CASH FLOWS

(in millions of euros)	Note	2022	2021
Cash flow from operating activities			
Net income		1,222	1,036
Neutralization of non-cash income and expenses:			
Income taxes	9	431	307
Cost of net financial debt	8	17	85
Capital losses (gains) on disposal of assets (before tax)	7	103	28
Depreciation, amortization and impairment losses	6	931	855
Share-based compensation	31	64	52
Other non-cash income and expenses		86	5
Share of profit of associates	14	(5)	-
Dividends received from associates	14	3	2
Taxes paid		(430)	(362)
Change in working capital requirements[1]		(5)	(216)
Net cash flows generated by (used in) operating activities (I)		**2,417**	**1,792**
Cash flow from investing activities			
Purchases of property, plant and equipment and intangible assets		(198)	(139)
Disposals of property, plant and equipment and intangible assets		4	3
Purchases of investments and other financial assets, net		11	4
Acquisitions of subsidiaries	3	(523)	(276)
Disposals of subsidiaries	3	(43)	3
Net cash flows generated by (used in) investing activities (II)		**(749)**	**(405)**
Cash flow from financing activities			
Dividends paid to holders of the parent Company	20	(603)	(227)
Dividends paid to non-controlling interests		(4)	(9)
Proceeds from borrowings	23	-	9
Repayment of borrowings	23	(10)	(862)
Repayment of lease liabilities	24	(317)	(295)
Interest paid on lease liabilities	24	(87)	(70)
Interest paid		(101)	(106)
Interest received		84	26
Buy-outs of non-controlling interests		(3)	(14)
Net (buybacks)/sales of treasury shares and warrants		41	(127)
Net cash flows generated by (used in) financing activities (III)		**(1,000)**	**(1,675)**
Impact of exchange rate fluctuations (IV)		**300**	**238**
Change in consolidated cash and cash equivalents (I + II + III + IV)		**968**	**(50)**
Cash and cash equivalents on January 1	19	3,659	3,700
Bank overdrafts on January 1	23	(12)	(3)
Net cash and cash equivalents at beginning of year (V)		**3,647**	**3,697**
Cash and cash equivalents at closing date	19	4,616	3,659
Bank overdrafts at closing date	23	(1)	(12)
Net cash and cash equivalents at end of the year (VI)		**4,615**	**3,647**
Change in consolidated cash and cash equivalents (VI - V)		**968**	**(50)**
(1) Breakdown of change in working capital requirements			
Change in inventory and work-in-progress		(46)	(23)
Change in trade receivables and other receivables		(710)	(1,218)
Change in accounts payable, other payables and provisions		751	1,025
Change in working capital requirements		**(5)**	**(216)**

6.5 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Number of outstanding shares	(in millions of euros)	Share capital	Additional paid-in capital
249,600,509	**December 31, 2021**	**101**	**4,581**
	Net income		
	Other comprehensive income, net of tax		
	Total comprehensive income for the year	**-**	**-**
-	Dividends		(559)
246,225	Share-based compensation, net of tax		
	Effect of acquisitions and commitments to buy-out non-controlling interests		
603,226	Equity warrant exercise	1	15
1,542,105	(Buybacks)/Sales of treasury shares		
251,992,065	**December 31, 2022**	**102**	**4,037**
245,577,779	**December 31, 2020**	**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**

	Reserves and earnings brought forward	Translation reserve	Fair value reserve	Equity attributable to equity holders of the parent Company	Minority interests	Total equity
Balance at December 31, 2020	**4,056**	**(226)**	**76**	**8,588**	**(33)**	**8,555**
Net income	1,222			1,222	-	1,222
Other comprehensive income		311	11	322	-	322
Total comprehensive income	**1,222**	**311**	**11**	**1,544**	**-**	**1,544**
Dividends paid	(44)			(603)	(4)	(607)
Share-based payments	66			66		66
Purchase of treasury shares						
Transactions with minority interests	(1)			(1)	2	1
Other movements				16		16
Transactions with owners	25			25		25
Balance at December 31, 2021	**5,324**	**85**	**87**	**9,635**	**(35)**	**9,600**
Balance at December 31, 2021	**3,585**	**(816)**	**7**	**7,182**	**(22)**	**7,160**
Net income	1,027			1,027	9	1,036
Other comprehensive income		590	69	659		659
Total comprehensive income	**1,027**	**590**	**69**	**1,686**	**9**	**1,695**
Dividends paid	(493)			(227)	(9)	(236)
Share-based payments	61			61		61
Purchase of treasury shares						
Transactions with minority interests	13			13	(11)	2
Other movements				10		10
Transactions with owners	(137)			(137)		(137)
Balance at December 31, 2022	**4,056**	**(226)**	**76**	**8,588**	**(33)**	**8,555**

6.6 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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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.

Note 1 Accounting policies and methods

Pursuant to Regulation (EC) 1606/2002 of July 19, 2002, the Publicis Groupe 2022 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 2022 consolidated financial statements and the accompanying notes were approved by the Management Board at its January 30, 2023 meeting and reviewed by the Supervisory Board at its February 1, 2023 meeting. They will be submitted for approval by the shareholders at the General Shareholders' Meeting on May 31, 2023. 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, 2022 are consistent with the IFRS standards and IFRIC interpretations as adopted by the European Union as at December 31, 2022.

Application of new standards and interpretations

The Groupe's application of new standards and interpretations, adopted by the European Union during financial year 2022 or mandatory by December 31, 2022 at the latest:

- amendment to IAS 37 regarding onerous contracts: "Cost of Fulfilling a Contract". Taking into account both direct costs and an allocation of indirect costs to determine losses on any onerous contracts has no significant impact on the Groupe's financial statements;
- amendment to IAS 16 regarding proceeds before intended use has no significant impact on the Groupe's financial statements;
- amendment to IFRS 3 to update a reference to the conceptual framework, has no significant impact on the Groupe's financial statements.

Early application

As of December 31, 2022, 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, 2022:

- IFRS 17 "Insurance Contracts": this standard, adopted by the European Union, is applicable to financial years beginning on or after January 1, 2023. The Groupe does not expect the application of this new 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 buy-out 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 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 10 key markets in which the Groupe operates: United States, Canada, United Kingdom, France, DACH (Germany, Austria and Switzerland), Asia-Pacific and Middle-East Africa, 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 software includes 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: eight 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 modelling to optimize media buying for the Groupe's clients.

Development expenditure incurred for an individual project is 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 related to equity investments

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 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 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 provisions 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 in accordance with IFRS 16.

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. The Groupe has also strengthened its data offering by providing customized platforms solutions and targeted data to clients

Client contracts are mainly compensated by fees, commissions, cost per thousand, performance-based bonuses and reimbursement of third-party costs incurred on behalf of the clients or a combination of the five.

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: i) media services on the basis of media space bought on behalf of the clients and ii) 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 Groupes of services are separate and the transaction price is allocated on the basis of the employees assigned to these services.

The services rendered in relation to the customized data platform, from their development to their use, are considered as a single performance obligation. These platforms could not be used by the client without the associated services provided by the Groupe.

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.

Revenue related to the sale of data is recognized when control of the data is transferred from the Groupe to the client, *i.e.* upon delivery.

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 time horizon used for the recognition of deferred tax assets related to tax loss carryforwards is three 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 items 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, 9, 21, 22, 29 and 31.

Note 2 Impacts of the Russo-Ukrainian conflict

Disposal of Russian activities

Given the Russo-Ukrainian conflict, the Groupe announced on March 15, 2022, the immediate cessation of its activities and investments in Russia with the transfer of control of its agencies. The Groupe thus transferred control of its operations to Sergey Koptev, founding Chairman of Publicis in Russia, with a contractual commitment to ensure a future for its employees in the country.

Publicis Groupe sold 100% of the share capital of MMS Communication LLC, its Russian-based subsidiary. This sale was carried out in two stages: on March 31, 2022, the Groupe sold 81.1% of the share capital of MMS Communication LLC. Following this transaction, the Groupe disposed the control of all its Russian activities, while retaining a minority stake of 18.9% (with a put option). On July 29, 2022, Publicis Groupe finally exercised its put option in application of the signed agreement allowing it to sell its minority stake to the buyer at any time.

This transaction resulted in a loss on disposal of euro 87 million in non-current income, of which euro 49 million corresponded to the cash and cash equivalents of the entities sold. The Groupe's commitments given to the buyer are described in Note 27 "Commitments".

Provision for liabilities and charges of the Ukrainian activities

In the midst of a sharp decline in Ukrainian activities, and in order to support its employees in Ukraine, the Groupe is continuing to provide all the necessary financial support in this extremely difficult period.

As a result, Publicis Groupe recorded a provision for liabilities and charges of euro 6 million, to cover the measures guarantying Ukrainian employees' salaries for the whole year 2023.

Note 3 Changes to consolidation scope

3.1 Acquisitions in 2022

The main acquisition during the period, in April 2022, is 100% of Profitero Limited, a world-leading SaaS platform in "Commerce intelligence", which enables brands to increase their sales and profitability. The acquisition price is euro 199 million.

In addition, the Groupe made other acquisitions. In March 2022, the Groupe acquired 100% of Tremend in Romania, a technology Company specializing in software development. The acquisition price is euro 110 million (including the earn-out).

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, totalled euro 536 million. This amount mainly includes:

- euro 414 million paid out during the period;
- euro 107 million in earn-out payment commitments;
- euro 15 million in commitments to buy-out non-controlling interests.

The amount paid out in 2022 for acquisitions (net of cash and cash equivalents acquired) totalled euro 523 million and included:

- euro 437 million paid out during the period;
- euro (33) million in net cash acquired;
- euro 119 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 2022 and less than 1% of net income attributable to equity holders of the parent.

Allocation of the acquisition price of Profitero

The allocation of the consideration transferred breaks down as follows:

(in millions of euros)	Profitero
Consideration transferred (A)	**199**
Net assets acquired before fair value adjustment (B)	**(3)**
Client relationships	42
Technological applications	21
Deferred taxes liabilities on intangible assets	(8)
Total fair value adjustments (C)	**55**
Net assets acquired after fair value adjustments (D = B + C)	**52**
Goodwill (E = A - D)	**147**

The euro 147 million residual goodwill includes:

- employee know-how;
- the ability to maintain and develop existing assets.

3.2 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);
- at the end of December 2021, the Groupe acquired 100% of BBK Worldwide (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, totalled 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 out in 2021 for acquisitions (net of cash and cash equivalents acquired) totalled euro 276 million and includes:

- 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.

3.3 Disposals in 2022 and 2021

As indicated in Note 2, the Groupe sold 100% of MMS Communication LLC, its Russian-based subsidiary. Russian activities contributed less than 0.5% to 2021 consolidated net revenue and less than 0.5% to 2021 net income attributable to equity holders of the parent (see Note 7). The Groupe disposed the operations of Qorvis LLC to its CEO in December 2022 (see Note 7). There were no other significant disposals during the period.

In 2021, the Groupe completed the partial disposal of DPZ&T in Brazil. 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.

Note 4 Personnel costs and headcount

Personnel costs include salaries, wages, commissions, bonuses, profit-sharing, paid leave, as well as estimated bonuses and expenses related to share-based payments (stock option plans, free share plans) and pension expenses (excluding the net effect of discounting presented in other financial income and expenses).

(in millions of euros)	2022	2021
Compensation	(6,449)	(5,156)
Social security charges, including post-employment benefits	(1,160)	(986)
Share-based payments	(64)	(52)
Temporary employees and freelancers	(456)	(392)
Restructuring costs	(82)	(53)
Total	**(8,211)**	**(6,639)**

/ Breakdown of headcount at December 31 by geographic region

	2022	2021
Europe	24,304	21,866
North America	29,574	27,451
Latin America	8,392	7,290
Asia-Pacific	32,195	28,561
Middle East & Africa	3,557	3,363
Total	**98,022**	**88,531**

/ Breakdown of headcount at December 31 by function (in %)

	2022	2021
Media and research	22%	21%
Creative	10%	11%
Production, specialized activities and others	39%	38%
Commercial	16%	17%
Administration and management	13%	13%
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 1,519 million in 2022, versus euro 1,242 million in 2021;
- costs directly attributable to the services rendered amounting to euro 467 million in 2022, versus euro 504 million in 2021.

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)	2022	2021
Amortization of other intangible assets (excluding intangibles arising from acquisitions)	(68)	(89)
Depreciation of property, plant and equipment	(141)	(136)
Depreciation of right-of-use assets	(326)	(252)
Depreciation and amortization expense (excluding acquired intangibles)	**(535)**	**(477)**
Amortization of intangibles from acquisitions	**(287)**	**(256)**
Impairment losses of goodwill	(28)	-
Impairment of right-of-use assets	(81)	(122)
Impairment losses	**(109)**	**(122)**
Total depreciation, amortization and impairment losses	**(931)**	**(855)**

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 2022 and 2021.

Impairment losses of goodwill

Impairment tests

As part of the strengthening of its teams worldwide, the Groupe has appointed a joint management team for the Groupe's activities in Latin America and Brazil. As a result, goodwill for these two areas has been combined. Prior to the combination, impairment tests were performed on the two CGUs separately.

Impairment tests were carried out on the following cash-generating units: 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 (2023-2027). Forecasts for 2023 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 9% (11% before tax) and 19.5% (26% before tax). The terminal growth rate used in the forecasts ranged from 1.5% to 3%.

Impairment tests lead the Groupe to recognize an impairment loss of euro 28 million in 2022 for Brazil goodwill due to a decrease in revenue related to the loss of a significant client in that country.

The main assumptions used in these tests are presented in the table below:

	December 31, 2022		
(in millions of euros)	Carrying amount of goodwill	After-tax discount rate	Terminal growth rate
North America[1]	8,912	11%	2%
Europe	1,810	10.5%-12.5%	1.6%-2.5%
Asia-Pacific	1,177	10.5%	2.2%
Africa & Middle East	387	12.5%	2.3%
Latin America	141	16.5%-19.5%	2.5%-3%
Other goodwill	119	9%-11%	1.5%-1.6%
Total goodwill after impairment loss	**12,546**		

(1) North America goodwill of euro 8,912 million includes USA goodwill for euro 8,457 million and Canada goodwill for euro 455 million. For the purpose of the impairment tests, the value in use of the United States CGU is determined using the market multiples approach.

As of December 31, 2021, the goodwill tests had not led the Groupe to recognize any impairment losses. The after-tax discount rates used ranged from 8.5% (11% before tax) to 14% (19% before tax). The terminal growth rate used in the forecasts ranged from 1.5% to 3.3%.

Sensitivity tests

Sensitivity tests have been performed on all cash-generating units by increasing or decreasing by 100 basis points the discount rate, by 50 basis points the long-term growth rate or the operating margin in the terminal year.

Those variations, considered individually, didn't reveal carrying amount below the value in use, except for Brazil, Latin America, and Middle East & Africa cash-generating units.

For the latest, the additional impairment following the change in assumptions are disclosed below:

	Additional Impairment loss		
(in millions of euros)	Brazil[1]	Latin America	Middle East & Africa
Discount rate sensitivity			
1% increase in discount rate	(5)	(5)	(14)
Long-term growth sensitivity			
0.5% decrease in LT growth rate	(2)	-	-
Operating margin sensitivity in terminal value			
0.5% decrease in margin	(2)	-	-

(1) The impairment losses presented above are calculated after taking into account the impairment loss of euro 28 million recognized on the Brazil CGU.

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 81 million in impairment losses were recognized in 2022 (euro 61 million net of tax), including euro 45 million for right-of-use assets and euro 12 million for fixtures. Expenses such as facility management expenses and any taxes on vacant properties in the amount of euro 24 million are included in vacant property provisions; they also include early termination penalties.

Euro 122 million in impairment losses had been 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 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)	2022	2021
Capital gains (losses) on disposal of assets	(105)	(27)
Non-current income and (expenses)	2	(1)
Total non-current income and (expenses)	**(103)**	**(28)**

In 2022, the euro (105) million loss on disposal mainly corresponds to:

- a loss of euro (87) million related to the disposal of operations in Russia (see Note 2);
- a loss of euro (29) million related to the disposal of Qorvis LLC business;
- a gain of euro 11 million on the disposal of a stake held by the Groupe in a building located in Chicago, in the United States.

In 2021, asset disposals mainly concerned 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.

Note 8 Financial income and expenses

/ Net financial income (expense) excluding revaluation of earn-out payments

(in millions of euros)	2022	2021
Interest expenses on loans and bank overdrafts	(118)	(115)
Financial income[1]	101	30
Cost of net financial debt	**(17)**	**(85)**
Interest expense on lease liabilities	(87)	(70)
Change in fair value of financial assets	9	42
Foreign exchange gains (losses) and change in the fair value of derivatives	(15)	2
Other	(7)	(7)
Other financial income and expenses	**(100)**	**(33)**
Net financial income (expense) excluding revaluation of earn-out payments	**(117)**	**(118)**

(1) In 2022, financial income is similar to that of 2021 and corresponds to cash investments. The euro 71 million increase (euro 101 million in 2022 compared to euro 30 million in 2021) is mainly due to the increased level of cash and higher interest rates.

/ Revaluation of earn-out payments

(in millions of euros)	2022	2021
Revaluation of earn-out payments	**(2)**	**27**

Note 9 Income taxes

/ Analysis of income tax expense

(in millions of euros)	2022	2021
Current income tax expense for the period	(570)	(368)
Current tax income/(expense) for previous years	10	1
Total tax income/(expense)	**(560)**	**(367)**
Deferred tax income/(expense)	139	59
Changes in unrecognized deferred tax assets	(10)	1
Total net deferred tax income/(expense)	**129**	**60**
Income taxes	**(431)**	**(307)**

/ Effective tax rate

The effective tax rate is obtained as follows:

(in millions of euros)		2022	2021
Pre-tax income of consolidated companies		**1,648**	**1,343**
Revaluation of earn-out payments		2	(27)
(Gains)/Losses on disposals[1]		87	(3)
Restated pre-tax income of consolidated companies	**A**	**1,737**	**1,313**
French tax rate applicable to the parent Company		25.8%	28.4%
Expected tax expense on pre-tax income of consolidated companies		**(449)**	**(373)**
Impact of:			
• difference between the French tax rate and foreign tax rates		133	131
• income tax at reduced or increased rates		(80)	(45)
• changes in unrecognized deferred tax assets		(10)	1
• other impacts[2]		(25)	(21)
Income tax in the income statement		**(431)**	**(307)**
Income tax in the restated income statement	**B**	**(431)**	**(307)**
Effective tax rate	**B/A**	**24.8%**	**23.4%**

(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, 2022			December 31, 2021		
(in millions of euros)	Gross	Tax	Net	Gross	Tax	Net
Actuarial gains (and losses) on defined benefit plans	42	(10)	32	48	(8)	40
Effect of translation adjustments and other	282	8	290	629	(10)	619
Total	**324**	**(2)**	**322**	**677**	**(18)**	**659**

/ Schedule of deferred taxes recognized in the balance sheet

(in millions of euros)	December 31, 2022	December 31, 2021
Short-term (less than one year)	(34)	(6)
Long-term (over one year)	1	(93)
Net deferred tax assets (liabilities)	**(33)**	**(99)**

/ Source of deferred taxes

(in millions of euros)	December 31, 2022	December 31, 2021
Deferred tax on adjustment of asset and liability valuations due to acquisitions	(85)	(107)
Deferred tax arising on the restatement of the Champs-Élysées building	(37)	(38)
Deferred tax on pensions and other post-employment benefits	51	60
Deferred tax arising on tax loss carryforwards	315	315
Deferred tax on other temporary differences	36	(14)
Gross deferred tax assets (liabilities)	**280**	**216**
Unrecognized deferred tax assets	(313)	(315)
Net deferred tax assets (liabilities)	**(33)**	**(99)**

As of December 31, 2022, deferred tax liabilities included the tax on the revaluation of intangible assets made at the time of the acquisition of Zenith (euro 6 million), Bcom3 (euro 51 million), Digitas (euro 15 million), Sapient (euro 48 million), Citrus (euro 13 million), Profitero (euro 7 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 Groupe also 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, 2022	December 31, 2021
Amount in unrecognized tax loss carryforwards	**1,105**	**1,131**
Of which carried forward indefinitely	*507*	*546*

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 229 million at December 31, 2022, versus euro 205 million at December 31, 2021.

Evolution of the tax regulation in the USA

From 2022, in the United States, Tax Cuts and Jobs Act requires capitalization and amortization of research & development expense (over 5 years for US expenditures), largely affecting Tech & IT companies. The application of this new tax measure was confirmed in December 2022.

This tax evolution has no impact on the effective tax rate, while cash tax payments will be increased over the first 5 years. The increase of the current tax charge will be neutralized by the recognition of a deferred tax credits for the same amounts.

Note 10 Earnings per share

/ Earnings per share (basic and diluted)

(in millions of euros, except for share data)		2022	2021
Net income used for the calculation of earnings per share			
Net income share attributable to equity holders of the parent Company	**A**	**1,222**	**1,027**
Impact of dilutive instruments:			
• Savings in financial expenses related to the conversion of debt instruments, net of tax		-	-
Groupe net income – diluted	**B**	**1,222**	**1,027**
Number of shares used to calculate earnings per share			
Number of shares at January 1		253,462,409	247,769,038
Shares created over the year		393,965	2,929,864
Treasury shares to be deducted (average for the year)		(2,884,264)	(2,078,744)
Average number of shares used for the calculation	**C**	**250,972,110**	**248,620,158**
Impact of dilutive instruments:			
• Free shares and dilutive stock options[1]		2,633,057	2,784,437
• Equity warrants (BSA)[1]		-	290,510
Number of diluted shares	**D**	**253,605,167**	**251,695,105**

(in euros)

Earnings per share	**A/C**	**4.87**	**4.13**
Diluted earnings per share	**B/D**	**4.82**	**4.08**

(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, 2022, 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)		2022	2021
Net income used to calculate headline earnings per share[1]			
Net income share attributable to equity holders of the parent Company		**1,222**	**1,027**
Items excluded:			
• Amortization of intangibles from acquisitions, net of tax		215	191
• Impairment loss[2], net of tax		80	91
• Main capital gains and losses on disposal of assets and fair value adjustment of financial assets, net of tax		92	(18)
• Revaluation of earn-out payments		2	(27)
Headline Groupe net income	**E**	**1,611**	**1,264**
Impact of dilutive instruments:			
• Savings in financial expenses related to the conversion of debt instruments, net of tax		-	-
Headline Groupe net income, diluted	**F**	**1,611**	**1,264**
Number of shares used to calculate earnings per share			
Number of shares at January 1		253,462,409	247,769,038
Shares created over the year		393,965	2,929,864
Treasury shares to be deducted (average for the year)		(2,884,264)	(2,078,744)
Average number of shares used for the calculation	**C**	**250,972,110**	**248,620,158**
Impact of dilutive instruments:			
• Free shares and dilutive stock options		2,633,057	2,784,437
• Equity warrants (BSA)		-	290,510
Number of diluted shares	**D**	**253,605,167**	**251,695,105**
(in euros)			
Headline earnings per share[1]	**E/C**	**6.42**	**5.08**
Headline earnings per share – diluted[1]	**F/D**	**6.35**	**5.02**

(1) EPS after elimination of impairment losses, amortization of intangibles from acquisitions, the main capital gains and losses on disposal and fair value adjustment of financial assets and revaluation of earn-out payments.

(2) This amount includes impairment losses on goodwill for euro 19 million and on right-of-use assets related to leases for euro 61 million in 2022. In 2021, impairment losses corresponded to euro 91 million related to leases.

Note 11 Goodwill

/ Changes in goodwill

(in millions of euros)	Gross value	Impairment loss	Net amount
December 31, 2020	**12,213**	**(1,355)**	**10,858**
Acquisitions	218	-	218
Changes related to the revaluation of earn-outs during the window period[2]	1	-	1
Disposals	(32)	-	(32)
Foreign exchange	816	(101)	715
December 31, 2021	**13,216**	**(1,456)**	**11,760**
Acquisitions	458	-	458
Impairment loss[1]	-	(28)	(28)
Changes related to the revaluation of earn-outs during the window period[2]	(22)	-	(22)
Disposals[3]	(56)	-	(56)
Foreign exchange	512	(78)	434
December 31, 2022	**14,108**	**(1,562)**	**12,546**

(1) See Note 6.
(2) See Note 1.3 on the change in fair-value on any earn-out in a business combination
(3) The effects of the disposals for euro 56 million are due to the disposal of MMS Communication LLC in Russia for euro 26 million and of Qorvis for euro 30 million.

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 December 31, 2020	**1,515**	**972**	**902**	**3,389**
Acquisitions	-	45	-	45
Change in scope	-	56	-	56
Disposals	-	(25)	-	(25)
Foreign exchange and others	108	77	74	259
Gross value at December 31, 2021	**1,624**	**1,125**	**976**	**3,725**
Acquisitions	-	73	-	73
Change in scope	41	23	-	64
Disposals	-	(39)	-	(39)
Foreign exchange and others	85	74	56	215
Gross value at December 31, 2022	**1,750**	**1,256**	**1,032**	**4,038**
Accumulated depreciation at December 31, 2021	**(1,191)**	**(692)**	**(463)**	**(2,346)**
Depreciation	(71)	(184)	(100)	(355)
Change in scope	-	(1)	-	(1)
Disposals	-	39	-	39
Foreign exchange and others	(56)	(46)	(26)	(128)
Accumulated depreciation at December 31, 2022	**(1,318)**	**(884)**	**(589)**	**(2,791)**
Net value at December 31, 2022	**432**	**372**	**443**	**1,247**

Depreciation and amortization expense of intangibles assets amount to euro 355 million in 2022, of which euro 287 million pertain to intangibles resulting from acquisitions.

Valuation of intangible assets

In 2022, 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	Other	Total
Gross value at December 31, 2020	**167**	**703**	**390**	**518**	**1,778**
Increases	-	26	32	48	106
Decreases	-	(61)	(33)	(31)	(125)
Change in scope	-	-	1	1	2
Foreign exchange and others	-	48	23	20	91
Gross value at December 31, 2021	**167**	**716**	**413**	**556**	**1,852**
Increases	-	47	46	59	152
Decreases	-	(55)	(22)	(110)	(187)
Change in scope	-	(4)	(1)	2	(3)
Foreign exchange and others	-	17	11	10	38
Gross value at December 31, 2022	**167**	**721**	**447**	**517**	**1,852**
Accumulated depreciation at December 31, 2021	**(18)**	**(442)**	**(358)**	**(419)**	**(1,237)**
Depreciation	(1)	(56)	(34)	(50)	(141)
Impairment loss[1]	-	(12)	-	-	(12)
Decreases	-	55	22	96	173
Change in scope	-	3	-	-	3
Foreign exchange and others	-	(10)	(7)	(10)	(28)
Accumulated depreciation at December 31, 2022	**(19)**	**(462)**	**(377)**	**(383)**	**(1,242)**
Net value at December 31, 2022	**148**	**259**	**70**	**134**	**610**

(1) See Note 6.

Land and buildings

At December 31, 2022, the net amount of the property assets directly owned by Publicis listed on the balance sheet was euro 148 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 Publicisdrugstore, and two public movie theaters.

Fixtures and fittings

The euro 12 million impairment loss in 2022 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 55 million at December 31, 2022 (versus euro 25 million at December 31, 2021).

(in millions of euros)	Value in balance sheet
Amount at December 31, 2020	**24**
Share of profit of associates	0
Dividends paid	(2)
Foreign exchange and others	3
Amount at December 31, 2021	**25**
Acquisition	32
Share of profit of associates	5
Dividends paid	(3)
Foreign exchange and others	(4)
Amount at December 31, 2022	**55**

Additions to the consolidation scope concern:

- Voilà SAS, a joint-venture created with Orange, in which Publicis holds a 50% stake. Voilà supports the digitalization of professional events by providing a cloud platform for hybrid event production, customizable and accessible in SaaS (Software as a Service) mode;
- SCB Tech X, a joint-venture created with Siam Commercial Bank (SCB), in which Publicis holds a 40% stake. SCB Tech X is a leading, cloud-native platform-as-a-service serving clients in South East Asia;
- Core 1 WML, a media agency based in Ireland, in which Publicis holds a 49.9% stake.

The following table shows the carrying amount of investments in associates at December 31, 2022:

(in millions of euros)	December 31, 2022
SCB Tech X	17
Voilà SAS	5
Core 1 WML Ltd	14
Burrell Communications Group	8
OnPoint Consulting Inc.	4
Somupi SA	3
Viva Tech[1]	1
Other investments in associates	3
Net amount	**55**

(1) Joint-venture between MSL France and Les Échos Solutions.

Note 15 Other financial assets

(in millions of euros)	December 31, 2022	December 31, 2021
Other financial assets at fair value through profit and loss:		
• Venture Capital Funds[1]	166	154
• Other	19	20
Security deposits[2]	48	47
Loans to associates and non-consolidated companies	68	35
Sub-lease receivables[3]	123	21
Other	22	22
Gross value	**446**	**299**
Impairment	(52)	(23)
Net amount	**394**	**276**

(1) These Venture Capital Funds are dedicated to investments in companies that belong to the digital economy.
(2) Security deposits include mainly the deposits given to lessor in the frame of real estate lease contracts.
(3) See Note 24.

Note 16 Inventories and work-in-progress

(in millions of euros)	December 31, 2022	December 31, 2021
Gross value	**345**	**285**
Impairment of inventories and work-in-progress	(18)	(8)
Net amount	**327**	**277**

Note 17 Trade receivables

(in millions of euros)	December 31, 2022	December 31, 2021
Trade receivables[1]	12,269	11,504
Notes receivable	3	4
Gross value	**12,272**	**11,508**
Opening impairment	(193)	(152)
Impairment over the year	(42)	(87)
Reversals during the year	52	59
Change in scope	-	-
Foreign exchange and others	-	(13)
Closing impairment	**(183)**	**(193)**
Net amount	**12,089**	**11,315**

(1) Including invoiced trade receivables of euro 9,363 million at December 31, 2022 and euro 8,798 million at December 31, 2021.

Note 18 Other receivables and current assets

(in millions euros)	December 31, 2022	December 31, 2021
Taxes and levies	360	340
Advances to suppliers	237	238
Prepaid expenses	174	147
Derivatives hedging current assets and liabilities	28	8
Derivatives hedging intercompany loans and borrowings	22	13
Other receivables and current assets	109	155
Gross value	**930**	**901**
Impairment	(4)	(4)
Net amount	**926**	**897**

Note 19 Cash and cash equivalents

(in millions of euros)	December 31, 2022	December 31, 2021
Cash and bank balances	1,797	1,523
Short-term liquid investments	2,819	2,136
Total	**4,616**	**3,659**

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, 2022	December 31, 2021
Share capital at January 1	253,462,409	247,769,038
Capital increase	849,451	5,693,371
Shares comprising the share capital at the end of the period	**254,311,860**	**253,462,409**
Treasury stock at the end of the period	(2,319,795)	(3,861,900)
Shares outstanding at the end of the period	**251,992,065**	**249,600,509**

The share capital of Publicis Groupe SA increased by euro 339,780 during financial year 2022, corresponding to 849,451 shares with a par value of euro 0.40 each:

- 603,226 shares issued following the exercise of stock warrants by certain holders;
- 246,225 shares issued as part of free share plans.

The share capital of Publicis Groupe SA amounted to euro 101,724,744 at December 31, 2022, divided into 254,311,860 shares with a par value of euro 0.40 each.

Neutralization of the existing treasury shares

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 2021 and 2022:

	Number of shares
Treasury shares held on December 31, 2020	**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**
Disposals (exercise of stock options) and deliveries of free shares	(1,546,529)
Buybacks of treasury shares	-
Movements as part of the liquidity contract	4,424
Treasury shares held on December 31, 2022[1]	**2,319,795**

(1) Including 57,924 shares held as part of the liquidity contract on December 31, 2022, and 53,500 on December 31, 2021.

/ Dividends proposed and voted

	Per share (in euros)	Total (in millions of euros)
Dividends paid in 2022 (for the 2021 financial year)	2.40	603[1]
Dividends proposed to the General Shareholders' Meeting (for the 2022 financial year)	2.90	737[2]

(1) Amount fully paid in cash.
(2) Amount for all shares outstanding on December 31, 2022, including treasury shares.

Capital management and buyback of treasury shares

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 0.80. As at December 31, 2022 the debt-to-equity ratio, taking lease liabilities into account, was 0.20. At December 31, 2021, it was 0.25.

Management also monitors the dividend payout rate, which is defined as the ratio between the dividend per share and the diluted headline earnings per share. Given the dividend amount (euro 2.90 per share) which will be proposed at the General Shareholders' Meeting, the rate will be 45.7% for the 2022 financial year compared to 47.8% for the 2021 financial year.

Note 21 Provisions for liabilities and charges and contingent liabilities

(in millions of euros)	Restructuring	Vacant property[1]	Pensions and other long-term benefits	Risks and litigation	Other provisions	Total
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)
Change in scope	-	-	-	-	-	-
Actuarial losses (gains)	-	-	(48)	-	-	(48)
Foreign exchange and others	1	21	11	6	3	42
December 31, 2021	**41**	**97**	**305**	**254**	**120**	**817**
Increases	59	24	42	91	21	237
Releases with usage	(44)	(51)	(43)	(7)	(5)	(150)
Other releases	(1)	-	(1)	(82)	(3)	(87)
Change in scope	-	-	-	-	3	3
Actuarial losses (gains)	-	-	(42)	-	-	(42)
Foreign exchange and others	-	9	3	5	-	17
December 31, 2022	**55**	**79**	**264**	**261**	**136**	**795**
Of which short-term	*50*	*54*	*20*	*88*	*79*	*291*
Of which long-term	*5*	*25*	*244*	*173*	*57*	*504*

(1) See Note 6.

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 2022 (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.

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.

Provisions for risks and litigation

Provisions for risks and litigation (euro 261 million) include a short-term component (euro 88 million) and a long-term component (euro 173 million). They relate to litigation of any type with third parties, including commercial and tax litigation but excluding risks relating to uncertain tax positions.

Metrobus/"Autorité de la concurrence"

In April 2022, the Groupe received a notification of grievances from the competition Authority in relation to practices implemented in the outdoor advertising sector in France. The procedure is ongoing.

Publicis Health LLC – Contingent Liability

On May 6, 2021, the Attorney General for the Commonwealth of Massachusetts filed a lawsuit against Publicis Health, LLC, a subsidiary of Publicis Groupe, in connection with the work that that agency and its predecessor agencies did for Purdue Pharma from 2010 to 2018 related to the marketing of opioids. The Attorney General claims 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. In August 2022, Publicis Health, LLC has likewise been named as a codefendant in several lawsuits, centralized in a multidistrict litigation proceeding in the United States District Court for the Northern District of California, filed by tribes and local governments concerning work that Publicis Health, LLC and its predecessor agencies performed for Purdue Pharma related to the marketing of opioids. Publicis considers these lawsuits, and the lawsuit filed by the Massachusetts Attorney General, to be unfounded.

On November 3, 2022, the Attorneys General of nine states (California, Colorado, Connecticut, Idaho, Oregon, New York, North Carolina, Tennessee, and Vermont) advised that they considered Publicis Health, LLC to have legal exposure related to its work for opioid manufacturers, including Purdue Pharma. Publicis has engaged in discussions with these Attorneys General. Publicis does not know how these discussions may evolve and continues to believe that any claims that may be brought would be unfounded.

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 (67% 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 (30% 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 (28% 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.

  All 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 (80%), former employees with deferred entitlement who have not yet drawn down their pension entitlements (20%);
- 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 (32% of obligations), retirees (45% of obligations) and employees still working (23% 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 overfunded plans cannot be used to cover underfunded 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

(in millions of euros)	December 31, 2022 Pensions plans	Medical cover	Total	December 31, 2021 Pensions plans	Medical cover	Total
Opening actuarial benefit obligation	**(727)**	**(21)**	**(748)**	**(719)**	**(22)**	**(741)**
Cost of services rendered	(27)	-	(27)	(37)	-	(37)
Benefits paid	49	2	51	49	2	51
Interest expense on benefit obligation	(14)	-	(14)	(12)	-	(12)
Effect of remeasurement	159	6	165	32	1	33
Experience gains (losses)	*(17)*	*2*	*(15)*	*12*	*1*	*13*
Gains (losses) arising from a change in economic assumptions	*171*	*4*	*175*	*18*	-	*18*
Gains (losses) arising from other changes in demographic assumptions	*5*	-	*5*	*2*	-	*2*
Acquisitions, disposals	-	-	-	-	-	-
Translation adjustments	(5)	(1)	(6)	(40)	(2)	(42)
Actuarial benefit obligation at year-end	**(565)**	**(15)**	**(580)**	**(727)**	**(21)**	**(748)**

/ Change in the fair value of plan assets

(in millions of euros)	December 31, 2022 Pensions plans	Medical cover	Total	December 31, 2021 Pensions plans	Medical cover	Total
Fair value of plan assets at start of year	**529**	**-**	**529**	**496**	**-**	**496**
Actuarial return on plan assets	(120)	-	(120)	26	-	26
Employer contributions	30	2	32	24	2	26
Administrative fees	(2)	-	(2)	(2)	-	(2)
Acquisitions, disposals	-	-	-	(1)	-	(1)
Benefits paid	(49)	(2)	(51)	(49)	(2)	(51)
Translation adjustments	(1)	-	(1)	35	-	35
Fair value of plan assets at year-end	**387**	**-**	**387**	**529**	**-**	**529**
Surplus (deficit)	**(179)**	**(16)**	**(195)**	**(198)**	**(21)**	**(219)**
Effect of ceiling on value of assets	(54)	-	(54)	(68)	-	(68)
Net provision for defined benefit pension liabilities and post-employment medical care	**(233)**	**(16)**	**(249)**	**(267)**	**(21)**	**(288)**
Provision for other long-term benefits	(15)	-	(15)	(17)	-	(17)
Total provisions for retirement benefit obligations, other post-employment and long-term benefits	**(248)**	**(16)**	**(264)**	**(284)**	**(21)**	**(305)**

/ Pension expenses and other post-employment benefits

(in millions of euros)	December 31, 2022 Pensions plans	Medical cover	Total	December 31, 2021 Pensions plans	Medical cover	Total
Cost of services rendered during the year	(28)	-	(28)	(38)	-	(38)
Financial expenses	(5)	(1)	(6)	(5)	-	(5)
Defined benefit plan expense	**(33)**	**(1)**	**(34)**	**(43)**	**-**	**(43)**
Cost of other plans (including defined contribution plans) and other benefits	(193)	-	(193)	(149)	-	(149)
Administrative fees excluding plan management fees	(2)	-	(2)	(2)	-	(2)
Total retirement costs recognized in the income statement	**(228)**	**(1)**	**(228)**	**(194)**	**-**	**(194)**

/ 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, 2022				December 31, 2021			
(in millions of euros)	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Shares	25	-	-	25	65	-	-	65
Bonds	-	95	-	95	-	151	-	151
Treasury bonds	-	137	-	137	-	220	-	220
Real Estate	-	-	1	1	-	-	5	5
Other	16	-	113	129	17	-	71	88
Total	**41**	**232**	**114**	**387**	**82**	**371**	**76**	**529**

/ Estimate of employer contributions and of future benefits payable

(in millions of euros)	Pensions plans	Medical cover	Total
Estimated employer contribution for 2023	**25**	**2**	**27**

(in millions of euros)	Pensions plans	Medical cover	Total
Estimated future benefits payable			
2023	53	2	55
2024	46	2	48
2025	43	2	45
2026	44	1	45
2027	42	1	43
Financial years 2028 to 2031	195	6	201
Total over the next 10 financial years	**423**	**14**	**437**

The average duration of plans at end-December 2022 was 10 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, 2022	United States	United Kingdom	Euro zone	Other Country	United States	United Kingdom
Discount rate	4.85%	4.70% - 4.85%	3.75%	1% - 7.10%	4.85%	4.70% - 4.85%
Future wage increases	n/a	n/a	2.75% - 3.20%(1)	1.50% - 5%	5%	n/a
Future pension increases	n/a	2% - 3.7%	0% - 2.20%(1)	n/a	n/a	n/a

(1) For Germany and Belgium.

	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% - 1.70%	0.90%	0.25% - 5.65%	2.42%	1.60% - 1.70%
Future wage increases	n/a	n/a	2.35% - 2.80%(1)	1.25% - 8%	5%	n/a
Future pension increases	n/a	2.2% - 3.7%	1.80%(2)	n/a	n/a	n/a

(1) For Germany and Belgium.
(2) For Germany only.

The rate of increase in medical expenses used for 2022 is 6% with a gradual decrease to 4%.

/ Sensitivity analysis

	0.5% increase				
Pension plans (in millions of euros)	**United States**	**United Kingdom**	**Euro zone**	**Other countries**	**Total**
Change in discount rate					
Effect on actuarial benefit obligation at year-end	(6)	(7)	(5)	(6)	(24)
Change in the increase rate of salaries					
Effect on actuarial benefit obligation at year-end	-	-	4	4	8

	0.5% decrease				
Pension plans (in millions of euros)	**United States**	**United Kingdom**	**Euro zone**	**Other countries**	**Total**
Change in discount rate					
Effect on actuarial benefit obligation at year-end	7	8	5	7	27
Change in the increase rate of salaries					
Effect on actuarial benefit obligation at year-end	-	-	(3)	(4)	(7)

	0.5% increase			0.5% decrease		
Post-employment medical cover (in millions of euros)	**United States**	**United Kingdom**	**Total**	**United States**	**United Kingdom**	**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	-	-	-	-	-	-

Note 23 Other financial liabilities

(in millions of euros)	December 31, 2022	December 31, 2021
Bonds (excl. accrued interest)	3,338	3,335
Other debt	278	295
Total financial liabilities	**3,616**	**3,630**
Of which short-term	*627*	*184*
Of which long-term	*2,989*	*3,446*

/ Change in financial liabilities

(in millions of euros)	December 31, 2021	Cash outflows	Changes excl. cash outflows: Acquisitions	Changes excl. cash outflows: Exchange rate fluctuations	Changes excl. cash outflows: Changes in fair value	December 31, 2022
Eurobond 0.5% – November 2023 (EIR 0.741%)(1)	498	-	-	-	1	499
Eurobond 1.625% – December 2024 (EIR 1.732%)(1)	601	-	-	-	-	601
Eurobond 0.625% – June 2025 (EIR 0.781%)(1)	746	-	-	-	1	747
Eurobond 1.25% – June 2028 (EIR 1.329%)(1)	747	-	-	-	-	747
Eurobond 1.75% – June 2031 (EIR 1.855%)(1)	743	-	-	-	1	744
Bonds (excl. accrued interest)	**3,335**	**-**	**-**	**-**	**3**	**3,338**
Debt related to earn-out commitments	**206**	**(119)**	**107**	**7**	**(16)**	**185**
Debt related to commitments to buy-out non-controlling interests	**16**	**(3)**	**15**	**0**	**2**	**30**
Accrued interest	45	(99)	-	3	99	48
Other borrowings and credit lines	16	(10)	-	-	8	14
Bank overdrafts	12	(11)	-	-	-	1
Other financial liabilities	**73**	**(120)**	**0**	**3**	**107**	**63**
Total financial liabilities	**3,630**	**(242)**	**122**	**10**	**96**	**3,616**
Fair value of derivative hedging on the 2025, 2028 and 2031 Eurobonds(2)	97	-	-	-	163	260
Fair value of derivative hedging on intra-group loans and borrowings(2)	8	29	-	-	69	106
Total liabilities related to financing activities	**3,735**	**(213)**	**122**	**10**	**328**	**3,982**

(1) Net of issuance costs. The number of securities at December 31, 2022 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, 2020	Cash outflows	Changes excl. cash outflows: Acquisitions	Exchange rate fluctuations	Changes in fair value	December 31, 2021
Eurobond 1.125% – December 2021 (EIR 1.261%)[1]	699	(699)	-	-	-	0
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)**	**-**	**-**	**-**	**0**
Debt related to earn-out commitments	**241**	**(103)**	**78**	**14**	**(24)**	**206**
Debt related to commitments to buy-out non-controlling interests	**24**	**(10)**	**-**	**0**	**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)**	**0**	**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.

Bonds to finance the acquisition of Epsilon

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 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, 2022, the fair value of these derivatives was booked in other creditors and current liabilities for euro 260 million (compared to euro 97 million in other creditors and current liabilities at December 31, 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, 2022

		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)	3,338	499	601	747	-	-	1,491
Debt related to earn-out commitments	185	58	42	37	32	16	-
Debt related to commitments to buy-out non-controlling interests	30	11	7	10	2	-	-
Other financial liabilities	63	59	4	-	-	-	-
Total financial liabilities	**3,616**	**627**	**654**	**794**	**34**	**16**	**1,491**
Fair value of derivatives	366	106	-	60	-	-	200
Total liabilities related to financing activities	**3,982**	**733**	**654**	**854**	**34**	**16**	**1,691**

/ 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	0	1	0	-
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**

/ Analysis by currency

(in millions of euros)	December 31, 2022	December 31, 2021
Euros[1]	3,373	3,362
US dollars	170	148
Other currencies	73	120
Total financial liabilities	**3,616**	**3,630**

(1) Including euro 2,250 million of Eurobonds swapped into USD at December 31, 2022 (euro 2,250 million at December 31, 2021).

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, 2022

		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)	3,560	539	637	777	22	22	1,562
Debt related to earn-out commitments	185	58	42	37	32	16	-
Debt related to commitments to buy-out non-controlling interests	30	11	7	10	2	-	-
Other financial liabilities	63	59	4	-	-	-	-
Total future payments relating to financial liabilities	**3,838**	**667**	**690**	**824**	**56**	**38**	**1,562**
Fair value of derivatives	366	106	-	60	-	-	200
Total future payments relating to financing activities	**4,204**	**773**	**690**	**884**	**56**	**38**	**1,762**

/ 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	0	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**

In order to manage its liquidity risk, Publicis holds a substantial amount of cash (cash and cash equivalents) for a total of euro 4,616 million as of December 31, 2022 and undrawn confirmed credit lines representing a total of euro 2,000 million as of December 31, 2022 being a multi-currency syndicated loan, 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, 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 values at January 1, 2022	**2,421**	**64**	**50**	**2,535**
Addition of assets[1]	120	609	14	743
Terminations or end of contracts	(175)	(36)	(15)	(226)
Impacts of sub-leasing[2]	(482)	-	-	(482)
Change in scope	(11)	-	-	(11)
Foreign exchange and others	73	-	1	74
Gross value at December 31, 2022	**1,946**	**637**	**50**	**2,633**
Accumulated amortization at January 1, 2022	**(972)**	**(48)**	**(26)**	**(1,046)**
Amortization & depreciation	(214)	(93)	(19)	(326)
Impairment losses	(46)	-	-	(46)
Terminations or end of contracts	175	36	15	226
Impacts of sub-leasing[2]	343	-	-	343
Change in scope	4	-	-	4
Foreign exchange and others	(34)	(1)	-	(35)
Accumulated depreciation at December 31, 2022	**(744)**	**(106)**	**(30)**	**(880)**
Net value at December 31, 2022	**1,202**	**531**	**20**	**1,753**

(1) Additions of assets are net of changes in assumptions on contracts.

(2) Those impacts relate mainly to sub-lease contracts, which have been fully effective during the period; the net right-of-use values have been reclassified to "Other financial assets" for the long-term part and to "Other receivables and current assets" for the short-term part.

/ Analysis of lease liabilities

(in millions of euros)	December 31, 2021	Cash outflows[1]	Changes excl. cash outflows: Offset under right-of-use assets	Changes excl. cash outflows: Short-term – long-term reclassification	Changes excl. cash outflows: Effect of translation and others	December 31, 2022
Lease liabilities – short-term	288	(339)	1	416	(6)	360
Lease liabilities – long-term	1,801	-	750	(416)	62	2,197
Total lease liabilities	**2,089**	**(339)**	**751**	**-**	**56**	**2,557**

(1) Repayments of lease liabilities represent an amount of euro (317) million in the consolidated statement of cash flows, of which euro (339) million in respect of leases and euro 22 million of proceeds from sub-leases.

(in millions of euros)	December 31, 2020	Cash outflows	Changes excl. cash outflows: Offset under right-of-use assets	Changes excl. cash outflows: Short-term – long-term reclassification	Changes excl. cash outflows: Effect of translation and others	December 31, 2021
Lease liabilities – short-term	292	(295)	-	256	35	288
Lease liabilities – long-term	1,850	-	78	(256)	129	1,801
Total lease liabilities	**2,142**	**(295)**	**78**	**-**	**164**	**2,089**

Expenses relating to variable lease payments not taken into account in the measurement of the lease obligation

The advertising network contracts, which began in January 2022, include fixed fees (guaranteed minimums) and variable fees above a certain level of activity. Fixed fees are taken into account in the lease liability, while variable fees are expensed directly.

In 2022, the variable lease expenses were euro 68 million.

Interest expense on lease liabilities

For 2022, the interest expense on lease liabilities is euro 87 million (see Note 8). For 2021, the interest expense for lease liabilities was euro 70 million.

/ Repayment schedule of lease liabilities

(in millions of euros)	Total	Maturities: -1 Year	1-2 Years	2-3 Years	3-4 Years	+4 Years
Cash outflows relating to lease liabilities	**3,295**	**431**	**432**	**392**	**361**	**1,679**

Furthermore, concerning sublease contracts, cash inflows expected for 2023 amount to euro 22 million.

Note 25 Other creditors and current liabilities

(in millions of euros)	December 31, 2022	December 31, 2021
Advances and deposits received	435	458
Liabilities to employees	1,091	1,031
Tax liabilities (excl. income tax)	327	373
Derivatives hedging current assets or liabilities	26	10
Derivatives hedging Eurobond	260	97
Derivatives hedging intercompany loans and borrowings	128	21
Others	149	214
Total other creditors and current liabilities	**2,416**	**2,204**

Note 26 Contract liabilities

(in millions of euros)	2022	2021
Total contract liabilities at January 1	**470**	404
Amount recognized in revenue over the period	(493)	(431)
Amount to be recognized in subsequent periods	549	470
Change in scope	11	1
Foreign exchange and others	12	26
Total contract liabilities at December 31	**549**	**470**

Note 27 Commitments

/ December 31, 2022

(in millions of euros)	Total	Maturities -1 Year	1-5 Years	+5 Years
Commitments given				
Guarantees[1]	194	46	71	77
Total commitments given	**194**	**46**	**71**	**77**
Commitments received				
Undrawn confirmed credit lines	2,000	-	2,000	-
Other commitments	10	9	-	1
Total commitments received	**2,010**	**9**	**2,000**	**1**

(1) At December 31, 2022, guarantees included euro 68 million commitments given to tax authorities in Italy as part of debts and receivables VAT recovery procedure, undertakings to pay euro 40 million into Venture Capital Funds by 2031, and euro 13 million relating to media-buying operations.

/ December 31, 2021

(in millions of euros)	Total	Maturities -1 Year	1-5 Years	+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	-
Other commitments	12	8	3	1
Total commitments received	**2,256**	**8**	**2,247**	**1**

(1) At December 31, 2021, guarantees included euro 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, euro 33 million of bank guarantees given to jurisdictions in the context of litigations and also guarantees of euro 12 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, 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 1.164 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 is, as of December 31, 2022, no longer committed to issuing new shares as there are no longer any warrants outstanding.

Other commitments

As part of the disposal of MMS Communication LLC, the Groupe reached an agreement to buy back 100% of the Company's share capital. This option is subject to a return to normal operating conditions, taking into account a five-year exercise period starting on March 28, 2024. This period may be extended to 12 years, at the sole discretion of Publicis Groupe.

Given the current conditions, this call option has an insignificant value at the closing date.

The Group holds a call option on the remaining 50.11% of the capital of Core 1 WML, a media agency based in Ireland. The call option is valued at the market price according to the multiples method applied to the operating margin before amortization (as for the acquisition of 33.7% of the capital of Core 1 WML carried out in 2022). As the control premium does not represent a significant value, this call option has a zero value and is therefore not recognized in the accounts as of December 31, 2022.

As of December 31, 2022, 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, 2022

(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	166	166		
• Unconsolidated securities	12	12		
• Security deposits	48		48	
• Loans to associates and non-consolidated companies	25		25	
• Sub-lease receivables	123		123	
• Other	20		20	
Trade receivables	12,089		12,089	
Other receivables and current assets[1]				
• Derivatives hedging current assets and liabilities	28	28		
• Derivatives hedging intercompany loans and borrowings	22	22		
• Other receivables and current assets	109		109	
Total financial instruments – assets	**12,642**	**228**	**12,414**	**-**
Long-term borrowings	2,989		2,989	
Trade payables	15,660		15,660	
Short-term borrowings	627		627	
Other creditors and current liabilities[2]				
• Derivatives hedging current assets and liabilities	26	26		
• Derivatives hedging intercompany loans and borrowings	128	128		
• Derivatives hedging Eurobond 2025, 2028 and 2031	260			260
• Other current liabilities	149		149	
Total financial instruments – liabilities	**19,839**	**154**	**19,425**	**260**

(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, 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	
• Other	75		75	
Trade receivables	11,315		11,315	
Other receivables and current assets[1]				
• Derivatives hedging current assets and liabilities	8	8		
• Derivatives hedging intercompany loans and borrowings	13	13		
• Other receivables and current assets	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	97			97
• Other current liabilities	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).

/ Financial instruments – assets

(in millions of euros)	December 31, 2022	December 31, 2021
Derivatives qualified as hedging instruments		
• Derivatives hedging current assets and liabilities	28	8
• Derivatives hedging intercompany loans and borrowings	22	13
• Derivatives hedging Eurobond	-	-
Instruments at fair value through profit and loss		
• Venture Capital Funds	166	154
• Unconsolidated securities	12	12
Instruments at amortized cost		
• Other financial assets, receivables and other receivables	12,389	11,545
• Loans to associates and non-consolidated companies	25	35
Total financial instruments – assets	**12,642**	**11,767**

/ Financial instruments – liabilities

(in millions of euros)	December 31, 2022	December 31, 2021
Derivatives qualified as hedging instruments		
• Derivatives hedging current assets and liabilities	26	10
• Derivatives hedging intercompany loans and borrowings	128	21
• Derivatives hedging Eurobond	260	97
Instruments at amortized cost		
• Trade and other payables	15,809	14,693
• Short-term borrowings	627	184
Total financial instruments – current liabilities	**16,850**	**15,005**
Instruments at amortized cost		
• Long-term borrowings	2,989	3,446
Total financial instruments – non-current liabilities	**2,989**	**3,446**

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 3,655 million at December 31, 2022 (versus a carrying amount of euro 3,616 million). At December 31, 2021, the fair value of financial liabilities was euro 3,668 million (versus a carrying amount of euro 3,630 million).

The fair value of Eurobonds 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, 2022

(in millions of euros)	Level 1	Level 2	Level 3	Total
Short-term liquid investments	2,819	-	-	2,819
Venture Capital Funds and other securities	166	-	12	178
Derivative instruments – assets	-	50	-	50
Total financial instruments at fair value – assets	**2,985**	**50**	**12**	**3,047**
Derivative instruments – liabilities	-	414	-	414
Total financial instruments at fair value – liabilities	**-**	**414**	**-**	**414**

/ 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 at fair value – liabilities	**-**	**128**	**-**	**128**

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 2022, 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:

- 97% in fixed-rate loans with an average interest rate for 2022 of 2.8%;
- 3% in variable-rate loans.

The table below sets out the carrying amount by maturity at December 31, 2022 of the Groupe's financial instruments exposed to interest rate risk:

(in millions of euros)	Total at December 31, 2022	Maturities		
		-1 Year	1-5 Years	+5 Years
Fixed rate				
Eurobond 2023[1]	499	499	-	-
Eurobond 2024[1]	601	-	601	-
Eurobond 2025[1] [2]	747	-	747	-
Eurobond 2028[1] [2]	747	-	-	747
Eurobond 2031[1] [2]	744	-	-	744
Net fixed-rate liabilities (assets)	**3,338**	**499**	**1,348**	**1,491**
Variable rate				
Other borrowings and credit lines	14	10	4	-
Bank overdrafts	1	1	-	-
Cash and cash equivalents	(4,616)	(4,616)	-	-
Other financial assets	(394)	(394)	-	-
Net variable-rate liabilities (assets)	**(1,657)**	**(4,500)**	**1,352**	**1,491**

(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, 2022 broken down by principal currencies:

(in millions of euros)	Total at December 31, 2022	Euros[1]	US dollar	Pound sterling	Brazilian real	Yuan	Other
Assets	35,898	4,972	19,999	2,151	205	1,958	6,613
Liabilities	26,298	4,566	15,277	1,375	133	1,400	3,547
Net assets	**9,600**	**406**	**4,722**	**776**	**72**	**558**	**3,066**
Effect of foreign exchange hedges[2]	-	2,310	(2,144)	138	-	(7)	(297)
Net assets after hedging	**9,600**	**2,716**	**2,578**	**914**	**72**	**551**	**2,796**

(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:

	2022	2021
Euro	11%	13%
US dollar	61%	57%
Pound sterling	9%	8%
Other	20%	22%
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 88 million on consolidated revenue for 2022;
- euro 16 million on the operating margin for 2022.

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)	2022	2021
Amounts not yet due	**8,750**	**8,305**
Overdue receivables:		
Up to 30 days	282	274
31 to 60 days	103	86
61 to 90 days	33	36
91 to 120 days	23	28
More than 120 days	169	158
Total overdue receivables	**610**	**582**
Invoiced trade receivables	**9,360**	**8,887**
Impairment	(183)	(193)
Invoiced trade receivables net	**9,177**	**8,694**

/ Disclosures regarding major clients

(% of revenue)	2022	2021
Five largest clients	12%	12%
Ten largest clients	21%	20%
Twenty largest clients	30%	30%
Thirty largest clients	36%	37%
Fifty largest clients	44%	45%
One hundred largest clients	57%	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 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.

The Groupe has identified operating segments that correspond to key markets (countries or regions). These 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 operating segments corresponding to the geographic regions in which it operates: United States, Canada, United Kingdom, France, DACH (Germany, Austria and Switzerland), Asia-Pacific, Middle East & Africa, Central and Eastern Europe, Western Europe and Latin America.

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 operating segments results in the same level of information being presented as by geographic region.

/ 2022 financial year

(in millions of euros)	Europe	North America	Asia-Pacific	Latin America	Middle East & Africa	Total
Income statement items						
Net revenue[1]	2,879	7,869	1,176	289	359	12,572
Revenue[1] [2]	3,531	8,466	1,441	311	447	14,196
Depreciation and amortization expense (excluding acquired intangibles)	(212)	(233)	(66)	(13)	(11)	(535)
Operating margin	**463**	**1,478**	**249**	**25**	**51**	**2,266**
Amortization of intangibles from acquisitions	(29)	(240)	(11)	(3)	(4)	(287)
Impairment loss	(2)	(64)	(13)	(30)	-	(109)
Non-current income and expenses	(86)	(17)	-	-	-	(103)
Operating income after impairment	**346**	**1,157**	**225**	**(8)**	**47**	**1,767**
Balance sheet items						
Intangible assets, net[3]	2,033	9,976	1,224	152	408	13,793
Property, plant and equipment, net (including right-of-use assets on leases)[3]	1,164	962	183	27	27	2,363
Other financial assets[3]	202	155	30	6	1	394
Disclosures in respect of the statement of cash flows						
Purchases of property, plant and equipment and intangible assets	(57)	(115)	(17)	(6)	(3)	(198)
Purchases of investments and other financial assets, net	(2)	6	4	-	3	11
Acquisitions of subsidiaries	(180)	(239)	(79)	(20)	(5)	(523)

(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) In Europe, revenue for 2022 was euro 3,531 million, of which euro 1,026 million in France. In North America, revenue for 2022 was euro 8,466 million, of which euro 8,129 million in the United States.

(3) At December 31, 2022, net intangible assets amounted to euro 13,793 million, of which euro 390 million in France and euro 9,501 million in the United States. Net property, plant and equipment amounted to euro 2,363 million, of which euro 791 million in France and euro 921 million in the United States. Other financial assets amounted to euro 394 million, of which euro 174 million in France and euro 155 million in the United States.

/ 2021 financial year

(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]	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[3]	1,950	9,480	1,143	172	394	13,139
Property, plant and equipment, net (including right-of-use assets on leases)[3]	760	1,084	202	26	32	2,104
Other financial assets[3]	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) In Europe, revenue for 2021 was euro 2,972 million, of which euro 875 million in France. In North America, revenue for 2021 was euro 6,874 million, of which euro 6,600 million in the United States.

(3) At December 31, 2021, net intangible assets amounted to euro 13,139 million, of which euro 372 million in France and euro 9,000 million in the United States. Net property, plant and equipment amounted to euro 2,104 million, of which euro 306 million in France and euro 1,057 million in the United States. Other financial assets amounted to euro 276 million, of which euro 170 million in France and euro 45 million in the United States.

Note 31 Publicis Groupe SA stock option and free share plans

Presentation of the new free share plans for 2022

Five free share plans were created in the first half of 2022, with the following features:

Long-term incentive plan known as the "LTIP Epsilon 2022 Plan" (March and September 2022)

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 2022. These are deliverable in March 2023 (30% of the shares), March 2024 (30% of the shares) and March 2025 (40% of the shares) or September of those same years (depending on the grant date of the shares) in the same proportions.

Long-term incentive plan known as the "Sapient 2022 Plan" (April 2022)

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 2023, 2024, 2025 and 2026);
- 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 2022. Delivery will take place at the end of a three-year period, in April 2025.

Long-term incentive plans known as the "LTIP 2022 Directoire" (March 2022) and the "LTIP 2022 Président du Directoire" (March and May 2022)

Under the LTIP 2022 Directoire, 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 Group's revenue growth and profitability targets over the entire 2022 to 2024 period, compared to a peer Groupe including the other three main global communications Groupes (Omnicom, WPP and IPG);
- conditions based on progress made on the CSR (corporate social responsibility) policy, in the area of Diversity, Equality and Inclusion and in the area of combating climate change, for which indicative interim points have been set. At the end of 2024, 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 set targets.

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 2025.

In addition, the Chairman of the Management Board was granted additional shares in May 2022 following the compensation policy adopted by the General Shareholders' Meeting of May 25, 2022. Also, the performance conditions associated with all the shares awarded to him in March and May were aligned with the new conditions approved during this same General Shareholders' Meeting. The conditions indicated above for the members of the Management Board are applicable to it, plus a new market condition based on the TSR (Total Shareholder Return) comparing the Publicis Groupe' TSR to that of the CAC40, as well as a condition related to talent management within the Groupe.

Long-term incentive plan known as the "LTIP 2022" (March 2022) and other plans

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 Group's revenue growth and profitability targets for the year 2022, compared to a reference Groupe including the other three main global communications Groupes (Omnicom, WPP and IPG);
- 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 2022, 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 targets will be deliverable at the end of a three-year period, *i.e.* in March 2025.

For the beneficiaries of the 2019 Special Retention Plan, this new plan replaces the third tranche whose shares were subject to performance conditions to be measured during the 2022 financial year. For the beneficiaries concerned, the LTIP 2022 plan was treated as a replacement plan in accordance with IFRS 2, as was the LTIP 2021 plan which had been considered as the replacement of the second tranche whose conditions performance were to be measured in 2021.

Moreover, the Management Board, at its meeting of October 2022, 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 March 2025.

Performance measurement of previous plans

In addition, the performance of the following plans was assessed in February 2022:

- Sapient 2019, 2020 and 2021 plans, Epsilon 2019-2021 replacement plan, Epsilon 2021 plan: the achievement rate of the performance objectives for the year 2021 is 100%;
- LTIP 2019-2021 Directoire Plan: the achievement rate of the performance objectives observed for the entire plan over the three years is 68.5%;
- LTIP 2021 Plan: the performance targets set were 78.5% achieved in 2021.

Publicis Groupe share subscription or purchase option plans

/ Characteristics of the Publicis Groupe stock option plans as at December 31, 2022

Plans	Type[1]	Date of grant	Option exercise price (in euros)	Options outstanding at January 1, 2022	Options cancelled, lapsed or transferred in 2022	Options exercised in 2022	Options remaining to be exercised December 31, 2022	Of which exercisable December 31, 2022	Exercise deadline	Remaining contract life (in years)
Lionlead 2 stock options	A	04/30/2013	52.76	1,018,555	(1,100)	(457,307)	560,148	560,148	02/05/2023	0.33

(1) A = stock options.

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

	2022		2021	
	Number of options	Average exercise price (in euros)	Number of options	Average exercise price (in euros)
Options at January 1	1,018,555	52.76	1,078,211	52.76
Options exercised[1]	(457,307)	52.76	(100,285)	52.76
Options cancelled, lapsed or transferred	1,100	52.76	40,629	52.76
Options outstanding at December 31	**560,148**		**1,018,555**	
Of which exercisable	*560,148*	*52.76*	*1,018,555*	*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, 2022

Plans	Initial date of grant	Shares yet to vest as of January 1, 2022 or shares granted in 2022	Shares cancelled, lapsed or transferred[1] in 2022	Shares vested in 2022[2]	Shares yet to vest at December 31, 2022	Vesting date	Remaining contract life (in years)
Sapient 2018 Plan (4 years)	04/17/2018	36,261	(1,019)	(35,242)	-	04/17/2022	-
LTIP 2019 Plan	05/28/2019	139,225	(1,650)	(137,575)	-	05/28/2022	-
Sapient 2019 Plan (4 years)	05/28/2019	94,172	(5,068)	(46,697)	42,407	05/28/2023	0.41
Sapient 2019 Plan (3 years)	05/28/2019	207,978	(9,170)	(198,808)	-	05/28/2022	-
LTI 2019-2021 Directoire Plan	06/14/2019	160,073	(50,413)	(109,660)	-	06/14/2022	-
Star Growth Performers Plan/2019 Special Plan	05/28/2019	212,083	(12,000)	(200,083)	-	05/28/2022	-
2019-2021 Epsilon Replacement Plan	07/15/2019	151,989	(1,465)	(150,524)	-	03/31/2022	-
Special Retention Plan 2019[3]	11/15/2019	491,925	(98,030)	-	393,895	03/19/2025	2.22
Sapient 2020 Plan (4 years)	05/19/2020	152,805	(8,083)	(51,819)	92,903	05/19/2024	1.38
Sapient 2020 Plan (3 years)	05/19/2020	290,516	(17,988)	(5,916)	266,612	05/19/2023	0.38
LTI Epsilon 2020 Plan	07/20/2020	398,978	(19,640)	(165,965)	213,373	03/31/2023	0.25
"LTIP 2021" and other specific plans[4]	03/16/2021	571,759	(152,033)	-	419,726	03/18/2024	1.21
LTIP 2021 Directoire Plan	03/16/2021	151,577	-	-	151,577	03/18/2024	1.21
LTI Epsilon 2021 Plan	03/16/2021	599,827	(19,259)	(178,598)	401,970	03/31/2024	1.25
Sapient 2021 Plan (4 years)	04/13/2021	227,087	(12,118)	(54,570)	160,399	04/13/2025	2.28
Sapient 2021 Plan (3 years)	04/13/2021	340,636	(19,988)	-	320,648	04/13/2024	1.28
LTIP 2022 and other specific plans[4][5]	03/18/2022	638,279	(11,508)	-	626,771	03/19/2025	2.22
LTIP 2022 Président du Directoire Plan[6]	05/25/2022	62,043	-	-	62,043	05/26/2025	2.22
LTIP 2022 Directoire Plan	03/18/2022	78,004	-	-	78,004	03/19/2025	2.22
LTI Epsilon 2022 Plan	03/18/2022	455,625	(14,781)	-	440,844	03/31/2025	2.25
LTI Epsilon 2022 Plan (September)	09/14/2022	70,882	-	-	70,882	09/30/2025	2.75
Sapient 2022 Plan (4 years)	04/11/2022	241,275	(2,250)	-	239,025	04/11/2026	3.28
Sapient 2022 Plan (3 years)	04/11/2022	361,917	(3,375)	-	358,542	04/11/2025	2.28
Total free share plans		**6,134,916**	**(459,838)**	**(1,335,457)**	**4,339,621**		

(1) These relate to any transfers between French and foreign plans due to the geographic mobility of beneficiaries.
(2) In exceptional cases, as described in the plan regulations, shares may be delivered prior to the end of the vesting period.
(3) The shares of the second and third tranches are those granted respectively under the LTIP 2021 plan and the new LTIP 2022 plan to the initial beneficiaries. The delivery date of the initial plan (March 31, 2023) was extended and aligned with that of the LTIP 2022 plan.
(4) Excluding beneficiaries of the Special Retention Plan whose shares are presented on the line corresponding to the initial plan, the second and third tranche of which was replaced by the LTIP 2021 and LTIP 2022 plans respectively.
(5) Grant date on October 17, 2022 and delivery date on March 19, 2025 for the specific individual plan.
(6) Initially the shares were granted as of March 18, 2022 but an addition was granted as of May 25, 2022 following the General Shareholders' Meeting and the performance conditions of the plan were amended at the same date (see description of the new plan above).

The vesting of free shares under the above plans is conditional on continued employment throughout the vesting period.

Delivery is also subject to non-market performance conditions for all plans, as well as a market condition only for the LTIP 2022 Président du Directoire plan.

/ Movements in Publicis Groupe free share plans over the last two financial years

	2022	2021
Grants at January 1	**4,226,891**	**4,171,762**
Grants during the year	1,908,025	1,978,790
Vesting	(1,335,457)	(1,010,466)
Grants lapsed	(459,838)	(913,195)
Grants at December 31	**4,339,621**	**4,226,891**

/ Fair value of free Publicis Groupe shares granted during financial year 2022

Free shares	LTIP 2022 and other specific plan[1]	LTIP 2022 Directoire[2]	LTIP 2022 Chairman of the Management Board[2]	LTI Epsilon 2022[1]	LTI Epsilon 2022[1]	Sapient 2022 (4 years)	Sapient 2022 (3 years)
Date of Management Board meeting	03/18/2022 10/17/2022	03/18/2022	03/18/2022 05/25/2022	03/18/2022	09/14/2022	04/11/2022	04/11/2022
Number of shares originally granted	638,279	78,004	62,043	455,625	70,882	241,275	361,917
Initial valuation of shares granted (weighted average, in euros)	49.68	49.69	48.16	52.22	46.92	48.68	47.35
Share price on the grant date (in euros)	57.61	57.64	56.49	57.64	52.72	55.24	55.24
Vesting period (in years)	3	3	3	1 to 3	1 to 3	1 to 4	3

(1) Conditional shares subject to the achievement of targets set for 2022.
(2) Conditional shares subject to the achievement of targets set for the years 2022 to 2024.

Effect of share subscription or stock option plans and free share plans on profit (loss)

The total impact of these plans on the 2022 income statement was euro 64 million (excluding taxes and social security charges), compared to euro 52 million in 2021 (see Note 4).

With regard to the free share plans granted subject to (non-market) performance conditions, and for which performance has not yet been definitively measured as of December 31, 2022, the probability of meeting the targets set in respect of the calculation of the 2022 expense has been estimated as follows:

- for performance plans measured over a one-year period, in respect of 2022 performance: 100%;
- for performance plans measured over three years, regarding the performance of the three-year period and concerning the LTIP 2021 and 2022 Directoire plans, as well as the LTIP 2022 Président du Directoire plan: 100%.

Note 32 Information on related-party transactions

Transactions with associates

	December 31, 2022		December 31, 2021	
	Revenue	Expenses	Revenue	Expenses
Viva Tech[1]	11	-	7	-
Burrell Communications Group	-	5	3	-
SCB Tech X	20	-	-	-
Voila	3	-	-	-
Total	**34**	**5**	**10**	**-**

(1) Joint-venture between MSL France and Les Échos Solutions.

	December 31, 2022		December 31, 2021	
	Receivables/Loans	Liabilities	Receivables/Loans	Liabilities
OnPoint Consulting Inc.	1	-	3	-
Viva Tech[1]	-	1	3	-
ZAG Ltd	3	-	4	-
Core 1 WML Ltd	3	-	-	-
SCB Tech X	4	-	-	-
Other	3	-	5	1
Total	**14**	**1**	**15**	**1**

(1) Joint-venture between MSL France and Les Échos Solutions.

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 2022 amounted to euro 5 million, whereas euro 5 million in financial year 2021.

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)	2022	2021
Total gross compensation[1]	(10)	(10)
Share-based payment[2]	(4)	(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, 2022 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, 2021.

Note 33 Subsequent events

There is no subsequent event.

Note 34 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 2022 and 2021 financial years were:

	Ernst & Young				Mazars				Total			
	Amount (excl. taxes)		%		Amount (excl. taxes)		%		Amount (excl. taxes)		%	
(in millions of euros)	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Statutory auditors												
Publicis Groupe SA (parent Company)	0.8	0.7	12%	12%	0.4	0.4	10%	9%	1.2	1.1	11%	11%
Account certification	0.8	0.7			0.4	0.4			1.2	1.1		
Other services	0.0	0.0			0.0	0.0			0.0	0.0		
Subsidiaries	0.2	0.2	3%	4%	0.5	0.5	12%	11%	0.7	0.7	7%	7%
Account certification	0.1	0.1			0.5	0.5			0.6	0.6		
Other services	0.1	0.1			0.0	0.0			0.1	0.1		
Subtotal	1.0	0.9	15%	16%	0.9	0.9	20%	20%	1.9	1.8	18%	18%
Network												
Account certification	5.0	4.2	71%	72%	3.5	3.5	78%	78%	8.5	7.7	73%	75%
Other services	0.9	0.7	14%	12%	0.1	0.1	2%	2%	1.0	0.8	9%	7%
Subtotal	5.9	4.9	85%	84%	3.6	3.6	80%	80%	9.5	8.5	82%	82%
Total	6.9	5.8	100%	100%	4.5	4.5	100%	100%	11.4	10.3	100%	100%

Note 35 List of the main consolidated companies at December 31, 2022

Fully consolidated companies

The companies listed below are our operating companies with 2022 revenue of at least euro 10 million.

Name	% control	% interest	Country
Advance Marketing Services SASU	100.00%	100.00%	France
Epsilon France SASU[2]	100.00%	100.00%	France
Epsilon Lille SASU	100.00%	100.00%	France
Independance Media SAS	100.00%	100.00%	France
Mediagare SNC	100.00%	67.00%	France
Metrobus SA	67.00%	67.00%	France
Metrobus Ile-de-France SAS[1]	100.00%	67.00%	France
Prodigious France SASU	100.00%	100.00%	France
Publicis Conseil SA	99.99%	99.99%	France
Publicis Consultants France SARL	100.00%	100.00%	France
Publicis Drugstore Champs-Élysées SNC	100.00%	100.00%	France
Publicis Media France SASU	100.00%	100.00%	France
Publicis Sapient France SASU	100.00%	100.00%	France
PublicisLive France SASU	100.00%	100.00%	France
Services Marketing Diversifiés SASU	100.00%	100.00%	France
MMS Communication South Africa Ltd	76.30%	49.00%	South Africa
CNC Communications & Network Consulting AG	100.00%	100.00%	Germany
Digitas Pixelpark GmbH	100.00%	100.00%	Germany
Leo Burnett GmbH	100.00%	100.00%	Germany
MetaDesign GmbH	100.00%	100.00%	Germany
MSL Group Germany GmbH	100.00%	100.00%	Germany
Publicis Platform GmbH	100.00%	100.00%	Germany
Publicis Media GmbH	100.00%	100.00%	Germany
Saatchi & Saatchi GmbH	100.00%	100.00%	Germany
Sapient GmbH	100.00%	100.00%	Germany
Spark Foundry Germany GmbH[1]	100.00%	100.00%	Germany
Starcom Germany GmbH	100.00%	100.00%	Germany
Zenithmedia GmbH	100.00%	100.00%	Germany
Abdulkader Sul. El K. Br. Adv.Co	100.00%	100.00%	Saudi Arabia
MMS Communications Saudi Arabia Limited[1]	100.00%	100.00%	Saudi Arabia
MMS Communicaciones Argentina SRL	100.00%	100.00%	Argentina
Publicis Communications Australia Pty Ltd	100.00%	100.00%	Australia
Publicis Media Australia Pty Ltd	100.00%	100.00%	Australia
Publicis Red Lion Pty. Ltd	100.00%	100.00%	Australia
Publicis Sapient Australia Pty Ltd	100.00%	100.00%	Australia
MMS Communications Belgium SRL	100.00%	100.00%	Belgium

(1) Companies on the 2022 list but not on the 2021 list.
(2) Change in corporate name in 2022.

Name	% control	% interest	Country
Publicis Brasil Comunicacao Ltda.	100.00%	100.00%	Brazil
MMS Brasil Comunicação Ltda.(1)	100.00%	100.00%	Brazil
Talent Marcel Comunicacao e Planejamento Ltda	100.00%	100.00%	Brazil
DPZ Comunicacoes Ltda	98.74%	98.25%	Brazil
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%	99.78%	Canada
Communications G/B2 Inc.	100.00%	100.00%	Canada
Epsilon Interactive CA ULC	100.00%	100.00%	Canada
Sapient Canada Inc.	100.00%	100.00%	Canada
Nurun Inc.	100.00%	100.00%	Canada
MMS Communications Chile SA(1)	100.00%	100.00%	Chile
BBH China Ltd(1)	100.00%	100.00%	China
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
MS&L Public relations consultancy Bejing Co. Ltd	100.00%	100.00%	China
Publicis Sapient China Co. Ltd	100.00%	100.00%	China
Shanghai Ideas Palace Adverstising(1)	100.00%	100.00%	China
PG Lion (Wuhan) Consulting Co., Ltd	100.00%	100.00%	China
APEX Trading Colomnia SAS	100.00%	100.00%	Colombia
MMS Communicaciones Colombia SAS	100.00%	100.00%	Colombia
Leo Burnett Inc.	100.00%	100.00%	South Korea
Publicis Denmark A/S	100.00%	100.00%	Denmark
Lion Communications FZ-LLC	100.00%	100.00%	United Arab Emirates
MMS Communications FZ LLC(1)	100.00%	100.00%	United Arab Emirates
Publicis Communications FZ LLC	100.00%	100.00%	United Arab Emirates
Publicis Media FZ LLC	100.00%	100.00%	United Arab Emirates
Publicis Sapient FZ LLC	100.00%	100.00%	United Arab Emirates
Starcom MediaVest Group Iberia SLU	100.00%	100.00%	Spain
Zenith Media SLU	100.00%	100.00%	Spain
Spark Foundry Agencia de Medios, SLU(1)	100.00%	100.00%	Spain
3 Share Inc.	100.00%	100.00%	United States
Alpha 245 Inc.	100.00%	100.00%	United States
APEX Exchange LLC	100.00%	100.00%	United States
Bartle Bogle Hegarty Inc.	100.00%	100.00%	United States
BBK Worldwide LLC(1)	100.00%	100.00%	United States
Blue 449 Inc.	100.00%	100.00%	United States
Catapult Integrated Services LLC	100.00%	100.00%	United States
CitrusAd International Inc.(1)	100.00%	100.00%	United States

(1) Companies on the 2022 list but not on the 2021 list.

Name	% control	% interest	Country
Commission Junction LLC	100.00%	100.00%	United States
Conversant LLC.	100.00%	100.00%	United States
Digitas Inc.	100.00%	100.00%	United States
Epsilon Agency LLC	100.00%	100.00%	United States
Epsilon Data Management LLC	100.00%	100.00%	United States
Fallon Group Inc.	100.00%	100.00%	United States
Formerly Known As, LLC(2)	100.00%	100.00%	United States
GroupConnect LLC	100.00%	100.00%	United States
Harbor Picture Company Inc.	100.00%	100.00%	United States
Kekst & Company Inc.	100.00%	100.00%	United States
La Communidad Corporation	100.00%	100.00%	United States
Leo Burnett Company Inc.	100.00%	100.00%	United States
Leo Burnett Detroit LLC	100.00%	100.00%	United States
Level Sunset LLC	100.00%	100.00%	United States
Martin Retail Group LLC	70.00%	70.00%	United States
MediaVest WW Inc.	100.00%	100.00%	United States
MSLGROUP Americas LLC	100.00%	100.00%	United States
Plowshare Group, LLC	100.00%	100.00%	United States
Publicis Hawkeye Inc.	100.00%	100.00%	United States
Publicis Health LLC	100.00%	100.00%	United States
Publicis Health Media LLC	100.00%	100.00%	United States
Publicis Inc.(2)	100.00%	100.00%	United States
Publicis Media, Inc.	100.00%	100.00%	United States
Publicis USA Production Solutions Inc.	100.00%	100.00%	United States
Rauxa Agency, LLC	100.00%	100.00%	United States
Razorfish, LLC(1)	100.00%	100.00%	United States
Saatchi & Saatchi North America LLC	100.00%	100.00%	United States
Saatchi & Saatchi X Inc.	100.00%	100.00%	United States
Sapient Corporation	100.00%	100.00%	United States
Sapient Government Services Inc.	100.00%	100.00%	United States
Starcom Worldwide Inc.	100.00%	100.00%	United States
VNC Communications Inc.	100.00%	100.00%	United States
Zenith Media Services Inc.	100.00%	100.00%	United States
Denuo Ltd	100.00%	100.00%	Hong Kong
Publicis Worldwide (Hong Kong) Ltd.	100.00%	100.00%	Hong Kong
MMS Communications Hungary Kft	100.00%	100.00%	Hungary
TLG India Private Ltd.	100.00%	100.00%	India
Brandmap Communications Private Ltd.	100.00%	100.00%	India
Convonix Systems Private Ltd.	100.00%	100.00%	India
Profitero Ltd(1)	100.00%	100.00%	Ireland
BBR Braumann Ber Rivnay Ltd.	98.04%	98.04%	Israel
Super Push (Marketing Services) Ltd(1)	98.04%	98.04%	Israel
Leo Burnett Company Srl	100.00%	100.00%	Italy

(1) Companies on the 2022 list but not on the 2021 list.
(2) Change in corporate name in 2022.

Name	% control	% interest	Country
PMX Italy Srl[2]	100.00%	100.00%	Italy
Publicis Srl	100.00%	100.00%	Italy
Publicis Value Services Srl[2]	100.00%	100.00%	Italy
Starcom MediaVest Group Italia Srl	100.00%	100.00%	Italy
Zenith Italy Srl	100.00%	100.00%	Italy
Beacon Communications KK	66.00%	66.00%	Japan
MMS Communications KK	100.00%	100.00%	Japan
H&C Leo Burnett Sarl	100.00%	100.00%	Mexico
Publicis APX Malaysia Sdn Bhd[1]	100.00%	100.00%	Malaysia
Star Reacher Advertising Sdn Bhd	100.00%	100.00%	Malaysia
Starcom Worldwide SA de CV	100.00%	100.00%	Mexico
Publicis Communications Norway AS[2]	100.00%	100.00%	Norway
MMS New Zealand Ltd	100.00%	100.00%	New Zealand
Boomerang Create BV[1]	100.00%	100.00%	The Netherlands
MMS Communications Netherlands BV	100.00%	100.00%	The Netherlands
Publicis Asociados SAC	100.00%	100.00%	Peru
PGP hub sp. zoo	100.00%	100.00%	Poland
Saatchi & Saatchi IS sp. Zoo	100.00%	100.00%	Poland
Starcom sp zoo	100.00%	100.00%	Poland
Zenith Poland sp z.o.o.[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 S.A.	51.05%	51.05%	Romania
Tremend Software Consulting S.R.L.[1]	100.00%	100.00%	Romania
APX Trading Ltd.	100.00%	100.00%	United Kingdom
BBH Partners LLP	100.00%	100.00%	United Kingdom
CNC Communications & Network Consulting Ltd	100.00%	100.00%	United Kingdom
DigitasLBi Ltd	100.00%	100.00%	United Kingdom
Epsilon International 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
Prodigious UK Ltd	100.00%	100.00%	United Kingdom
Publicis Media Exchange Ltd.[1]	100.00%	100.00%	United Kingdom
Publicis Healthcare Communications Group 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
Sapient Ltd. UK	100.00%	100.00%	United Kingdom
Spark Foundry Ltd.	100.00%	100.00%	United Kingdom
Zenith International Ltd	100.00%	100.00%	United Kingdom
Zenith UK Ltd	100.00%	100.00%	United Kingdom
MMS Communications Singapore Pte Ltd	100.00%	100.00%	Singapore
BBH Communications (Asia Pacific) Pte Ltd	100.00%	100.00%	Singapore
APX Echange Pte Ltd.[1]	100.00%	100.00%	Singapore

(1) Companies on the 2022 list but not on the 2021 list.
(2) Change in corporate name in 2022.

Name	% control	% interest	Country
Publicis Media Sweden AB	100.00%	100.00%	Sweden
Publicis Sapient Sweden AB(2)	100.00%	100.00%	Sweden
Publicis Communications Lausanne S.A.	100.00%	100.00%	Switzerland
Publicis Communications Schweiz AG	100.00%	100.00%	Switzerland
Publicis Live Switzerland	100.00%	100.00%	Switzerland
Publicis Media Switzerland AG	100.00%	100.00%	Switzerland
Denuo Ltd Taiwan Branch	100.00%	100.00%	Taiwan
Leo Burnett Company Ltd	100.00%	100.00%	Taiwan
Publicis Worldwide Ltd Taiwan Branch(1)	100.00%	100.00%	Taiwan
Star Reachers Group Co	100.00%	100.00%	Thailand
Lion Communications Turkey	100.00%	100.00%	Turkey
MMS Communications Vietnam Company Ltd.	76.50%	76.50%	Vietnam

(1) Companies on the 2022 list but not on the 2021 list.
(2) Change in corporate name in 2022.

Reinsurance Company

During 2022, a reinsurance Company has been incorporated in France to optimize the group's insurance costs. This Company is controlled and held at 100% by the Groupe and is fully consolidated.

Main investment in associates

Name	% interest	Country
Somupi SA	34.00%	France
OnPoint Consulting Inc.(1)	100.00%	United States
Viva Tech(2)	50.00%	France
Voilà SAS	50.00%	France
Insight Redefini Ltd	25.00%	Nigeria
SCB TechX	40.00%	Thailand
Burrell Communications Group	49.00%	United States
JJLabs	49.00%	United States
Core 1 WML Ltd	49.99%	Ireland

(1) Although this is a wholly-owned Company, 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, 2022

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 SA,

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 SA for the year ended December 31,2022.

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, 2022 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 the independence requirements of the French Commercial Code (*code de commerce*) and the French Code of Ethics for Statutory Auditors (*code de déontologie de la profession de commissaire aux comptes*) for the period from January 1, 2022 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

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", "Contracts Assets" and "Contracts liabilities" and 26 "Contracts liabilities" to the consolidated financial statements)

Risk identified	Total revenue amounts to M€ 14,196M as at December 31, 2022 in the consolidated financial statements. Service contracts between the Group's entities and their clients include specific contractual terms. The accounting standards related to the recording of these contracts require an in-depth analysis of the contractual obligations and criteria for the transfer of promised services to the customer, particularly in case of complex contracts. An error in the analysis of the contractual obligations to determine the transfer of promised services to the customer may lead to an error in revenue recognition. As a result, we considered revenue recognition to be a key audit matter.
Our response	• For each type of contract, we obtained an understanding of the revenue recognition process set up by Management, from the conclusion of the agreement, through the performance of the services, the invoicing and its recording in the accounts, until the receipt of payments. • We performed effectiveness testing of key controls over revenue processes and information systems. • We examined the application of the accounting principles and policies relating to revenue recognition as described in the notes to the consolidated financial statements. • We performed substantive testing of revenue recognition for a selection of contracts based on quantitative and qualitative criteria, with reference to signed contracts and other external evidence, and checked for proper cut-off. • We reviewed the contractual documentation, the subsequent settlement and the analysis carried out by Group's entities, in particular concerning the recoverability of trade receivables and work-in-progress.

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 development of the Group's activities includes external growth operations. These acquisitions resulted in the recording of goodwill and significant intangible assets on the consolidated balance sheet.
As at December 31, 2022, net goodwill amounts to M€ 12,546 in the consolidated balance sheet and net intangible assets amount to M€ 1,247.
Intangible assets are subject to impairment tests if there are any indicators that they may have been impaired. Goodwill is subject to impairment tests at least on an annual basis. An impairment loss is recognized whenever the recoverable amount is lower than the carrying amount, the recoverable amount being the higher of the value in use and fair value less costs to sell.
The valuation of the recoverable amount of these assets involves the use of many estimates and judgment from Management, in particular the assessment of the competitive, economic and financial environment in the countries where the Group operates, the Group's ability to generate operating cash flows as a result of strategic plans, in particular the levels of revenue and operating margin, and the determination of discount and growth rates.
Impairment tests on goodwill resulted in the recognition of an impairment loss of M€ 28 for the 2022 financial year.
We considered the valuation of goodwill and intangible assets to be a key audit matter, given their sensitivity to Management's assumptions and their materiality in the consolidated financial statements.

Our response

- We obtained an understanding of the procedure and key controls put in place by Management for conducting impairment tests, including determining the cash flows used in calculating recoverable amounts.
- In order to assess the reliability of the business plans data used to calculate the recoverable amounts, we:
  - compared the 2023 financial projections with the previous financial projections and with the actual results of the years concerned;
  - conducted interviews with the independent expert engaged by Publicis Groupe SA for impairment tests' purpose and with the financial and operational managers of Publicis Groupe SA to analyze the main assumptions used in the five-year financial projections and compared them with the explanations obtained;
  - compared the main assumptions used by Publicis Groupe SA's Management on revenue, operating margin and investments with external data when available, such as market studies or analysts' reports;
  - examined the consistency of future cash flow estimates with the main assumptions made in the five-year financial projections (2023-2027), the year 2023 being directly derived from the annual budget approved by Management;
  - examined 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.
- We involved our valuation experts in order to:
  - analyze the methods used to determine the discount and terminal growth rates, compare these rates with market data or external sources and re-calculate these rates using our own data sources;
  - test the mathematical accuracy of the models and re-calculate the significant amounts.
- We examined the appropriateness of the information relating to the valuation of goodwill disclosed in Note 6 to the consolidated financial statements, which includes the key assumptions used to determine the recoverable amounts.

Accounting and valuation of provisions for risks and litigation, liabilities relating to tax risks and litigation, and contingent liabilities

(Notes 1.3 "Provisions", 9 "Income taxes" and 21 "Provisions for liabilities and charges and contingent liabilities" to the consolidated financial statements)

Risk identified

Publicis Groupe SA's entities operate in more than 100 countries and are therefore subject to many laws and regulations, including tax rules, that are complex and constantly changing.
Furthermore, in the course of their activity, Publicis Groupe SA and its subsidiaries may be sued or jointly cited in legal proceedings brought against them, or against their customers, by third parties, by competitors of their customers, by an administrative or regulatory authority, or by a consumer association.
Management's evaluation of the associated risks has led Publicis Groupe SA to recognize provisions for risks and litigation in the amount of M€ 261 as at December 31, 2022, and to recognize some uncertain tax liability in the amount of M€ 229.
Given the uncertainty of the outcome of the proceedings initiated, Management's high level of judgment in estimating risks, and the recorded amounts of provisions and liabilities, we considered the recognition and measurement of provisions for risks and litigation, liabilities relating to tax risks and litigation, and contingent liabilities, to be a key audit matter.

Our response

- We examined the procedures implemented by Management to identify risks and disputes, including tax risks, to measure their impact and, where appropriate, assess the amount of liabilities to be recorded.
- We obtained an understanding of the internal risk and litigation reports prepared by the local teams and compiled by the legal and tax departments.
- We examined the probability of an outflow of resources and the estimated amount of the obligation:
  - by considering the risk analysis carried out by Publicis Groupe SA and by conducting interviews with the Company's legal and tax departments, for a selection of risks and disputes deemed complex and significant, in the litigation or pre-litigation phase;
  - by inquiring the external advisers of Publicis Groupe SA or by obtaining legal opinions for the risks and disputes deemed most significant.
- We examined the appropriateness of the risk and litigation information presented in the notes to the consolidated financial statements.

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 Executive Board's report.

We have no matters to report as to its fair presentation and its 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 auditors 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 Executive 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.

Due to technical limitations inherent to the block-tagging of consolidated financial statements prepared in the European single electronic format, the display of the content of certain tags of the accompanying notes may not be identical in the consolidated financial statements attached to this report.

Furthermore, 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 SA 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, 2022, MAZARS and ERNST & YOUNG et Autres were in the forty-second and sixteenth 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 for Statutory Auditors (code de déontologie de la profession de commissaire aux comptes). 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, February 2, 2023

The statutory auditors

French original signed by

MAZARS		**ERNST & YOUNG et Autres**	
Olivier Lenel	Ariane Mignon	Claire Cesari-Walch	Nicolas Pfeuty

CHAPTER 7

2022 ANNUAL FINANCIAL STATEMENTS

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7.1 INCOME STATEMENT

(in thousands of euros)	Note	2022	2021
Billings (goods and services)	3	24,347	28,775
Reversal of provisions and expense transfers	4	65,906	46,723
Other income		567	939
Total operating income		**90,820**	**76,437**
Other purchases and external charges		(10,368)	(11,301)
Taxes other than income taxes		(1,866)	(1,690)
Personnel costs	5	(69,975)	(51,047)
Depreciation & amortization, increase in provisions		(1,989)	(2,348)
Other expenses		(2,788)	(2,331)
Total operating expenses		**(86,986)**	**(68,717)**
Operating income		**3,834**	**7,720**
Investment income		91,759	104,140
Interest and other financial income		2,946	2,100
Reversal of financial provisions		83	45
Total financial income		**94,788**	**106,285**
Depreciation & amortization, increase in provisions		(2,690)	(3,847)
Interest and other financial expenses		(66,459)	(68,981)
Total financial expenses		(69,149)	(72,828)
Financial income	6	**25,639**	**33,457**
Pre-tax profit		**29,473**	**41,177**
Increases in depreciation, amortization and exceptional provisions		(4,200)	-
Exceptional items	7	**(4,200)**	**-**
Income taxes	8	**5,911**	**6,210**
Net income for the year		**31,184**	**47,387**

7.2 BALANCE SHEET

(in thousands of euros)	Note	December 31, 2022	December 31, 2021
ASSETS			
Intangible assets	*9.1*	**1,993**	**2,033**
Concessions and business goodwill		2,991	2,991
Other intangible assets		507	507
Amortization & depreciation		(1,505)	(1,465)
Property, plant and equipment	*9.2*	**8,482**	**9,742**
Land		2,291	2,291
Buildings		3,044	3,044
Machinery and equipment		1,133	1,133
Other		38,596	38,018
Amortization & depreciation of property, plant and equipment		(36,582)	(34,744)
Investments and other financial assets		**5,599,695**	**5,588,993**
Long-term equity investments	*9.3*	5,656,681	5,637,897
Impairment on equity investments	*9.3*	(98,115)	(98,115)
Loans and receivables related to equity investments	*9.4*	40,953	49,010
Loans and other financial assets		277	232
Impairment on other financial assets		(101)	(31)
Non-current assets		**5,610,170**	**5,600,768**
Trade receivables		5,883	6,394
Other receivables		11,833	8,290
Marketable securities	*10*	150,148	246,194
Cash and cash equivalents		136	12
Current assets		**168,000**	**260,890**
Prepaid expenses		405	417
Deferred expenses	*11*	1,827	3,088
Bond redemption premiums	*12*	1,704	3,126
Unrealized foreign exchange losses		-	-
Total assets		**5,782,106**	**5,868,289**

(in thousands of euros)	Note	December 31, 2022	December 31, 2021
EQUITY AND LIABILITIES			
Share capital		101,725	101,385
Additional paid-in capital		2,944,014	3,487,657
Statutory reserve		10,138	9,911
Retained earnings		5,499	1,750
Equity before net income		**3,061,376**	**3,600,703**
Net income for the year		31,184	47,387
Shareholders' equity	*14*	**3,092,560**	**3,648,090**
Provisions for liabilities and charges	*15*	**13,882**	**15,734**
Bonds	*16*	1,100,832	1,100,832
Bank borrowings and overdrafts	*17*	-	-
Other financial liabilities	*18*	1,560,902	1,092,146
Trade payables		2,408	3,140
Tax and social liabilities		11,195	7,999
Other creditors		327	348
Deferred income		-	-
Liabilities		**2,675,664**	**2,204,465**
Unrealized foreign exchange gains		-	-
Total equity and liabilities		**5,782,106**	**5,868,289**

7.3 CASH FLOWS STATEMENT

(in thousands of euros)	2022	2021
Cash flow from operating activities		
Net income for the year	**31,184**	**47,387**
Capital losses (gains) on disposals of assets	167	2,008
(Reversals)/increases of provisions, net	(54)	1,305
Transfer to deferred expenses, amortization/depreciation	1,262	1,760
Amortization of redemption premiums on the Eurobond	1,422	2,003
Cash flow	**33,981**	**54,463**
Change in working capital requirements	(579)	(24,988)
Net cash flows generated by (used in) operating activities (I)	**33,402**	**29,475**
Cash flow from investing activities		
Purchases of property, plant and equipment and intangible assets	(578)	(876)
Acquisitions of subsidiaries	(20,000)	-
Disposals of subsidiaries	1,049	-
Net cash flows generated by (used in) investing activities (II)	**(19,529)**	**(876)**
Cash flow from financing activities		
Dividends paid to holders of the parent Company	(602,712)	(227,452)
Capital increase	15,998	7,341
Repayment of bonds	-	(700,000)
Repayment of other borrowings	-	(150,000)
Decreases in loans/(other borrowings)	476,838	1,275,542
Buyback of treasury shares	-	(144,313)
Sale of treasury shares	-	3,639
Net cash flows generated by (used in) financing activities (III)	**(109,876)**	**64,757**
Change in cash and cash equivalents (I+II+III)	**(96,003)**	**93,356**
Net cash and cash equivalents at beginning of the year	246,289	152,933
Net cash and cash equivalents at end of the year	150,286	246,289
Change in cash and cash equivalents	**(96,003)**	**93,356**

7.4 NOTES TO THE FINANCIAL STATEMENTS OF PUBLICIS GROUPE S.A, PARENT COMPANY

DETAILED SUMMARY OF THE NOTES TO THE FINANCIAL STATEMENTS

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Publicis Groupe SA is the parent Company of Publicis Groupe.

It acts primarily as holding Company by managing its investments, allowing it to have direct or indirect control of the Groupe's companies, and also providing services to all 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.

It has opted for the tax consolidation regime, which includes the parent Company as head of the tax consolidation Groupe and its main French subsidiaries.

It also implements a large part of the Groupe's external financing policy with the banking and capital markets in order to maintain a certain level of liquidity to meet its commitments and investment needs.

Note 1 Significant events during the financial year

In April 2022, the Groupe received a notification of grievances from the competition Authority in relation to practices implemented in the outdoor advertising sector in France (Metrobus). The procedure is ongoing.

In June 2022, the subsidiary Publicis Ré, in which Publicis Groupe SA holds 100% of the share capital, was created. This is a captive reinsurance Company designed to cover a portion of the Groupe's cyber and pecuniary loss risks. At the end of December 2022, the subsidiary's share capital amounted to euro 20 million.

Note 2 Accounting policies and methods

The parent Company financial statements for the 2022 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 2022 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 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.

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 2022, personnel expenses include the compensation of the Chairman of the Management Board and related expenses. They also include the costs related to 2022 free share or stock option plans, amounting to euro 65,219 thousand, for which the delivery of existing shares results in a charge to the income statement. In 2021, the costs linked with these plans amounted to euro 46,657 thousand.

Note 6 Financial income and expenses

(in thousands of euros)	2022	2021
Dividends	90,056	100,420
Other income from investments	1,703	3,720
Investment income	**91,759**	**104,140**
Other financial income	2,546	2,016
Foreign exchange gains	401	84
Interest and other financial income	**2,946**	**2,100**
Reversal of impairment for marketable securities	83	45
Reversal of financial provisions & expense transfers	**83**	**45**
Total financial income	**94,788**	**106,285**
Bond-related amortization	(2,683)	(3,763)
Increase in provisions for foreign exchange losses	-	-
Increase in provisions for impairment of marketable securities	(2)	(83)
Increase in other financial provisions	(5)	(1)
Amortization and increases in provisions	**(2,690)**	**(3,847)**
Bond-related expenses	(12,250)	(19,992)
Other financial expenses	(53,743)	(48,885)
Foreign exchange losses	(466)	(104)
Interest and other financial expenses	**(66,459)**	**(68,981)**
Total financial expenses	**(69,149)**	**(72,828)**
Net financial income	**25,639**	**33,457**

Note 7 Exceptional items

Exceptional items for 2022 was a loss of euro 4,200 thousand, corresponding to a provision for tax litigation. There were no exceptional items in financial year 2021.

Note 8 Income taxes

The published income statement shows tax income of euro 5,911 thousand. 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, totalling euro 5,392 thousand.

The Company, which is the parent Company of the French tax Groupe (comprising 18 entities including Publicis Groupe SA), recorded a tax loss of euro 57,867 thousand in 2022.

Tax loss carryforwards of the French tax Groupe, which can be carried forward without any time limit, amounted to euro 351,345 thousand at December 31, 2022.

Note 9 Non-current assets

9.1 Intangible assets

There were no acquisitions or disposals during financial year 2022. The gross amount at December 31, 2022 stands at euro 3,498 thousand, the same as at December 31 of the previous financial year.

9.2 Property, plant and equipment

In the 2022 financial year, euro 578 thousand were invested in fixtures.

In 2021, investments in fixtures amounted to euro 876 thousand.

9.3 Long-term equity investments

As of December 31, 2022, long-term equity investments amounted to euro 5,656,681 thousand versus euro 5,637,897 thousand as of December 31, 2021. The provision for impairment amounted to euro 98,115,000 as of December 31, 2022. This was unchanged from December 31, 2021.

(in thousands of euros)	Value in balance sheet
Amount at December 31, 2021	**5,637,897**
Acquisitions/additions	20,000
Disposals/deconsolidations	(1,216)
Amount at December 31, 2022	**5,656,681**

The main event concerns the creation of the subsidiary Publicis Ré (see Note 1: Significant events during the financial year) with share capital of euro 20 million.

9.4 Loans and receivables related to equity investments

(in thousands of euros)	December 31, 2022	December 31, 2021
Loan to MMS France Holdings	30,249	30,249
Loan to Metrobus	-	8,398
Multi Market Services Ireland current account	560	890
MMS France Holdings current account	-	1,010
Interest receivable	10,144	8,463
Total	**40,953**	**49,010**

Note 10 Marketable securities

Marketable securities broke down as follows at December 31, 2022:

(in thousands of euros)	December 31, 2022	December 31, 2021
Excluding liquidity contract:		
• Treasury shares	134,352	229,151
Held under the liquidity contract:		
• Money UCITS funds	12,354	13,942
• Treasury shares	3,444	3,184
Provisions for impairment:		
• Excluding liquidity contract	-	-
• Held under the liquidity contract	(2)	(83)
Total marketable securities (net amount)	**150,148**	**246,194**

The movements for the financial year and position at the reporting date for marketable 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 marketable securities (excluding the liquidity contract) at December 31, 2021	3,808,400	229,151	-	229,151
Disposals (exercise of options) and delivery of free shares to employees	(1,546,529)	(94,799)	-	(94,799)
Share buyback	-	-	-	-
Treasury shares held as marketable securities (excluding the liquidity contract) at December 31, 2022	**2,261,871**	**134,352**	**-**	**134,352**

The liquidity contract with Kepler Cheuvreux ended on September 9, 2022. A new contract was signed with EXANE as of September 12, 2022.

At December 31, 2022, 57,924 shares were held under this contract (compared to 53,500 at December 31, 2021).

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, 2022 were composed of:

(in thousands of euros)	December 31, 2022	December 31, 2021
Bond issuance costs	635	1,098
Costs of arranging credit lines	1,192	1,990
Total	**1,827**	**3,088**

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, 2022, the issue premiums broke down as follows:

(in thousands of euros)	December 31, 2022	December 31, 2021
Eurobond 2023	834	1,822
Eurobond 2024	870	1,304
Total	**1,704**	**3,126**

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, 2021					**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
2022	Exercise of 524,552 warrants	603,226	241	15,758	101,626	254,065,635
	Awarding of free shares to Groupe employees	246,225	99	-	101,725	254,311,860
Position at December 31, 2022					**101,725**	**254,311,860**

The share capital of Publicis Groupe SA increased by euro 339,780 during financial year 2022, corresponding to 849,451 shares with a nominal value of euro 0.40 each:

- 603,226 shares issued following the exercise of warrants;
- 246,225 shares issued under free share plans.

The share capital of Publicis Groupe SA amounted to euro 101,724,744 at December 31, 2022, divided into 254,311,860 shares with a nominal value of euro 0.40 each.

Shareholder's equity changed as follows between January 1, 2022 and December 31, 2022:

(in thousands of euros)	Share capital	Additional paid-in capital	Statutory reserve	Retained earnings and other reserves	Net income	Total shareholders' equity
Shareholders' equity at December 31, 2021	**101,385**	**3,487,657**	**9,911**	**1,750**	**47,387**	**3,648,090**
Allocation of 2021 net income	-	(559,400)	227	3,848	(47,387)	(602,712)
Capital increase (creation of shares and exercise of warrants)	340	15,757	-	(99)	-	15,998
Net income for the financial year 2022	-	-	-	-	31,184	31,184
Shareholders' equity at December 31, 2022	**101,725**	**2,944,014**	**10,138**	**5,499**	**31,184**	**3,092,560**

The portfolio of treasury shares showed the following movements in 2021 and 2022:

	Number of shares
Treasury shares held on December 31, 2021[1]	**3,861,900**
Disposals (exercise of stock options) and deliveries of free shares	(1,546,529)
Buybacks of treasury shares	-
Movements as part of the liquidity contract	4,424
Treasury shares held on December 31, 2022[1]	**2,319,795**

(1) Including 57,924 shares held as part of the liquidity contract on December 31, 2022, and 53,500 on December 31, 2021.

/ Dividends proposed and voted

	Per share (in euros)	Total (in millions of euros)
Dividends paid in 2022 (for the 2021 financial year)	2.40	603 [1]
Dividends proposed to the General Shareholders' Meeting (for the 2022 financial year)	2.90	737 [2]

(1) Amount paid in full in cash.
(2) Amount for all shares outstanding on December 31, 2022, including treasury shares.

Note 15 Provisions for liabilities and charges

(in thousands of euros)	Amount at January 1, 2022	2022 increase	2022 reversal (used provision)	2022 reversal (unused provision)	Amount at December 31, 2022
Provision for risks on treasury shares and free share grants not yet vested[1]	13,348	-	(5,453)	-	7,895
Other provisions for risks	2,386	4,316	(715)	-	5,987
Total	**15,734**	**4,316**	**(6,168)**	**-**	**13,882**

(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 (in thousands of euros)	Number of shares	December 31, 2022	December 31, 2021
Eurobond 2023 – 0.5%	5,000	500,000	500,000
Eurobond 2024 – 1.625%	6,000	600,000	600,000
Total excluding accrued interest		**1,100,000**	**1,100,000**
Accrued interest		832	832
Balance sheet total		**1,100,832**	**1,100,832**

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.

Eurobond 2024 – 1.625%

This 10-year maturity tranche of euro 600 million and a fixed rate of 1.625% was issued on December 16, 2014 as part of the financing of the Sapient acquisition (the latter having taken place in February 2015). It is fully redeemable at par upon maturity on December 16, 2024.

The Sapient acquisition was also financed by the joint issuance of another euro 700 million tranche of the Eurobond 2021 - 1.125%, which was repaid in full at par at maturity in December 2021.

The bonds issued by the Groupe do not contain any 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).

Note 17 Bank borrowings and overdrafts

Excluding bonds, there was no outstanding bank and credit institution debt at the end of the financial year.

However, Publicis Groupe SA has confirmed and unused credit lines, as described in Note 20 below.

Note 18 Other financial liabilities

(in thousands of euros)	December 31, 2022	December 31, 2021
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	630,341	161,622
Other creditors	561	524
Total	**1,560,902**	**1,092,146**

(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	1,560,902	630,341	-	930,561
Trade payables	2,408	2,408	-	-
Tax and social liabilities	11,195	11,195	-	-
Other creditors	327	327	-	-
Total liabilities	**2,675,664**	**645,103**	**1,100,000**	**930,561**

Note 20 Commitments

20.1 Commitments given

20.1.1 Commitments related to warrants

The exercise of warrants, which could take place at any time from September 24, 2013 until September 24, 2022, resulted in a capital increase of Publicis Groupe SA. The conversion ratio was adjusted again during the financial year by a factor of 1.164 to reflect the distributions drawn from the Company's reserves and premiums. After the cancellation of the warrants bought back in previous financial years or exercised since September 24, 2013, Publicis Groupe is no longer committed, as of December 31, 2022, to create new shares as there are no warrants remaining outstanding.

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 2022

Five free share plans were created in 2022, with the following features:

Long-term incentive plan known as the "LTI Epsilon 2022 Plan" (March and September 2022)

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 2022. They are deliverable in March 2023 (30% of the shares), March 2024 (30% of the shares) and March 2025 (40% of the shares) and/or September of the same years (depending on the grant date of the shares) in the same proportions.

Long-Term Incentive plan known as the "Sapient 2022 Plan" (April 2022)

The plan, put in place for the exclusive benefit of Publicis Sapient managers and employees, is made up of two tranches:

- the first tranche is subject only to a continued presence condition and gives rise to the delivery of one-fourth of the shares awarded on the yearly anniversary date during the four first years of the plan (*i.e.* in April 2023, 2024, 2025 and 2026);
- in addition to the continued presence condition, the second tranche is subject to financial performance criteria, and the total number of shares delivered shall depend on the level of financial targets achieved for 2022. Delivery will take place at the end of a three-year period, in April 2025.

Long-term incentive plans known as the "LTIP 2022 Directoire" (March 2022) and "LTIP 2022 Président du Directoire" (March and May 2022)

Under the LTIP 2022 Directoire plan, members of the Management Board 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 over the entire 2022 to 2024 period, compared to a peer Groupe including the other three main global communications Groupes (Omnicom, WPP and IPG);
- 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 2024, 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 2025.

In addition, the Chairman of the Management Board was granted additional shares in May 2022 following the compensation policy adopted by the General Shareholders' Meeting of May 25, 2022. Also, the performance conditions associated with all the shares awarded to him in March and May were aligned with the new conditions approved during this same General Shareholders' Meeting. The conditions indicated above for the members of the Management Board are applicable to it, plus a new market condition based on the TSR (Total Shareholder Return) comparing the TSR of Publicis Groupe to that of the CAC40, as well as a condition related to talent management within the Groupe.

Long-term incentive plan known as "LTIP 2022" (March 2022) and other plans

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 2022, compared to a reference Groupe including the other three main global communications Groupes (Omnicom, WPP and IPG);
- 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 2022, the percentage of women in key management positions as well as the percentage change in 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 targets will be deliverable at the end of a three-year period, *i.e.* in March 2025.

For the beneficiaries of the 2019 Special Retention Plan, this new plan replaces the third tranche whose shares were subject to performance conditions to be measured during the 2022 financial year. For the beneficiaries concerned, the LTIP 2022 plan was treated as a replacement plan with regard to IFRS 2, as was the LTIP 2021 plan which had been considered as the replacement of the second tranche whose conditions performance were to be measured in 2021.

Moreover, the Management Board, at its meeting of October 2022, 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 March 2025.

Performance measurement of previous plans

In addition, the performance of the following plans was assessed in February 2022:

- Sapient 2019, 2020 and 2021 plans, Epsilon 2019-2021 replacement plan, Epsilon 2021 plan: the achievement rate of the performance objectives for the year 2021 is 100%;
- LTIP 2019-2021 Directoire Plan: the achievement rate of the performance objectives observed for the entire plan over the three years is 68.5%;
- LTIP 2021 Plan: the performance targets set were 78.5% achieved in 2021.

Publicis Groupe share subscription or purchase option plans

/ Characteristics of the Publicis Groupe stock option plans outstanding at December 31, 2022

Plans	Type[1]	Date of grant	Option exercise price (in euros)	Options outstanding at January 1, 2022	Options cancelled or lapsed in 2022	Options exercised in 2022	Options outstanding at December 31, 2022	Of which exercisable at December 31, 2022	Exercise deadline	Remaining contract life (in years)
Lionlead 2 stock options	A	04/30/2013	52.76	1,018,555	(1,100)	(457,307)	560,148	560,148	05/02/2023	0.33
Total				**1,018,555**	**(1,100)**	**(457,307)**	**560,148**	**560,148**		

(1) A = stock options

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

	2022		2021	
	Number of options	Average exercise price (in euros)	Number of options	Average exercise price (in euros)
Options at January 1	**1,018,555**	**52.76**	**1,078,211**	**52.76**
Options exercised[1]	(457,307)	52.76	(100,285)	52.76
Options cancelled, lapsed or transferred	(1,100)	52.76	40,629	52.76
Options outstanding at December 31	**560,148**	**52.76**	**1,018,555**	**52.76**
Of which exercisable	*560,148*	*52.76*	*1,018,555*	*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, 2022

Plans	Initial date of grant	Shares yet to vest as of January 1, 2022 or shares granted in 2022	Shares cancelled, lapsed or transferred[1] in 2022	Shares vested in 2022 [2]	Shares yet to vest at December 31, 2022	Vesting date	Remaining contract life (in years)
Sapient 2018 Plan (4 years)	04/17/2018	36,261	(1,019)	(35,242)	-	04/17/2022	-
LTIP 2019 Plan	05/28/2019	139,225	(1,650)	(137,575)	-	05/28/2022	-
Sapient 2019 Plan (4 years)	05/28/2019	94,172	(5,068)	(46,697)	42,407	05/28/2023	0.41
Sapient 2019 Plan (3 years)	05/28/2019	207,978	(9,170)	(198,808)	-	05/28/2022	-
LTI 2019-2021 Directoire Plan	06/14/2019	160,073	(50,413)	(109,660)	-	06/14/2022	-
Star Growth Performers Plan/2019 Special Plan	05/28/2019	212,083	(12,000)	(200,083)	-	05/28/2022	-
2019-2021 Epsilon Replacement Plan	07/15/2019	151,989	(1,465)	(150,524)	-	03/31/2022	-
2019 Special Retention Plan[3]	11/15/2019	491,925	(98,030)	-	393,895	03/19/2025	2.22
Sapient 2020 Plan (4 years)	05/19/2020	152,805	(8,083)	(51,819)	92,903	05/19/2024	1.38
Sapient 2020 Plan (3 years)	05/19/2020	290,516	(17,988)	(5,916)	266,612	05/19/2023	0.38
LTI Epsilon 2020 Plan	07/20/2020	398,978	(19,640)	(165,965)	213,373	03/31/2023	0.25
LTIP 2021 Plan and other specific plans[4]	03/16/2021	571,759	(152,033)	-	419,726	03/18/2024	1.21
LTIP 2021 Directoire Plan	03/16/2021	151,577	-	-	151,577	03/18/2024	1.21
LTI Epsilon 2021 Plan	03/16/2021	599,827	(19,259)	(178,598)	401,970	03/31/2024	1.25
Sapient 2021 Plan (4 years)	04/13/2021	227,087	(12,118)	(54,570)	160,399	04/13/2025	2.28
Sapient 2021 Plan (3 years)	04/13/2021	340,636	(19,988)	-	320,648	04/13/2024	1.28
LTIP 2022 Plan and other specific plans[4][5]	03/18/2022	638,279	(11,508)	-	626,771	19/03/2025	2.22
LTIP 2022 Président du Directoire Plan[6]	05/25/2022	62,043	-	-	62,043	05/26/2025	2.22
LTIP 2022 Directoire Plan	03/18/2022	78,004	-	-	78,004	03/19/2025	2.22
LTI Epsilon 2022 Plan	03/18/2022	455,625	(14,781)	-	440,844	03/31/2025	2.25
LTI Epsilon 2022 Plan	09/14/2022	70,882	-	-	70,882	09/30/2025	2.75
Sapient 2022 Plan (4 years)	04/11/2022	241,275	(2,250)	-	239,025	04/11/2026	3.28
Sapient 2022 Plan (3 years)	04/11/2022	361,917	(3,375)	-	358,542	04/11/2025	2.28
Total free share plans		**6,134,916**	**(459,838)**	**(1,335,457)**	**4,339,621**		

(1) These relate to any transfers between French and foreign plans due to the geographic mobility of beneficiaries.
(2) In exceptional cases, as described in the plan regulations, shares may be delivered prior to the end of the vesting period.
(3) The shares of the second and third tranches are those granted respectively under the LTIP 2021 plan and the new LTIP 2022 plan to the initial beneficiaries. The delivery date of the initial plan (March 31, 2023) was extended and aligned with that of the LTIP 2022 plan.
(4) Excluding beneficiaries of the Special Retention Plan whose shares are presented on the line corresponding to the initial plan, the second and third tranches of which have been replaced by the LTIP 2021 and LTIP 2022 plans respectively.
(5) Grant date on October 17, 2022 and delivery date on March 19, 2025 for the specific individual plan.
(6) Initially the shares were granted as of March 18, 2022 but an addition amount has been granted on May 25, 2022 following the decisions of the General Shareholders' Meeting and performance conditions of the plan have been amended at the same date (see description of the new plan above).

The vesting of free shares under the above plans is subject to a presence condition throughout the vesting period.

Delivery is also subject to non-market performance conditions for all plans, as well as a market condition only for the LTIP 2022 Président du Directoire plan.

/ Movements in Publicis Groupe free share plans over the last two financial years

	2022	2021
Grants at January 1	**4,226,891**	**4,171,762**
Grants during the year	1,908,025	1,978,790
Vesting	(1,335,457)	(1,010,466)
Grants lapsed	(459,838)	(913,195)
Grants at December 31	**4,339,621**	**4,226,891**

20.1.3 Contractual guarantees given

- Joint and several guarantee of the debts of Publicis Groupe Holdings B.V.
- Counter-guarantee granted to CIC for the first demand guarantee issued by the latter on behalf of Metrobus to RATP, up to the amount of Publicis Groupe SA's share in Metrobus (67%) for euro 46.9 million.
- Counter-guarantee granted to CIC for the first demand guarantee issued by the latter on behalf of Mediagare to SNCF Gare et Connexions for euro 22.5 million.
- Joint and several guarantor of the commitments made by MEDIAGARE to SNCF Gares & Connexions on any amount due in respect of the "Basic Fee" for euro 44 million.
- Guarantees given to multiple banks on behalf of MMS USA Investments Inc. to finance the acquisition of Epsilon for euro 2,250 million and USD 1,025 million for maturities between 2025 and 2031.
- Guarantee given to OPG Bastille on behalf of Resources France and MMS France Holdings for euro 104 million for the "Parisquare" building in the Bastille district.
- Guarantee given for the commitments of Publicis Ré under the reinsurance contract for the benefit of AIG Europe SA.
- Guarantee granted to Publicis Ré to cover reinsurance commitments during the first three financial years of the entity for a maximum amount of euro 49.5 million over the period.

20.2 Commitments received

- Publicis Groupe SA has an unused confirmed credit facility at December 31, 2022 of euro 2,000 million, consisting of a multi-currency syndicated loan of euro 2,000 million, maturing 2024. This credit facility has been renewed until 2026 up to euro 1,579 million.

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 2022 and 2021 financial years were:

	Ernst & Young		Mazars		Total	
	Amount (excl. taxes)		Amount (excl. taxes)		Amount (excl. taxes)	
(in thousands of euros)	2022	2021	2022	2021	2022	2021
Statutory auditors						
Publicis Groupe SA (parent Company)	**817**	**684**	**433**	**419**	**1,250**	**1,103**
Account certification	817	684	433	419	1,250	1,103
Other services	0	0	0	0	0	0

Note 23 List of subsidiaries and long-term equity investments at December 31, 2022

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
Subsidiaries									
Publicis Groupe Holdings B.V. Joop Geesinkweg 209 1114 AB Amsterdam Duivendracht The Netherlands	517	11,547,578	100.00	5,344,146	5,344,146	-	142,919	540,341	90,000
MMS France Holdings 133, avenue des Champs-Élysées 75008 Paris France SIREN 444 714 786	3,500	(82,592)	100.00	274,801	176,686	40,393	-	2,322	-
Metrobus 1 Rond-Point Victor Hugo 92137 Issy-les-Moulineaux SIREN 327 096 426	1,840	5,373	32.30	17,508	17,508	-	41,037	4,963	-
Publicis Ré 133, avenue des Champs-Élysées 75008 Paris SIREN 914 281 357	20,000		100.00	20,000	20,000	-	-	(37)	-

(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	312,532	5,344,146	-	-
• Net	214,417	5,344,146	-	-
Amount of dividends received	56	90,000	-	-

/ Detail of marketable securities at December 31, 2022

	% interest	Net carrying amount (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
19,999,983 Publicis Ré shares	100.00%	20,000
Investments with a carrying amount less than euro 15,000 aggregate		3
Total French investments		**214,420**
B. Foreign long-term equity investments		
516,712 Publicis Groupe Holdings shares	100.00%	5,344,146
Investments with a carrying amount less than euro 15,000 aggregate		-
Total foreign investment		5,344,146
Total investments		**5,558,566**
II- Other non-current securities		-
III- Other securities		
C. Other securities of French companies		
2,319,795 Publicis Groupe SA treasury shares	0.91%	137,794
Money UCITS funds		12,354
Investments with a carrying amount less than euro 15,000 aggregate		5
Total other securities of French companies		**150,153**
D. Other foreign securities		**14**
Total other securities		**150,167**
Total securities		**5,708,733**

7.5 RESULTS OF PUBLICIS GROUPE S.A. OVER THE PAST FIVE FINANCIAL YEARS

Information type	2022	2021	2020	2019	2018
I. SHARE CAPITAL AT FINANCIAL YEAR-END					
Share capital (in thousands of euros)	101,725	101,385	99,108	96,175	94,100
Number of shares in issue	254,311,860	253,462,409	247,769,038	240,437,061	235,249,801
Maximum number of future shares to be issued:					
• under free share plans	1,732,016	1,248,860	625,875	1,106,125	2,706,043
• as a result of the exercise of warrants	-	591,363	947,297	957,813	1,104,916
II. OPERATIONS AND RESULTS FOR THE FINANCIAL YEAR (in thousands of euros)					
Pre-tax revenue	24,347	28,775	24,650	27,016	19,549
Net income before taxes, depreciation, amortization and provisions	27,901	46,244	62,651	174,996	22,797
Income tax (credit)	(5,911)	(6,210)	(5,133)	(13,855)	(29,928)
Net income after taxes, depreciation, amortization and provisions	31,184	47,387	63,770	187,926	42,848
Income distributed for the financial year[1]	737,504	608,310	495,538	274,165	492,852
III. EARNINGS PER SHARE (in euros)					
Net income after taxes, but before depreciation, amortization and provisions	0.13	0.21	0.27	0.79	0.22
Net income after taxes, depreciation, amortization and provisions	0.12	0.19	0.26	0.78	0.18
Dividend per share[2]	2.90	2.40	2.00	1.15	2.12
IV. PERSONNEL COSTS & HEADCOUNT					
Average headcount	1	1	1	1	1
Payroll expense (in thousands of euros)	3,124	3,052	2,299	2,450	1,780
Benefits (social security, other employee benefits, etc.)	801	754	593	635	517

(1) For 2022, estimate on the basis of shares outstanding at December 31, 2022, including treasury shares and subject to the approval of the General Shareholders' Meeting to be held on May 31, 2023. Payment will be made in cash.

(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.

7.6 STATUTORY AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

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 regulations 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.

Year ended December 31, 2022

To the Annual General Meeting of Publicis Groupe S.A.,

Opinion

In compliance with the engagement entrusted to us by your Annual General Meetings, we have audited the accompanying financial statements of Publicis Groupe S.A. for the year ended December 31, 2022.

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, 2022 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 the independence requirements of the French Commercial Code (*Code de commerce*) and the French Code of Ethics for Statutory Auditors (*Code de déontologie de la profession de commissaire aux comptes*) for the period from January 1, 2022 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

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

Note 9.3 « Investments », note 9.4 and « Related loans and receivables » to the financial statements

Risk identified

As of December 31, 2022, investments are accounted for at a net book value of € 5.559 M, 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 € 41 M, or 0,7 % of the total assets.

We considered 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 Publicis Groupe S.A., and because the valuation of their recoverable amount, often based on projected discounted cash flows, involves judgements from management, and the use of many economic assumptions related to the Company's growth forecasts.

Our response

We examined the process for assessing the recoverable amount of the Company's investments and related loans and receivables, and examined the valuations carried out by the Company and supported by an independent expert.

With the assistance of our valuation expert, we examined the consistency of the assumptions made with the economic environment at the balance sheet date.

We also compared the figures used for the impairment tests on Investments with the entities' source data. We have examined:

- the reconciliation of the shareholders' equity with the financial statements of the entities, and the evidence related to adjustments made, when applicable, on such shareholders' equity;
- the consistency of projected future cash flows for the relevant entities' 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 entities.

We 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 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 Executive Board's management report 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*).

We attest that the non-financial statement required by Article L. 225-102-1 of the French Commercial Code (*Code de commerce*) is included 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 financial statements of the information contained therein This information should be reported on by an independent third party.

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 auditors regarding the annual and consolidated financial statements prepared in the European single electronic format, that the preparation of the 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 Chairman of the Executive Board's responsibility, complies with the single electronic format defined in Commission Delegated Regulation (EU) No. 2019/815 of 17 December 2018.

On the basis of our work, we conclude that the preparation of the 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 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 Public Groupe S.A. 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, 2022 MAZARS and ERNST & YOUNG et Autres were in the forty-second and sixteenth year of total uninterrupted engagement (ERNST & YOUNG Audit having previously served as statutory auditor of Publicis Groupe 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 risk 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 made 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 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 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 for Statutory Auditors (*Code de déontologie de la profession de commissaire aux comptes*). 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 27, 2023

The Statutory Auditors

French original signed by

MAZARS		**ERNST & YOUNG et Autres**	
Olivier Lenel	Ariane Mignon	Claire Cesari-Walch	Nicolas Pfeuty

CHAPTER

8

COMPANY INFORMATION AND CAPITAL STRUCTURE

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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, country of origin, address and telephone number of registered office, website

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 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 this 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 Memorandum and Articles of Incorporation

Corporate purpose (article 2 of the Articles of Incorporation)

The Company's corporate purpose is to:

- commercialize and develop advertising of any kind in all its forms, in any way whatsoever,
- organize any shows and radio and television broadcasts, design any radio, television and other types of programmes, operate any movie theatres, recording and broadcasting studios, and any screening and viewing rooms, paper publishing of any nature and mechanical publishing of any music, sketches, screenplays and dramas; and
- generally speaking, all commercial, financial, real estate, industrial and movable transactions directly or indirectly related to the foregoing and likely to facilitate the development and growth of its corporate business.

The Company may act in all countries in its name and on behalf of third parties, either alone or in partnership, association or Company, with all other companies and individuals and implement under any form whatsoever, either directly or indirectly, the transactions under its corporate purpose.

It may also acquire, under any form, any interests and participations in any French or foreign businesses and undertakings, regardless of their purpose.

Management Board (articles 10 to 12 of the Articles of Incorporation)

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 member of the Management Board 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 Articles of Incorporation)

With regard to ownership of corporate assets and the sharing of profit, each share shall entitle its owner to an amount proportionate of the number of existing shares. The shareholders may be held liable, even with regards to third parties 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 Articles of Incorporation)

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 total number of 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 Articles of Incorporation)

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 Articles of Incorporation)

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 Articles of Incorporation)

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 Articles of Incorporation)

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 Articles of Incorporation (article 23 of the Articles of Incorporation)

An Extraordinary General Shareholders' Meeting may make any change to any provision of the Articles of Incorporation 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, 2022, to the best of Publicis' knowledge, no shareholder held, directly or indirectly, individually or jointly, 5% or more of its share capital (a "Major Shareholder") except those disclosed below. Publicis' Articles of Incorporation 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, 2022	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	6.57%	22,535,787	8.45%
The Capital Group Companies[4]	13,477,443	5.30%	13,477,443	5.05%
Blackrock, Inc.[4]	13,390,918	5.27%	13,390,918	5.02%
B/ Treasury shares	2,319,795	0.91%	-	-
C/ Public (registered and bearer shares)	208,422,737	81.95%	217,236,780	81.48%
Total	**254,311,860**	**100.00%**	**266,640,928**	**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 Shareholders' Meetings), and take into account the double voting rights attached to certain shares.
(3) Élisabeth Badinter fully owns 2.29% of the shares (representing 4.38% of the voting rights). The Badinter family holding companies fully own 10,866,147 shares (representing 4.08% of the voting rights).
(4) Acting as an investment adviser for managed funds and clients. Information on the basis of the last threshold crossing declaration made to the AMF in 2022.

/ Reminder of the distribution of the Company's share capital and voting rights for the prior two years

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 Shareholders' 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.

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.

/ Information on threshold crossings notified since January 1, 2022

During the period from January 1, 2022 and March 31, 2023, 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:

				of the share capital			of the voting rights	
Date of threshold crossing	Shareholder	Threshold crossed	Movement	Shares held[1]	% of the share capital[1]	Movement	Voting rights[1]	% of voting rights[1]
01/03/2022	BlackRock	5.00%	under	12,597,879	4.97%	_	12,597,879	4.72%
01/12/2022	BlackRock	5.00%	over	12,785,840	5.04%	_	12,785,840	4.79%
02/08/2022	BlackRock	5.00%	_	13,418,472	5.29%	over	13,418,472	5.03%
02/11/2022	BlackRock	5.00%	_	13,241,360	5.22%	under	13,241,360	4.96%
03/04/2022	BlackRock	5.00%	_	13,404,738	5.29%	over	13,404,738	5.03%
03/07/2022	BlackRock	5.00%	_	13,232,705	5.22%	under	13,232,705	4.96%
03/11/2022	BlackRock	5.00%	_	13,368,433	5.27%	over	13,368,433	5.01%
03/14/2022	BlackRock	5.00%	_	13,304,323	5.25%	under	13,304,323	4.99%
03/18/2022	BlackRock	5.00%	under	12,327,266	4.86%	_	12,327,266	4.62%
04/22/2022	BlackRock	5.00%	over	12,815,015	5.05%	_	12,815,015	4.80%
04/27/2022	BlackRock	5.00%	under	12,618,060	4.98%	_	12,618,060	4.73%
04/29/2022	BlackRock	5.00%	over	12,912,913	5.09%	_	12,912,913	4.84%
05/25/2022	BlackRock	5.00%	under	12,674,027	4.99%	_	12,674,027	4.73%
05/26/2022	BlackRock	5.00%	over	13,004,145	5.13%	_	13,004,145	4.85%
05/27/2022	BlackRock	5.00%	under	12,677,217	4.99%	_	12,677,217	4.73%
05/30/2022	BlackRock	5.00%	over	12,781,271	5.04%	_	12,781,271	4.77%
05/31/2022	BlackRock	5.00%	_	13,691,860	5.40%	over	13,691,860	5.11%
06/30/2022	Parvus Asset Management Europe	5.00%	_	13,378,624	5.27%	under	13,378,624	4.99%
08/02/2022	Parvus Asset Management Europe	5.00%	under	12,432,639	4.90%	_	12,432,639	4.63%
10/13/2022	The Capital Group Companies	5.00%	over	12,950,078	5.09%	_	12,950,078	4.81%
10/17/2022	The Capital Group Companies	5.00%	_	13,477,443	5.30%	over	13,477,443	5.01%
12/06/2022	BlackRock	5.00%	_	13,390,918	5.27%	under	13,390,918	4.98%
01/05/2023	BlackRock	5.00%	_	13,948,276	5.48%	over	13,948,276	5.19%
01/13/2023	BlackRock	5.00%	_	13,134,479	5.16%	under	13,134,479	4.88%
01/25/2023	BlackRock	5.00%	_	14,243,994	5.60%	over	14,243,994	5.30%
03/09/2023	The Capital Group Companies	10,00%	over	25,471,897	10,02%	_	25,471,897	9.48%
03/22/2023	BlackRock	5.00%	_	13,402,890	5.27%	under	13,402,890	4.99%
03/23/2023	BlackRock	5.00%	_	13,795,671	5.42%	over	13,795,671	5.13%
03/27/2023	BlackRock	5.00%	_	13,165,920	5.18%	under	13,165,920	4.90%
03/28/2023	BlackRock	5.00%	_	13,838,394	5.44%	over	13,838,394	5.15%

			of the share capital			of the voting rights		
Date of threshold crossing	Shareholder	Threshold crossed	Movement	Shares held[1]	% of the share capital[1]	Movement	Voting rights[1]	% of voting rights[1]
03/29/2023	The Capital Group Companies	10.00%	_	26,954,964	10.60%	over	26,954,964	10.03%
03/31/2023	BlackRock	5.00%	_	13,306,111	5.23%	under	13,306,111	4.95%

(1) at the date of the declaration

The share of capital held by individual shareholders, according to the last comprehensive survey available dated November 30, 2022, was 2.8%.

8.2.2 Control of the Company

At December 31, 2022, 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 fulfilment 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 Articles of Incorporation (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 Articles of Incorporation, are specified in the Company's Articles of Incorporation (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

During the 2022 financial year, 246,225 new shares with a nominal value of euro 0.40 were created as a result of a free share plans (under the "LTIP 2019" and the "LTIP Directoire 2019-2021" plans), representing an overall capital increase of euro 98,490.

603,226 new shares with a nominal value of euro 0.40 were also created as a result of the exercise of warrants, representing a total capital increase of euro 241,290.40.

As of December 31, 2022, the share capital totaled euro 101,724,744, divided into 254,311,860 fully paid-up shares with a nominal value of euro 0.40, of which 14,648,863 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 2022
Share buybacks				
Authorization to trade in the Company's shares*	May 25, 2022 (17th resolution)	18 months/ November 25, 2023**	No more than 10% of the share capital Maximum overall budget: euro 2,154,430,476.50 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 (21st resolution)	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 25, 2022 (18th resolution)	26 months/ July 25, 2024	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 25, 2022 (19th resolution)	26 months/ July 25, 2024	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 25, 2022 (20th resolution)	26 months/ July 25, 2024	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 18th to 20th resolutions of the General Shareholders' Meeting of May 25, 2022*	May 25, 2022 (21st resolution)	26 months/ July 25, 2024	No more than 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 as part of capital increases issued without preferential subscription rights, pursuant to the 19th and 20th resolutions of the General Shareholders' Meeting of May 25, 2022*	May 25, 2022 (22nd resolution)	26 months/ July 25, 2024	No more than 10% of the share capital per year(1)(3)	None
Delegation to increase the share capital by incorporating reserves, earnings, premiums or other sums*	May 25, 2022 (23rd resolution)	26 months/ July 25, 2024	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*	May 25, 2022 (24th resolution)	26 months/ July 25, 2024	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 2022
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 25, 2022 (25th resolution)	26 months/ July 25, 2024	No more than 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 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)	Grant of 982,295 shares, existing or to be issued
Authorization to grant stock options to employees and/or corporate officers of the Company and the Groupe companies	May 25, 2022 (26th resolution)	38 months/ July 25, 2025	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 25, 2022 (27th resolution)	26 months/ July 25, 2024**	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 25, 2022 (28th resolution)	18 months/ November 25, 2023**	Maximum par value: euro 2,800,000[1][5]	None

(1) This amount counts toward the euro 30,000,000 overall ceiling for all capital increases set forth by the General Shareholders' Meeting of May 25, 2022 in its 18th resolution.
(2) This amount counts toward the euro 1,200,000,000 overall ceiling for all debt security issues set by the General Shareholders' Meeting of May 25, 2022 in its 18th resolution.
(3) This amount counts towards the euro 9,000,000 overall ceiling for capital increases without preferential subscription rights set forth by the General Shareholders' Meeting of May 25, 2022 in its 19th resolution.
(4) These ceilings count towards the 3% and the 0.3% ceilings set forth by the General Shareholders' Meeting of May 26, 2021 in its 22nd resolution.
(5) This ceiling applies to all possible capital increases under the 27th and 28th resolutions of the General Shareholders' Meeting of May 25, 2022.
* 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 General Shareholders' Meeting of May 31, 2023.

It is specified that the delegations which expired during the 2022 financial year and which were not used during the said financial year are not mentioned in the above table, namely:

- the 25th resolution of the General Shareholders' Meeting of May 29, 2019, which was replaced by the 26th resolution of the General Shareholders' Meeting of May 25, 2022;
- the 21st to 28th resolutions of the General Shareholders' Meeting of May 27, 2020, which were replaced by the 18*th* to 25th resolutions of the General Shareholders' Meeting of May 25, 2022;
- the 20th, 23rd and 24th resolutions of the General Shareholder's Meeting of May 26, 2021, which were replaced respectively by the 17th, 27th and 28th resolutions of the General Meeting of May 25, 2022.

The share buybacks in 2022 under the authorization approved in the 20th resolution of the General Shareholders' Meeting of May 26, 2021, which expired at the General Shareholders' Meeting of May 25, 2022, are discussed in Section 8.3.3.

8.3.2 Existence of non-representative shares, their amount and main features

There are no non-representative shares of the Company.

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 25, 2022, in its 17th 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 is set at two billion one hundred and fifty-four million four hundred and thirty thousand and four hundred and seventy-six euros and fifty cents (2,154,430,476.50), 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 cancelled, 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 26, 2021.

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 2018.

/ Summary table of purchases under various buyback programs since 2018

	Amount	Average purchase price (in euros)
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
Period from 01/01/2022 to 12/31/2022	4,165,911	54.38

In 2022, the Company delivered 1,089,222 shares under free share plans and 457,307 existing shares under stock option plans.

Under the liquidity contract between Publicis Groupe SA and Kepler Cheuvreux until September 9, 2022 and then with BNP Paris Exane from September 12, 2022, the Company acquired 4,165,911 shares in 2022 at an average purchase price of euro 54.38 and sold 4,161,487 shares at an average sale price of euro 54.69.

The trading fees and other expenses incurred by the Company during 2022 for transactions performed pursuant to the share buyback program, authorized by the 20th resolution of the General Shareholders' Meeting on May 26, 2021, and then by the 17th resolution of the General Shareholders' Meeting on May 25, 2022, amounted to euro 66,693.

/ Summary table of transactions by the Company in Publicis Groupe SA shares in 2022

At December 31, 2022	Deliveries of free share plans Quantities (in shares)	Deliveries of stock options Quantities (in shares)	Purchases (liquidity contract) Quantities (in shares)	Purchases (liquidity contract) Average price (in euros)	Sales (liquidity contract) Quantities (in shares)	Sales (liquidity contract) Average price (in euros)
Under the 20th resolution of the General Shareholders' Meeting of May 26, 2021	1,089,222	175,876	2,193,000	56.99	2,135,000	57.41
Under the 17th resolution of the General Shareholders' Meeting of May 25, 2022	0	281,431	1,972,911	51.47	2,026,487	51.81
Total	**1,089,222**	**457,307**	**4,165,911**	**54.38**	**4,161,487**	**54.69**

At December 31, 2022, Publicis Groupe SA owned 2,319,795 shares with a nominal value of euro 0.40, representing 0.91% of its own share capital, for an overall cost price of euro 137,795,802 and an average price per share of euro 59.40. These shares are broken down into 57,924 shares held under the liquidity contract and 2,261,871 shares allocated to free share or stock option plans.

Description of the new share buyback program subject to shareholder authorization

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 25, 2022 to trade in the Company's shares will expire on November 25, 2023, the shareholders will be asked to approve the draft 18th resolution of the General Shareholders' Meeting of May 31, 2023 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 31, 2023 and would supersede, as from that same date, for the unused portion at that date, the authorization granted to the Management Board to trade in the Company's shares by the General Shareholders' Meeting of May 25, 2022.

This authorization would enable the Management Board to acquire a maximum of 10% of the Company's share capital in order 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;
- deliver 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;
- hold and subsequently deliver shares for exchange in a merger, spin-off or asset contribution, for payment, or other, in external growth operations;
- encourage 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);
- cancel all, or some, of the shares acquired, under the conditions permitted by law, pursuant to the authorization granted by the 19th resolution of the Combined Shareholders' Meeting of May 31, 2023.

This program would also enable the Company to deal in its own shares for any other purpose that is authorized or compliant or that would become authorized or compliant 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. 22-10-62 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 one hundred (100), 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 Articles of Incorporation, 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 18th resolution put to vote at the General Shareholders' Meeting of May 31, 2023.

Duration of the buyback program

The program would run for 18 months from the approval of the resolution presented to the General Shareholders' Meeting of May 31, 2023, *i.e.*, until November 31, 2024.

Authorization to cancel shares

The General Shareholders' Meeting of May 26, 2021, in its 21st resolution, authorized the Management Board, for a period of 26 months, *i.e.*, until July 26, 2023, to reduce the share capital by cancelling, 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 24 months, of all or part of the Publicis Groupe SA shares acquired under the share purchase programs authorized by the General Shareholders' Meeting.

This authorization granted to the Management Board by the General Shareholders' Meeting of May 26, 2021, expiring on July 26, 2023, it will be proposed to the shareholders to approve the draft of the 19th resolution of the General Shareholders' Meeting of May 31, 2023 and to authorize the Management Board again to reduce the share capital by cancelling treasury shares.

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 breakdown of share capital at December 31, 2022, on the basis of full dilution resulting from financial instruments issued by the Company, is the following:

At December 31, 2022	Shares held	%	Voting rights	%
Élisabeth Badinter and family companies	16,700,967	6.44%	22,535,787	8.30%
The Capital Group Companies(1)	13,477,443	5.20%	13,477,443	4.96%
Blackrock, Inc.(1)	13,390,918	5.17%	13,390,918	4.93%
Treasury shares	2,319,795	0.89%	-	-
Public (registered and bearer shares)	208,422,737	80.41%	217,236,780	80.00%
Free shares still to be delivered(2)	4,339,621	1.67%	4,339,621	1.60%
Equity warrants outstanding(3)	-	-	-	-
Stock options outstanding(4)	560,148	0.22%	560,148	0.21%
Total	**259,211,629**	**100.00%**	**271,540,697**	**100.00%**

(1) Acting as an investment adviser for managed funds and clients. Information on the basis of the last threshold crossing declaration made to the AMF in 2022.
(2) Out of the 4,339,621 shares to be delivered under the current free share plans, 2,622,238 may be delivered in existing shares and the balance of 1,717,383 shares may be delivered in new shares.
(3) The equity warrants issued by Publicis Groupe SA expired on September 24, 2022.
(4) In-the-money instruments at December 31, 2022.

A shareholder holding 1% of Publicis Groupe SA's share capital at December 31, 2022 would hold 0.98% 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 (equity 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, 2022, 30,000 registered shares managed by the Company, and 882,946 registered shares administered by others, were pledged, representing a total of 912,946 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, 2022 were not significant.

It should be noted that the Publicis Groupe FCPE (mutual fund) held 371,788 Publicis Groupe shares at December 31, 2022. As a result, Publicis Groupe employees owned 0.14% of the share capital via the FCPE at that date.

At December 31, 2022, the total number of options outstanding for all beneficiaries was 560,148, all were purchase options and immediately exercisable.

In 2022, the Groupe set up a long-term incentive plan for certain key employees of the Groupe, the "LTIP 2022", which also includes the members of the Management Board, a specific plan for the Chairman of the Management Board, as well as a "Sapient 2022 plan", and a "Epsilon LTI 2022".

In March and May 2022, the "LTIP 2022" plan granted 982,295 free shares (including 140,047 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 2022 (for the 2022-2024 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 2022 (at the end of 2024 for the members of the Management Board). In addition to these conditions, the shares allocated to the Chairman of the Management Board are subject to a new market condition based on the TSR (Total Shareholder Return) comparing that of Publicis Groupe to that of the CAC 40, as well as a condition related to talent management within the Groupe.

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 2022 Stock Incentive Plan" is divided into two tranches of different durations. The first tranche is subject only to a presence condition, 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 a presence condition; delivery takes place at the end of a three-year period. This plan was launched in April 2022 and awarded 603,192 free shares to a number of Publicis Sapient executives and key employees.

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 and September 2022 ("2022 Epsilon LTI plan") and awarded 526,507 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, 2022, the total number of free shares yet to vest to Groupe employees subject to a presence condition and, in some cases, a performance condition, amounted to 4,339,621 shares.

All the details concerning the free share plans (description, changes for the financial year, and closing balance) are shown in Note 31 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)
12/31/2019	**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 increases (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 increases (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**
06/14/2022 12/16/2022	Capital increases (equity warrant exercise)	603,226	0.40	241,290
05/30/2022 06/14/2022	Capital increases (delivery of free shares)	246,225	0.40	98,490
12/31/2022	**Share capital at December 31, 2022**	**254,311,860**	**0.40**	**101,724,744**

8.4 STOCK MARKET INFORMATION

8.4.1 The trading of Publicis Groupe shares

In 2022, the CAC 40 lost 9.5%, **its worst performance since 2018**, a year in which it decreased by nearly 11%. The Paris market experienced a strong change in trend compared to 2021, which ended with a gain of nearly 29%. Global financial markets were severely disrupted by Russia's invasion of Ukraine.

The conflict logically led to a **sharp increase in risk aversion** and a sharp increase in equity market volatility. This deterioration in the geopolitical environment had very significant economic consequences, in particular causing a sharp acceleration in inflation. Ukraine is one of the main exporters of cereals and edible oils and Russia, one of the main exporters of black gold and critical raw materials. The decision of Western countries to reduce their dependence on Russian oil and gas has led to a surge in hydrocarbon prices and, more generally, energy costs, which have increased inflation. The general context was already favorable, as a result of the highly expansionary monetary and fiscal policies put in place to fight Covid. The main central banks responded vigorously to this sharp increase in consumer prices. Over the last 12 months, the Fed has increased its main key rate from a range of 0%/0.25% to 4.25%/4.50%.

The **stock markets recovered during the summer** as a result of companies resisting better than expected, a trend that continued in the following quarters. Investors also relied on a central bank "pivot" towards a further easing of monetary policy in the second half of 2023 before experiencing a severe setback. At the central bankers' conference in Jackson Hole at the end of August, Fed Chair Jerome Powell made a very offensive speech. He warned that the Fed would continue to lower inflation until the job is done and that the fight would be costly in terms of jobs and economic growth. The autumn return proved to be very difficult for the market (with the CAC 40 posting its lowest point of the year at 5,676 points at the end of September). However, the trend resumed with a sharp rebound, as investors once again put their hopes in less aggressive central banks. This scenario was fueled by lower-than-expected US inflation in November. As in the summer, **investors' hopes were dashed in mid-December**. They were surprised by the Fed's renewed determination, as well as that of the ECB, to continue their rate hikes to fight inflation.

Among the European indices, the DAX 40 index lost more than 12% over the year, penalized by the automotive sector. On the other hand, the FTSE 100 managed to post a positive performance (+0.91%) thanks to the numerous shares linked to commodities and the limited presence of technology companies. In addition, **Wall Street had a mixed year**. If the Dow Jones index fell in proportions similar to the European stock markets (-9.16%); the Nasdaq Composite significantly underperformed. The index, mainly of technology stocks, fell by 33.57%.

Media sector

In a difficult context linked to the invasion of Ukraine by Russia and its inflationary and recessionary consequences, **the media sector** (SXMP) **lost 8% in 2022**, compared to 7% for the MSCI Europe index, thus reversing the trend in 2021. Advertising agency shares had mixed performances, with a decline in the first half of the year followed by a rebound in the second half. While macroeconomic uncertainty prevailed in 2022, the agencies beat the expectations communicated to the market at the beginning of the year. In this context, **Publicis was up very slightly over the year**, at +0.4%, consolidating a +45.2% increase in 2021. At the same time, WPP dropped -27% over the year, while U.S. peers saw their performance diverge, with Omnicom gaining 10.6% and Interpublic losing 11.2%.

In the rest of the European media sector, video game companies had a disappointing stock market performance, while the share prices of professional news companies and companies in the music sector (Universal Music Group) were relatively more resilient.

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 2022, Publicis Groupe met with around 900 institutional investors at roadshows and industry investor conferences.

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 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 (ADR); ratio: one ADR for every one Publicis share), as average annual trading volumes rarely exceed 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 share price on Euronext Paris during 2022:

- high: euro 66.86 on February 10;
- low: euro 41.15 on January 5;
- average: euro 54.848 (based on closing prices).

/ Trading volume and Company share price over the last 18 months on Euronext Paris

		Average volumes traded per session[1]			Monthly price (in euros)		
Period		Number of trading sessions	Number of shares	Share capital (in thousands of euros)	First listing	Last listing	Highest	Lowest
2021	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
	April	19	765,093	42,928	55.14	57.58	59.42	53.14
	May	22	776,550	41,465	57.04	50.88	58.76	49.34
	June	22	679,006	32,323	51.18	46.66	52.16	44.73
	July	21	715,440	33,393	46.25	51.90	52.82	41.15
	August	23	477,932	23,950	51.98	48.75	52.32	48.05
	September	22	693,803	29,848	48.38	48.90	54.86	46.55
	October	21	726,110	39,805	48.14	56.74	58.82	47.91
	November	22	666,437	40,920	57.02	62.40	63.80	56.08
	December	21	614,626	37,395	63.02	59.42	63.90	58.46
2023	January	22	473,492	29,563	59.70	64.74	65.40	59.48
	February	20	781,993	57,737	64.96	75.24	76.80	64.28
	March	23	841,528	61,109	75.48	71.78	77.94	67.58

(1) Volumes traded on Euronext (excluding alternative platforms).

Euro 600 million Eurobond issued on December 9, 2014 maturing in 2024

Publicis Groupe

- Listed on: Euronext Paris;
- First day listed: December 11, 2014;
- Changes in the closing price on Euronext Paris in 2022:
  - a euro 600 million tranche maturing on December 16, 2024, with an annual coupon of 1.625% (ISIN code: FR0012384667):
    - high: euro 104.236 on January 3,
    - low: euro 96.058 on October 21,
    - average: euro 99.712 (based on closing prices).

Euro 500 million Eurobond issued on October 28, 2016 maturing in 2023

Publicis Groupe

- Listed on: Euronext Paris;
- First day listed: November 3, 2016;
- Changes in the closing price on Euronext Paris in 2022:
  - high: euro 101.467 on March 7,
  - low: euro 97.251 on October 12,
  - average: euro 99.102 (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 closing price on Euronext Paris in 2022:
  - a euro 750 million tranche maturing on June 13, 2025, with an annual coupon of 0.625% (ISIN code: FR0013425139):
    - high: euro 101.127 on January 3,
    - low: euro 91.774 on October 21,
    - average: euro 95.934 (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 103.899 on January 3,
    - low: euro 84.288 on October 21,
    - average: euro 92.710 (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 107.17 on January 3,
    - low: euro 77.973 on October 21,
    - average: euro 90.718 (based on closing prices).

CHAPTER

9

GENERAL SHAREHOLDERS' MEETING

The Combined Shareholders' Meeting of Publicis Groupe SA will be held on May 31, 2023, at 10 am at the Publicisciném a, 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

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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, 2020, December 31, 2021 and December 31, 2022 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, 2020, December 31, 2021 and December 31, 2022 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 27, 2023

Arthur Sadoun

Chairman of the Management Board

10.3 STATUTORY AUDITORS

Ernst & Young et Autres

Member of the Versailles Regional Company of statutory auditors

Represented by Claire Cesari-Walch 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 of May 31, 2023 called to approve the financial statements for the financial year ending December 31, 2022.

It should be noted that the Management Board launched a tender process in 2021, in which the Audit Committee participated, to select the Groupe's future auditors to replace Mazars in accordance with the applicable regulations on the rotation of statutory auditors.

On the recommendation of the Audit Committee, the Supervisory Board approved the proposal to appoint KPMG SA as statutory auditor to replace Mazars. As a result, the General Shareholders' Meeting of May 31, 2023 will be asked to appoint KPMG SA for a period of six financial years expiring at the end of the General Shareholders' Meeting called to approve the financial statements for the financial year ending on December 31, 2028.

In addition, it is recalled that the term of office of alternate statutory auditor of Gilles Rainaut expired at the end of the General Shareholders' Meeting of May 25, 2022. In accordance with the Company's bylaws and the legislation in force exempting the appointment of an alternate statutory auditor when the holder is a multi-member legal entity, the Company no longer has an alternate statutory auditor.

10.4 FIRST QUARTER 2023 FINANCIAL INFORMATION

10.4.1 Net revenue in Q1 2023

The Groupe published its first quarter revenue on April 20, 2023.

Publicis Groupe's net revenue in Q1 2023 was euro 3,079 million, up +10.0% from euro 2,800 million in 2022. Exchange rates had a positive impact of euro 61 million. Acquisitions, net of disposals, accounted for an increase in net revenue of euro 14 million. Organic growth reached +7.1%.

/ Breakdown of Q1 2023 Net revenue by region

	Net revenue		Reported	Organic
(in million of euros)	Q1 2023	Q1 2022	Growth	Growth
North America	1,938	1,748	+10.9%	+5.7%
Europe	743	662	+12.2%	+12.3%
Asia Pacific	250	261	-4.2%	+0.8%
Middle East & Africa	88	75	+17.3%	+16.6%
Latin America	60	54	+11.1%	+7.8%
Total	**3,079**	**2,800**	**+10.0%**	**+7.1%**

North America net revenue in Q1 2023 was up +10.9% on a reported basis, including a positive impact of the US dollar to euro exchange rate. Organic growth in the region was +5.7%. In the **United States**, organic growth was +5.8%. Epsilon and Publicis Sapient again made a significant contribution to the country's growth this quarter. Epsilon thus grew by +10% on an organic basis, and Publicis Sapient by +8% on a particularly high basis of +16% in Q1 2022. The performance of Media and Creative activities was very solid, both recording mid-single digit organic growth. In Canada, organic growth was +3.2%

Net revenue in **Europe** was up by +12.2% on a reported basis. It was up by +12.8% on an organic basis, or +12.3% including the contribution of our Outdoor Media activities in France & the Drugstore. Organic growth in the **United Kingdom** was +23.9%, once again driven by the very strong performance of Publicis Sapient and benefiting from new global media contracts gained in 2022. Organic growth in France was +2.9% (excluding Outdoor Media activities & the Drugstore) mainly driven by Media. **Germany** recorded strong organic growth of +10.4%, mainly driven by Media and Publicis Sapient. **Central & Eastern Europe**, organic growth was up +11.0%, with double-digit growth in Turkey, the Czech Republic and Hungary.

Net revenue in **Asia Pacific** was down -4.2% on a reported basis, and up +0.8% on an organic basis. **China** recorded solid growth of +3.7% on an organic basis despite the health situation in the country. Net revenue in **Thailand** decreased following the phasing of a large project. Organic growth in Australia amounted to +5.4% while net revenues from **Malaysia** and Vietnam were up double-digit on an organic basis.

In **Middle East & Africa**, net revenue was up +17.3% on a reported basis, and +16.6% on an organic basis. Organic growth was largely driven by Creative activities, Publicis Sapient in the Middle-East and Media in Africa.

Net revenue in **Latin America** was up +11.1% on a reported basis, and +7.8% on an organic basis, with most countries reporting growth this quarter, largely driven by Media activities.

10.4.2 Net Debt and liquidity

Net debt totaled euro 442 million at March 31, 2023, compared with a net cash position of euro 634 million at year-end 2022, reflecting business seasonality. As a reminder, net debt was euro 718 million at the end of March 2022. The Groupe's average net debt over the last 12 months amounted to euro 563 million at the end of March 2023, down compared to euro 1,277 million at the end of March 2022.

The Groupe's liquidity position remains very solid, at euro 5.4 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
1.	**Persons responsible, third party information, experts' reports and competent authority approval**	380	10.2.1; 10.2.2
2.	**Statutory auditors**	381	10.3
3.	**Risk factors**	40 to 45	2.1
4.	**Information about the issuer**	360	8.1.1 to 8.1.4
5.	**Business overview**		
	5.1. Main activities	10; 27 to 31	Introduction: organization; 1.3.3
	5.2. Main markets	31 to 32	1.3.4; 1.3.5
	5.3 Important events in the development of the issuer's business	20 to 25; 37; 40 to 45	1.1; 1.5; 1.6; 2.1
	5.4 Financial and non-financial strategy and objectives	8; 9; 26 to 27	Introduction: Business model; 1.3.2
	5.5 Dependence on patents or licenses, industrial, commercial or financial contracts, or new manufacturing processes	37	1.6
	5.6. Competitive position	33	1.3.7
	5.7. Investments	35 to 36	1.4
6.	**Organizational structure**		
	6.1 Brief description of the Groupe	6 to 15; 25	Introduction; 1.2.1
	6.2 List of main subsidiaries	26	1.2.2
7.	**Analysis of the financial situation and result**		
	7.1. Financial position	247 to 249	5.4
	7.2 Operating results	245 to 246	5.3
8.	**Cash flow and capital**		
	8.1 Capital resources of the issuer	248 to 249	5.4.2
	8.2 Sources and amounts of the issuer's cash flows	247 to 248	5.4.1
	8.3. Information on financing requirements and financing structure	249	5.4.3
	8.4 Restriction on the use of capital	249	5.4.4
	8.5 Expected sources of financing	249	5.4.5
9.	**Regulatory environment**	33 to 34	1.3.8
10.	**Trend information**	253	5.7
11.	**Profit forecasts or estimates**		N/A
12.	**Management, supervisory bodies and executive management**		
	12.1. Members of Management and Supervisory Boards	50 to 88	3.1.1 to 3.1.3
	12.2. Conflicts of interest	67; 87; 155	3.1.1.2; 3.1.3.2; 3.3

		Page number	Chapter
13.	**Compensation and benefits of corporate officers**		
	13.1. Amount of compensation paid and benefits in kind	93 to 152	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	120 to 139 291 to 295; 317	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 67; 87	3.1.1.1; 3.1.3.4
	14.2. Service contracts between members of the administrative, management or supervisory bodies	67; 87	3.1.1.2; 3.1.3.2
	14.3. Information about the Audit and Compensation Committees	69 to 82	3.1.2
	14.4. Compliance with the applicable corporate governance regime	91 to 92	3.1.7; 3.1.8
	14.5. Potential material impacts on corporate governance	50 to 67; 68 83 to 86; 87	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	163 to 166; 275	4.1; 6.6 (Note 4)
	15.2. Shareholdings and stock options of corporate officers	152 to 153	3.2.3
	15.3. Agreement on employee share ownership	372	8.3.6
16.	**Main shareholders**		
	16.1. Shareholders holding more than 5% of the share capital or voting rights	362 to 365	8.2.1
	16.2. Existence of different voting rights	360 to 362	8.1.6
	16.3. Control of the issuer	365	8.2.2
	16.4. Agreements known to the issuer, the application of which may result in a change in control	365	8.2.3
17.	**Related-party transactions**	155; 317	3.3; 6.6 (Note 32)
18.	**Financial information on assets and liabilities, financial position and results**		
	18.1. Historical financial information	241 to 357	5; 6; 7
	18.2. Intermediate and other financial information	382	10.4
	18.3. Auditing of historical annual financial information	324 to 330 353 to 357	6.7 7.6
	18.4. Pro forma financial information		N/A
	18.5. Dividend policy	252	5.6
	18.6. Legal and arbitration proceedings	44; 290 to 291	2.1-9; 6.6 (Note 21)
	18.7. Significant change in financial position		N/A
19.	**Additional information**		
	19.1. Share capital	365 to 373	8.3
	19.2. Memorandum of incorporation and bylaws	360 to 362; 365	8.1.2; 8.1.6; 8.2.2; 8.2.3
20.	**Major contracts**	37	1.5
21.	**Documents available to the public**	380	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.

Item in the annual financial report		Page number	Chapter
1.	**Annual financial statements of Publicis Groupe SA**	332 to 352	7.1 to 7.5
2.	**Consolidated financial statements of Publicis Groupe**	256 to 323	6.1 to 6.6
3.	**Statutory auditors' report on the annual financial statements**	353 to 357	7.6
4.	**Statutory auditors' report on the consolidated financial statements**	324 to 330	6.7
5.	**Management report including at least the information mentioned in articles L. 225-100, L. 225-100-2, L. 225-100-3 and L. 225-211 paragraph 2 of the French Commercial Code**		See cross-reference table in the management report in Section 10.7
6.	**Declaration of the persons responsible for the annual financial report**	380	10.2.2
7.	**Fees paid to the statutory auditors**	318	6.6 (Note 34)

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	256 to 258; 332; 333 to 334; 350 to 351; 352	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 36; 242 to 252	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	157 to 239; 244 to 249	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; 68; 75 to 82	2.1; 3.1.1.4; 3.1.2.9
Foreseeable development of the Company and the Groupe	36; 253	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	252	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 the 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	201; 212 to 227; 228 to 229	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; 247 to 249; 264 to 272; 296 to 300; 304 to 307; 307 to 309	2.1; 5.4; 6.6 (Notes 1.3, 23, 28, 29)
Declaration of non-financial performance	157 to 239	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 subcontractors and suppliers	199 to 201	4.2.4
Research and development activities	37; 264 to 272	1.6; 6.6 (Note 1.3)
Existing branches		NA

Company information and capital structure

	Page number	Chapter
Transactions in the Company's shares by managers and related persons	154	3.2.4
Details of purchases and sales of treasury shares during the financial year	368 to 370	8.3.3
Any adjustments for securities giving access to the share capital or stock options	303 to 304; 345	6.6 (Note 27); 7.4 (Note 20.1.1)
Major shareholders and treasury shares	362 to 365	8.2.1
Employee shareholding	313 to 316; 345 to 349; 372	6.6 (Note 31); 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		NA
Disposal of shares carried out in order to rectify any situation of reciprocal shareholding		NA
Injunctions or financial penalties for anti-competitive practices imposed by the Competition Authority and prescribed by the latter, as an additional measure, inclusion in the management report		NA

Elements pertaining to the financial statements

	Page number	Chapter
Company's results over the past five years	352	7.5
Information on supplier and client payment terms: number and total amount of outstanding invoices received and issued	250 to 252	5.5
Amount of loans granted in accordance with article L. 511-6 of the French Monetary and Financial Code		NA

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 67; 83 to 86	3.1.1.1; 3.1.3.1
Content of, and conditions for preparing and organizing, the Supervisory Board's work	50 to 67; 71 to 73	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 67	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 67; 89 to 90; 166 to 174	3.1.1.1; 3.1.6; 4.1.1
Potential limitations which the Supervisory Board imposes on powers of the Management Board	71 to 73; 87 to 88	3.1.2.4 3.1.3.5
Provisions deviating from the Afep-Medef Code and reasons for this	91	3.1.7
Particular terms and conditions of shareholder participation in General Shareholders' Meetings or provisions in the bylaws covering these terms	360 to 362; 378	8.1.6; 9
Observations of the Supervisory Board on the Management Board report and the financial statements for the financial year	75	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)	155; 156	3.3; 3.4
Description of the procedure put in place by the Company for assessing ordinary arm's-length agreements and its implementation	75	3.1.2.7
Summary table of current delegations of authority and authorizations in the area of share capital increases	365 to 367	8.3.1

Elements relating to compensation

	Page number	Chapter
Compensation policy for corporate officers	93 to 118	3.2.1
Report on the compensation of corporate officers	118 to 152	3.2.2
Conditions for exercising and holding options by executive corporate officers	313 to 316	6.6 (Note 31)
Conditions for holding free shares granted to executive corporate officers	96 to 104; 313 to 316	3.2.1.4; 6.6 (Note 31)

Elements likely to be relevant in the event of a public offer

	Page number	Chapter
Structure of the Company's share capital	152; 362 to 365; 365 to 373	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		NA
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	362 to 365	8.2.1
List of holders of securities with special rights of control and a description of these rights		NA
Control mechanisms in a potential employee shareholding system, when controlling rights are not exercised by employees		NA
Agreements between shareholders of which the Company is aware and which might hinder the transfer of shares and the exercise of voting rights		NA
Rules applicable to the appointment and replacement of members of the Management Board as well as changes made to the bylaws	50; 83 to 86; 360 to 362	3.1; 3.1.3.1; 8.1.6
Powers of the Management Board, in particular regarding the issuance or buyback of shares	87 to 88; 360 to 362; 365 to 367; 368 to 370	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	365	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	365	8.2.3

Observations of the statutory auditors

	Page number	Chapter
Report by the statutory auditors on the corporate governance report	353 to 357	7.6

10.9 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 2022 Universal Registration Document:

- the consolidated financial statements for the 2021 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 2021 financial year, which are shown respectively on pages 227 to 300 and 214 to 221 of the 2021 Registration Document filed with the AMF on April 25, 2022, under no. D. 22-0344;
- the Company's annual financial statements for the 2021 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 2021 financial year, which are shown respectively on pages 301 to 325 and 150 of the 2021 Registration Document filed with the AMF on April 25, 2022, under no. D. 22-0344;
- 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.

10 ADDITIONAL INFORMATION

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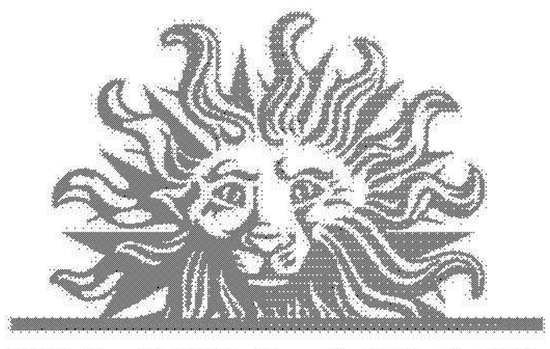
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PUBLICIS GROUPE

2022

Publicis Groupe SA

French limited liability company (société anonyme) with a Management Board
and a Supervisory Board, with a share capital of euro 101,724,744.

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