UNIVERSAL REGISTRATION DOCUMENT

2020

ANNUAL FINANCIAL REPORT

PUBLICIS GROUPE

CONTENTS

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ANNUAL FINANCIAL REPORT

GROUPE PROFILE

Publicis Groupe is a world leader in communications.

The Groupe supports its clients throughout the marketing and communication value chain to help them win in a world of platforms.

It offers them dynamic, diverse and disruptive creativity, targeted media expertise on a large scale, as well as data and technological skills enabling them to build in-depth knowledge of their consumers and create direct digital channels to engage with them.

Clients have always been at the heart of the Groupe's model and benefit from a fluid and unified organization by country.

Founded in Paris in 1926, the Groupe is present in more than 100 countries and has nearly 80,000 employees.

AUTORITÉ DES MARCHÉS FINANCIERS AMF

The Universal Registration Document was filed on April 9, 2021 with the AMF (the French Financial Markets Authority) in its capacity as competent authority under Regulation (EU) 2017/1129, without prior approval, pursuant to article 9 of said regulation.

The Universal Registration Document can be used for an initial public offering of financial securities or for the admission of financial securities to trading on a regulated market if it is supplemented by a Transaction Note (or financial securities note) and, where applicable, a summary of, as well as all the amendments made to, the Universal Registration Document. The whole package is then approved by the AMF pursuant to (EU) Regulation 2017/1129.

MESSAGE FROM THE CHAIRMAN OF THE SUPERVISORY BOARD

2020: a year in the new abnormal era

When news of the pandemic spread and lockdown measures were taken across the world, three imperatives were imposed on us: preservation of the physical and mental health of employees, service continuity for our clients under unprecedented conditions and the immediate implementation of plans to limit the consequences of this crisis, the extent and duration of which no-one could have yet imagined.

The most alarming news circulated about the impending collapse of the global economy and, in particular, of our industry. Advertising? Digital? The media? In the spring of 2020 forecasts were predicting a 25% fall in revenue for our industry.

Although past experience enabled certain immediate reflexes to be triggered, this crisis was not comparable because its health nature meant it affected the whole world.

The Management Board, with the support of the Supervisory Board, has worked to achieve, literally, a real *tour de force*. Any misjudgment could have consequences throughout this extraordinary year and beyond.

Faced with the challenges, starting with the most important, that of ensuring the safety of our employees and providing them with the means to work in this abnormal world that was taking shape, Management, under the leadership of Arthur Sadoun, responded in a determined, creative and efficient manner.

The world has witnessed a real disturbance of the global economy and, at the same time, the strength of companies that have been able to react. Thus, throughout the year in this new normal, it was remarkable to see people adopt new habits in all areas.

Our employees put in a huge amount of effort by changing their way of life, inadvertently imposing the intrusion of professional life on their families and juggling the day-to-day imperatives and deliverables for our clients. The psychological pressure associated with the various uncertainties has been a severe test for everyone.

For our clients, the challenges were no less and our teams had to show even more creativity, wit and talent to revise meticulously crafted campaigns simply because they were inadequate in this world of emergencies and anxiety, and to propose solutions that were better suited and adapted to the new psychology of consumers.

It was also necessary to rethink the Groupe's plans for this very unusual year in order to enable it to face up to the upheavals while preparing for the time when the world would emerge from this crisis. It is not enough to just get through a crisis minimizing the damage; it is also necessary to maintain the ability to rebound, to conquer and to grow.

All the teams around the world, without exception, have shown an iron will, an extraordinary talent and human qualities that have enabled Publicis to provide all its clients with innovative solutions to succeed in this period of intense turbulence. At the same time, they had to continue Epsilon's integration programs, rethink our internal operating model by putting data at the heart of our proposals and make *ad hoc* decisions according to the news of the day, to limit the negative effects on the Groupe's fundamentals.

A new abnormal?

Without a doubt.

Maurice Lévy
Chairman of the Supervisory Board

> **"Faced with the challenges, starting with the most important, that of ensuring the safety of our employees and providing them with the means to work in this abnormal world that was taking shape, Management, under the leadership of Arthur Sadoun, responded in a determined, creative and efficient manner."**

“The legitimate expectations of our clients faced with unprecedented challenges, the necessary restructuring, the meticulous management of costs and cash and the questioning of established certainties have placed exceptional demands on the management team and the Supervisory Board which, throughout the year and the eight meetings held, provided steadfast support to the Management Board, the management team and the successive action plans.”

Your Groupe has shown a resilience that has won the admiration of the Supervisory Board. It is the contribution of each person, the individual and combined strengths of the teams that form the backbone of this resilience. Thanks to our fundamentals, built up over the years, it has been expressed to its fullest; through human values (respect for others and for cultures and origins of all diversity), through its economic and financial fundamentals, and of course, through its constantly renewed creativity.

At the height of the crisis, the Chairman of the Management Board, Arthur Sadoun, maintained a very close relationship with all Groupe employees, through weekly messages and virtual meetings addressing all the issues of this period and ensuring that the most professional and people-focused solutions were applied to each new situation. The accelerated implementation of Marcel, the internal platform, facilitated communication and working together.

This new abnormal has gradually become the norm for daily operations. Empty offices, difficulties in separating work and personal time, and the absence of social or impromptu situations were imposed on our daily lives. The legitimate expectations of our clients faced with unprecedented challenges, the necessary restructuring, the meticulous management of costs and cash and the questioning of established certainties have placed exceptional demands on the management team and the Supervisory Board which, throughout the year and the eight meetings held, provided steadfast support to the Management Board, the management team and the successive action plans.

It is due to the following, and through the continuous efforts of everyone, that satisfactory results have been achieved.

Firstly, through our innovative tools and solutions that integrate technology and data at the heart of creativity and the media, thus offering a rare alchemy between science, technology and the art of emotion. Then, with the performance of campaigns and client results, along with early competitive wins in complicated and remote pitching situations; and finally, in the economic and financial performance of the Groupe, with revenue that has certainly dipped, but much less than the market as a whole, and with a margin that has held up well.

In these circumstances, the Supervisory Board considers that the variable compensation of employees and management was well deserved, and sends its heartfelt thanks.

In these strange times when this new abnormal has become the norm and when global society is faced with huge problems: climate change, DE&I, and the fight against waste and pollution, the Groupe has chosen to strengthen its unwavering commitment to the consideration of Environmental, Social and Governance (ESG) criteria. Significant progress has been made in this area and new objectives have been set so that your company will be an exemplary in this.

2021 is likely to be a continuation of this new abnormal, before old habits gradually return. Consumption will not pick up quickly. Confidence that the health situation is under better control will have to be established before the savings accumulated during this period are spent. Although global growth is expected to return, there is concern that the economy will be impacted in the long term. The most conflicting opinions are expressed on the strength of growth in 2021. It is wise to believe that it will only regain its full force once the health hazard has been removed, and probably not until 2022.

“...the Groupe will mobilize all its strengths, all its talent and all its energy to enable its employees to get through this period in the best possible conditions, to enable its clients to succeed in an increasingly difficult competitive environment and to enable the company to resume its winning ways and post the best possible performance.”

In this context, the only thing we can be sure of is the fact that the Groupe will mobilize all its strengths, all of its talent and all of its energy to enable its employees to get through this period in the best possible conditions, to enable its clients to succeed in an increasingly difficult, competitive environment and to enable the company to resume its winning ways and post the best possible performance.

The Supervisory Board has every confidence in the Groupe’s ability to face new challenges: an economy that is still recovering, technological developments, such as the abandoning of cookies by major players, or transformative innovations. These are all challenges that drive employees and management to excel. On the strength of all that has happened in this unprecedented and abnormal year, the Board is confident in the future and would like to thank the Groupe’s clients, all employees, the management team and its Chairman, and welcomes the effective tandem formed between the Supervisory Board and the Groupe’s Management Board.

MESSAGE FROM THE CHAIRMAN OF THE MANAGEMENT BOARD

Arthur Sadoun
Chairman of the Management Board

> **“...in this year of multiple crises, Publicis Groupe has held up well and achieved solid performances thanks to the transformation started many years ago. When the pandemic hit, we were already well equipped to deal with it. Our long-term investments in data and technology, our country model and our Marcel platform enabled us to limit the decline in our revenues and maintain the best financial indicators in our industry.”**

In 2020, the whole world was put to the test, the global economy has suffered and everyone, wherever they are in the world, has been impacted.

As I am writing this message, there is still uncertainty as to the duration of the Covid-19 pandemic, as lockdowns are still being announced or are in place in several countries and vaccination is progressing unevenly.

Our industry, like so many others, has suffered the effects of this crisis, which has resulted in a significant decrease in marketing investments for our sector.

Nevertheless, in this year of multiple crises, Publicis Groupe has held up well and achieved solid performances thanks to the transformation started many years ago.

When the pandemic hit, we were already well equipped to deal with it. Our long-term investments in data and technology, our country model and our Marcel platform enabled us to limit the decline in our revenues and maintain the best financial indicators in our industry.

As a result, we reported almost stable net revenue and organic growth that is above the average of our peers in 2020, demonstrating our ability to capture the shift in our clients' investments towards digital, e-commerce and direct-to-consumer channels, a move that has accelerated with the pandemic.

This was particularly noticeable in the United States, our main country, where we recorded the best performance in the industry in 2020. The last quarter saw figures rise there, driven by the growth of Epsilon, Publicis Sapient and double-digit growth in our Healthcare activities. Our creativity and media activities have also been resilient there.

Throughout the year, business in Europe was severely affected by the various restrictions put in place by governments to combat the pandemic, and in our main countries. In Asia, where restrictions were also significant, our performance was the most resilient among our peers.

In 2020, we also continued to gain market share. This is evidenced by the growth in net revenue for our 200 largest clients, as well as our new business wins such as Kraft-Heinz, Reckitt Benckiser, Pfizer, Visa, L'Oréal in China, TikTok and Sephora.

Our financial ratios were, once again, the highest in our industry, with a margin rate of 16% and free cash flow of nearly euro 1.2 billion, thanks to the relevance of our business mix and strict control of costs and cash flow.

It is thanks to these solid results that we have decided to offer our shareholders, from this year, a dividend of euro 2.00, *i.e.* a payout ratio of 46.8%.

"...We will continue to work alongside our clients to help them grow profitably and enable us to return to growth, thanks to our unique and connected offer: personalized profiles to better understand their consumers, disruptive and dynamic creativity to strengthen their image and justify their premium, targeted media to better reach their audiences and technology to build a direct relationship with their consumers."

It is important to note that this performance was achieved even though we decided not to call on any aid from the French State.

This performance would not have been possible without the strength and daily commitment of our employees.

From the start of the crisis, when we realized how devastating this pandemic would be, we acted quickly to adapt to it. This resulted in voluntary reductions in salaries by around 6,000 of our managers and the introduction of new targets for the rest of the year. Thanks to the collective performance of our teams, all the more remarkable in this difficult period, we were able to reimburse the salary reductions and increase the variable compensation package.

It is now clear that the world will continue to suffer the health, social and economic consequences of the pandemic. We are therefore approaching 2021 with the same combative spirit that has driven us in recent months. We will redouble our efforts to continue to take care of the physical and mental health of our employees, help our clients win in a world dominated by platforms and further increase our efficiency.

With the Management Committee, we will still work to ensure the well-being and health of each of our employees after a full year of lockdowns and restrictions for many of them. Our Marcel platform will give us more flexibility in the way we work and allocate our resources. We will also accelerate the implementation of our actions in favor of Diversity, Equality and Inclusion and the reduction of our environmental impacts...

We will subsequently continue to work alongside our clients to help them grow profitably and enable us to return to growth, thanks to our unique and connected offer: personalized profiles to better understand their consumers, disruptive and dynamic creativity to strengthen their image and justify their premium, targeted media to better reach their audiences and technology to build a direct relationship with their consumers.

Lastly, our global delivery centers, our shared services organization, our country model and Marcel are competitive advantages that will continue to support our financial strength. The efficiency of our organization will allow us to continue to invest for the future, as we did in 2020.

I would like to thank all of the Publicis Groupe teams for their extraordinary efforts during this period, as well as the Supervisory Board for its unwavering support throughout the year, and in particular its Chairman, Maurice Lévy, who was more than ever present to advise and support us. His experience and knowledge of the Groupe are valuable assets in this period. Finally, I would like to thank our clients and shareholders for their trust and collaboration.

Our transformation enabled us to weather the storm last year. Thanks to our assets, our unique offering and our organization, we have achieved among the best organic growth in our industry, particularly in the United States and Asia, as well as financial ratios that remain the highest among our peers. Thus, while we are clear about the challenges that lie ahead, we are confident in the Groupe's ability to emerge stronger from this crisis and return to growth.

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HISTORY

1926
Publicis is created
by Marcel Bleustein-Blanchet

1970
Publicis is first listed on the Paris Stock Exchange

1987
Creation of the Management Board and Supervisory Board and appointment of Maurice Lévy as Chairman of the Management Board

2000
Acquisition of *Saatchi & Saatchi* (United Kingdom)

2001
Zénith Optimédia 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
Appointments of Maurice Lévy as Chairman of the Supervisory Board,

and Arthur Sadoun as Chairman & CEO

2019
Acquisition of Epsilon (United States)

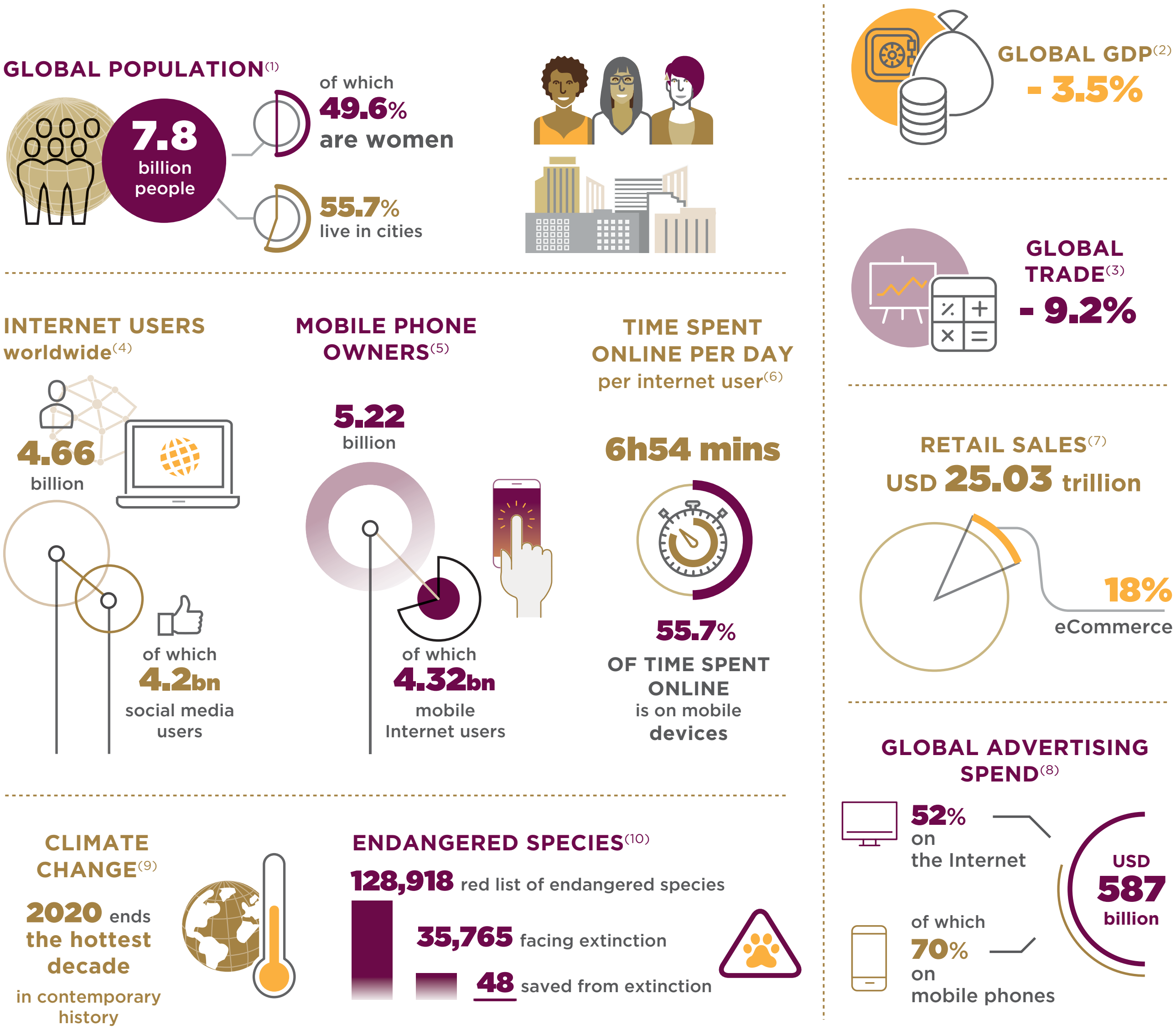
2020
Deployment of the *Marcel* platform to 80,000 employees

OUTLOOK

2020 is a year that will be remembered for the Covid-19 pandemic, with major health, economic and social consequences on a global scale. While some sectors such as the travel, hotel, restaurant and leisure industries were forced to undergo long months of inactivity, the social life of billions of people was put on "pause". At the same time, 2020 was a year of rapid acceleration in the digitization of companies, during which consumers have rapidly changed their habits by turning even more to e-commerce and other consumption modes.

Faced with an almost infinite number of possibilities in all areas, everyone's experience must be unique. Personalization is the new standard, thanks to data and its proper use. It is this large-scale precision that is the competitive advantage of Publicis Groupe.

IN 2020

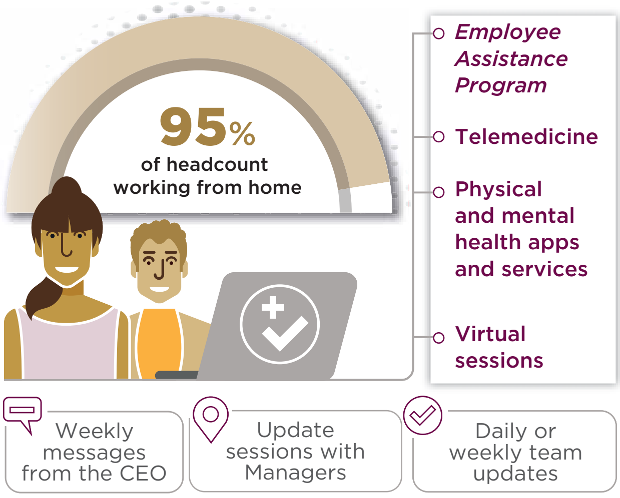


(1) UNFPA - United Nations Population Fund, March 2021
(2) IMF – International Monetary Fund 2021
(3) WTO – World Trade Organization, assessment March 2021
(4) We Are Social, February 2021
(5) GSMA: Global System for Mobile Association 2021
(6) GlobalWebIndex 2021
(7) eMarketer, January 2021
(8) Zenithoptimedia, 2021
(9) WMO – World Meteorological Organization 2021
(10) IUCN – International Union for Conservation of Nature, March 2021

Actions taken in response to the Covid-19 pandemic

1. Managing the crisis

• **An *ad hoc* crisis unit,** known as the Groupe coordination unit, was set up at the end of January 2020, when the teams in China were confronted with a local lockdown and the application of restrictive measures, in order to set up and standardize decision-making protocols across the entire Groupe to protect the health and safety of employees, as well as to distribute a framework of rules to be followed to ensure employee health. This coordination was led by the Secretary General; it made it possible to monitor the number of sick employees or those having had contact with Covid-19 cases on a daily basis. Mirror crisis units were set up in each country (or region) to monitor the local situation in real time, with two modes of functioning: daily during periods of local lockdown or partial easing of lockdown, and weekly during periods with no lockdown.



Governance bodies engagement

• **The Chairman and members of the Management Board** were informed of the health situation once a day throughout the year. The Management Board decided the broad outlines and structuring measures, while implementing country-by-country operational management to give everyone the flexibility and agility necessary to adapt their actions to the local situation. Close coordination of actions was put in place. The resources thus implemented, combined with the exceptional mobilization of teams throughout the organization, made it possible to manage this crisis in a remarkable way throughout the year.

• **The Supervisory Board** was kept constantly informed by the Management Board and was involved in the important decisions taken by the Management Board according to the evolution of the health crisis, its impact on employees and on the activity of Publicis Groupe. A specific update was given at each meeting to this effect. The Supervisory Board congratulated the Management Board on the way in which this unprecedented crisis was managed, with the Groupe's employees and assets protected, costs kept under control and the relationships with the teams and clients enhanced.

Supporting Clients as closely as possible to their needs

In this period, experienced in very different ways from one sector to another, the Groupe's agencies were extremely active. All teams were mobilized exceptionally to support clients: by offering steadfast availability to help clients overcome the consequences of this crisis, by providing them with strategic, creative, technological and commercial support in all areas, and through a strong ability to devise tailor-made solutions to maintain links with end consumers. Throughout the various lockdowns, given the upheavals that occurred in the business of certain of the Groupe's clients, some teams found themselves facing either a sudden halt or temporary interruption to their activities or a significant increase in their projects. It was therefore necessary to reorganize rapidly and on multiple occasions in every country and to redeploy internal resources.

2. Three Groupe priorities addressed simultaneously

Employees' health & safety

• **Physical health:** protecting employees from any risk of contamination was the guideline of the action plan. In just a few days, the Groupe organized itself to provide all employees with the necessary equipment and transfer almost all of its workforce (95%) to remote working. Employees almost entirely stopped travelling for work.

• **Mental health:** the health crisis at its most intense was a sometimes painful experience for many employees; not only because of the risk of contamination for themselves and their families, but because of the sudden change in working methods and the isolation that this caused. The Groupe extended access to local applications and solutions to all employees, enabling employees to be supported, whether through widespread access to telemedicine or access to new services as part of its EAP (Employee's Assistance Programs) offers, or access to dedicated applications. Lastly, in order to enable everyone to get through the lockdown under the best conditions, the Groupe financed the transfer of certain employees who were a large distance away so that they could join their families.

Black Lives Matter: fighting against social injustice

In this complicated general context, the Groupe has given its full support to all its teams who have had to face painful moments and have mobilized in the fight against racism and social injustice. The Groupe's internal platform, Marcel, has been central as a means of uniting the teams; on June 17, this enabled a "pause" to be organized in the United States, to allow all employees to listen to each other and discuss the action plan. The sessions on diversity, equality and inclusion were then supplemented on Marcel and rolled out in several countries.

3. A cost savings plan of €500M

On April 13, 2020, the Groupe announced the implementation of a savings plan of €500M to adapt its costs to the decline in activity. During the first half-year, the Groupe took strong measures, such as a hiring freeze, a ban on the use of freelancers, a pause in internal promotions, a reduction in the working week and voluntary wage cuts. The implementation of these measures was facilitated by the Groupe's country organization. The Procurement and Legal Departments were very active in managing contracts with suppliers in the best way possible, and in finding equitable solutions. Certain expenses were reduced drastically during lockdown periods, such as those related to travel, recruitment and seminars. By the end of 2020, the Groupe had made cost reductions of euro 467 million with an operating margin of 16.0%.

Reductions in compensation

In April 2020, individual and voluntary decisions were taken to temporarily reduce remuneration. The Chairman of the Supervisory Board, Maurice Lévy, the Chairman of the Management Board, Arthur Sadoun, as well as Anne-Gabrielle Heilbronner and Steve King, members of the Management Board, agreed to remuneration reductions. They were followed by 6,000 managers who also committed themselves; in view of the efforts made by all employees during this period, and the results obtained, which were better than expected, it was announced in February 2021 that the salary sacrifices were going to be reimbursed (with the exception of Executive corporate officers).

Shareholders

Shareholders were asked to show solidarity with the Company and its employees by reducing the dividend by 50% (from €2.30 to €1.15) and deferring its payment to the end of September 2020. This proposal was voted and approved at the Combined Ordinary and Extraordinary Shareholders' Meeting of May 27, 2020. Following the resilience of the Groupe's results, the General Shareholders' Meeting of May 26, 2021 will be asked to approve a return to a pre-pandemic pay-out level of 46.8%, i.e. a dividend of €2 per share.

4. Accelerated worldwide rollout of the Marcel internal platform

At the beginning of April 2020, the Marcel artificial intelligence platform was gradually rolled out in all of the Groupe's countries, several months ahead of schedule, thanks in particular to the full rollout at the height of the lockdown of the HR information system (HRIS). About 80,000 employees are now connected to the platform.

Individual training accessible to everyone

The 30,000 Marcel Classes modules are accessible to all employees in seven languages (24/7): this has enabled them to improve their knowledge, learn new trades, discover technical innovations, or take the time to learn more about certain managerial subjects. The physical and mental health component has been greatly enriched with new sessions.

5. Innovation in response to the crisis: The Pact

On April 30, the Groupe announced a new solution developed by Epsilon for mid-sized companies in the United States. The Pact guarantees the results of their advertising investments, to optimize the impact of their marketing spend during the crisis and help them prepare for the recovery. Each dollar invested in The Pact is guaranteed by concrete and quantifiable results, such as sales, the acquisition of new customers, the return on advertising investment, the number of subscriptions to a loyalty program, or any other relevant performance indicator. If the results are not achieved, 100% of the investment in The Pact is reimbursed.

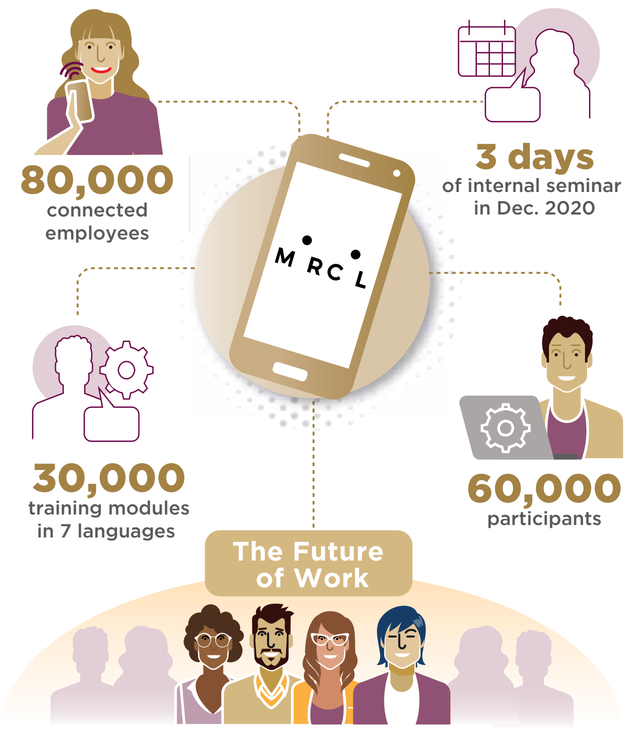
6. Internal & external communication

From March 2020, the Chairman of the Management Board personally addressed all employees by video every Sunday evening, in order to take stock of the situation and share information on the Groupe's progress during this period of upheaval. This communication was then supplemented by the managers of the countries or regions, and adapted according to local specificities, thus giving employees an overview and access to practical information. In addition, in the countries and regions, open question-and-answer sessions (Town Halls) were held every month, giving all employees the opportunity to ask questions (by video or written) to their local and Groupe management.

During this period of remote working, which continued widely throughout 2020 in many countries, all employees were asked to reflect together on "The Future of Work": working groups have been set up in each country to reflect on the various issues and to outline solutions.

The virtual internal seminar of December 2020

Mid-December 2020, the Groupe's 80,000 employees were invited to take part in three days of internal seminar sessions, organized in "duplex" format from Paris, London and New York. More than 60,000 employees took part, asking questions before and during the live sessions. The program was an opportunity to look back on the past year, to thank the teams for the work accomplished during these difficult months, to share projects such as avenues being explored in "The Future of Work", and then to look to the future, by welcoming exceptional guests such as Michelle Obama, former First Lady of the United States, Bob Iger, Executive Chairman of the Walt Disney Company and Satya Nadella, CEO of Microsoft.



All employees have been invited to participate to "The Future of Work"

BUSINESS MODEL

CAPITAL & RESOURCES

HUMAN

- **79,051** employees
- **50.1%** women

INTELLECTUAL

- Creativity
- Data
- Media
- Transformation solutions for business & marketing
- Business Excellence for clients
- Partnerships with key suppliers

FINANCIAL

- Total Assets: €**30.16**bn
- Family & Corporate Officer shareholding = **9.5%** of capital
- Average net debt: €**3.3**bn

SOCIETY

- Ethics and compliance
- Community engagement

ENVIRONMENTAL

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

OUR CLIENTS

HAVE 4 IMPERATIVES FOR WINNING
in a platform world

PERSONALIZED PROFILES	DISRUPTIVE DIVERSE DYNAMIC CREATIVITY	LARGE-SCALE TARGETED MEDIA	DIRECT DIGITAL CHANNELS
EPSILON	Publicis Worldwide, BBH, fallon, Saatchi & Saatchi, Leo Burnett	Starcom, Zenith, Spark Foundry	publicis sapient

POWER OF ONE — **COUNTRY MODEL**

GLOBAL DELIVERY CENTERS
10,000 employees in various hubs around the world

MARCEL
nearly 80,000 users

SHARED SERVICE CENTERS
Support activities

As the world's third largest communications group, Publicis Groupe is present across the entire marketing and communications value chain, from consulting to execution. In a world of platforms, the Groupe's strategy is to be the preferred partner of its clients thanks to an integrated offering that enables them to strengthen their direct links with their consumers through direct and proprietary channels in order to grow their sales.

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

VALUE CREATION

ACTIONS & OUTPUTS	2020 KEY INDICATORS	SDG*
Human • MARCEL, employee training throughout their career, new professional opportunities • Well being at work, physical and mental health support	• **50% women on the Supervisory Board** • **40.4% women in key leadership positions** • **33.5% women Agencies' CEOs** • **74% of employees received training** • **€6,242M personnel costs**	3 GOOD HEALTH AND WELL-BEING 4 QUALITY EDUCATION 5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH
Intellectual • Client satisfaction at the heart of "Power of One" • Specialist expertise • Responsible Marketing • Investment in applications R&D • Partnerships with start-ups • Supplier CSR assessment	• **19,000 talent in Data and Tech** • **A.L.I.C.E.[1]: to measure carbon emissions of campaigns and projects** • **Active member of several coalitions Unstereotype Alliance** *(UN Women)*, **GARM** *(Global Alliance for Responsible Media)* • **85% of global providers assessed in terms of CSR by a third party; more than 100 local suppliers self-assessed in CSR on P.A.S.S.[2]**	8 DECENT WORK AND ECONOMIC GROWTH 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Financial • Highest operating margin in the sector (16.0%) • Revenue resilience despite the crisis	• **€9.7bn net revenue** • **TOP 200 clients: 61% of net revenue** • **€1,558M Operating margin** • **€1,034M Headline net income[3]** • **Free Cash Flow: €1.2bn** (before change in WCR) • **€2.00 dividend per share[4]**	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Society • Present in + 100 Countries • 420 *Pro bono* campaigns and volunteering initiatives	• **€293M Tax paid in 2020** • **€45M equivalent value undertaken in community engagements**	2 ZERO HUNGER 8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES 17 PARTNERSHIPS FOR THE GOALS
Environmental • SBTi objectives: scenario 1.5 °C by 2030[6] (47% reduction for scopes 1 & 2, 14% for scope 3) • Net Zero by 2030 (scopes 1 + 2 +3) • Reduction of impact from campaigns and digital solutions	• **RE[5]: objective of 100% by 2030** • **Carbon intensity in 2020: 2.2 TeqCO$_2$** ***per capita*** (-60% since 2009) • **Carbon neutrality - Net Zero for Scopes 1 & 2 in 2020** (after purchases of RECs & VCCs)[7]	13 CLIMATE ACTION

*SDG: United Nations Sustainable Development Goals. Publicis Groupe has identified 10 of the 17 goals whereby the Groupe and its subsidiaries can make a positive impact (see chapter 4.6).

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

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

(3) Groupe net income.

(4) Submitted to Shareholders' vote during the General Shareholder's Meeting of May 26, 2021.

(5) Renewable Energy.

(6) Objectives approved by SBTi (Science Based Targets initiative) in March 2021, with 2019 as the reference year.

(7) RECs: Renewable Energy Certificates; VCCs: voluntary Carbon Credits.

ORGANIZATION

Publicis Groupe has always placed clients at the heart of its model; they benefit from a smooth and unified organization, thanks to the country model. Each major client is assigned a Groupe Client Leader (GCL - global client manager) with a single income statement to facilitate relations with all expertise within Publicis Groupe and provide them with access to a fully integrated offering.

MANAGEMENT BOARD OF PUBLICIS GROUPE

ARTHUR SADOUN
Chairman & CEO

JEAN-MICHEL ETIENNE
Executive Vice President – Groupe Finance
(until December 31, 2020)

MICHEL-ALAIN PROCH
Groupe Chief Financial Officer
(since January 15, 2021)

ANNE-GABRIELLE HEILBRONNER
Secretary General
Publicis Groupe

STEVE KING
Chief Operating Officer
Publicis Groupe

AN INTEGRATED OFFER IN ALL COUNTRIES

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, Northern and Central Europe, Southern Europe, Latin America excluding Brazil, and Brazil) are headed by a CEO and managed on a daily basis by a unified Executive Committee overseeing a single income statement.

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

DATA
PERSONALIZED PROFILES

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

CREATIVITY
DIVERSE DYNAMIC DISRUPTIVE

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

CLIENTS

MEDIA
LARGE-SCALE TARGETING

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

TECHNOLOGY
PROPRIETARY DIGITAL CHANNELS

- Digital marketing
- Innovation Labs
- Digital transformation of companies
- Product and service design

Countries and regions have access to Global Delivery Centers, as well as shared support functions, thus providing clients with a cross-functional offer that meets all their needs.

GLOBAL DELIVERY
10,000 employees
in various hubs
around the world

MARCEL
Nearly 80,000
users

SHARED SERVICE CENTERS
Support activities

* The Country Organization is structured around a single income statement per country or region integrating the entire client service offering.

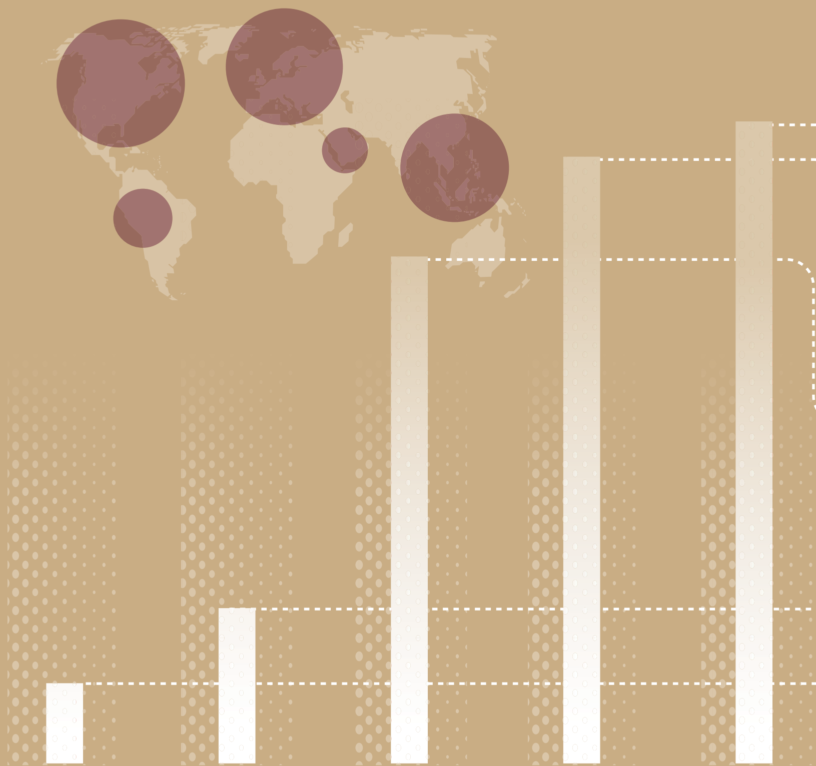
TALENT

at December 31, 2020

79,051
EMPLOYEES

Women **50.1%**

Men **49.9%**

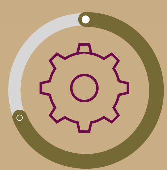


Region	Employees	Women	Men
NORTH AMERICA	25,409	53.4%	46.6%
ASIA PACIFIC	24,129	42.6%	57.4%
EUROPE/RUSSIA	20,149	54.4%	45.6%
LATIN AMERICA	6,171	52.1%	47.9%
MIDDLE EAST/AFRICA	3,193	49.8%	50.2%

MAIN JOB CATEGORY AND FUNCTION

Client Management	25.0%
Engineering	17.4%
Creativity & Content	13.1%
Support Functions	12.9%
Media	10.3%
Data & Tech	8.6%
Production	4.5%
Strategy	4.2%
Consulting	2.8%
General Management	0.9%
Health & Wellness	0.2%

TRAINING



74%
of employees RECEIVED TRAINING IN 2020

Average
28.1 h
per capita

WOMEN

50%
on Supervisory Board

40.4%
in key leadership positions

33.5%
of agencies CEOs

KEY FIGURES

NET REVENUE AND ORGANIC GROWTH

IN 2020

€9,712 million

-6.3%

IN 2019

€9,800[1] million

-2.3%

IN 2018

€8,969 million

+0.1%

+0.8%
Excluding PHS[2]

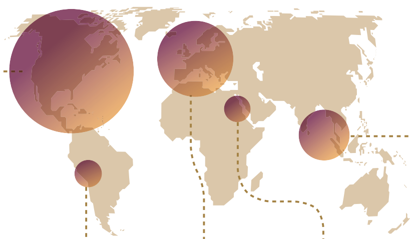
(1) Epsilon figures are consolidated from July 1, 2019

(2) Publicis Health Solutions

BREAKDOWN OF 2020 NET REVENUE

BY GEOGRAPHIC REGION

In millions of euros



NORTH AMERICA	LATIN AMERICA	EUROPE/ RUSSIA	MIDDLE EAST/ AFRICA	ASIA PACIFIC
5,997	230	2,278	275	932

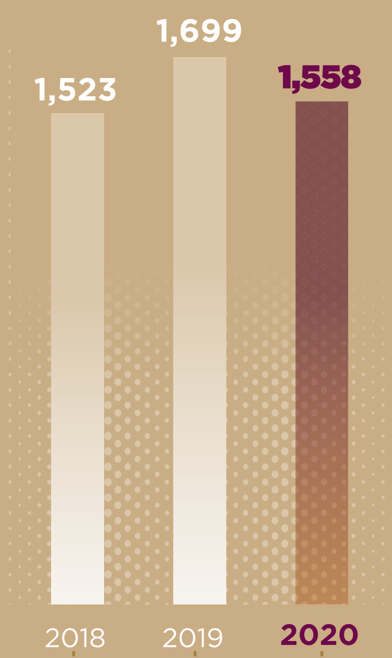
BY CLIENT BUSINESS SECTOR

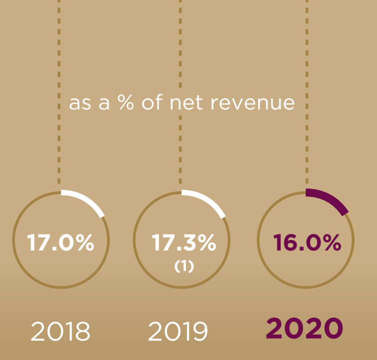
ON THE BASIS OF **3,620** CLIENTS
i.e. **91%** of total net revenue

Sector	%
AUTOMOTIVE	16%
FINANCIAL	15%
TMT	13%
FOOD AND BEVERAGE	13%
HEALTHCARE	12%
NON-FOOD CONSUMER PRODUCTS	11%
RETAIL	8%
LEISURE/ENERGY/LUXURY	7%
OTHER	5%

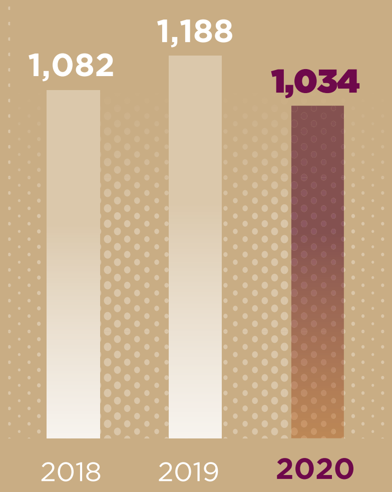
KEY FIGURES

OPERATING MARGIN*
In millions of euros

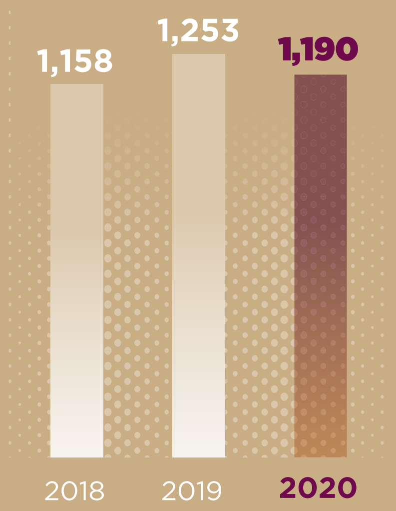




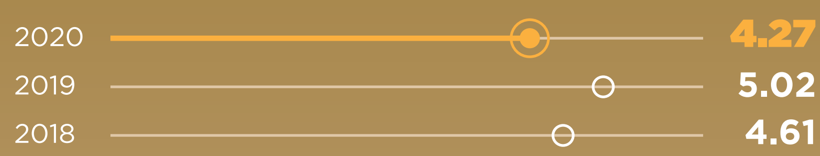
GROUPE HEADLINE NET INCOME*
In millions of euros



FREE CASH FLOW BEFORE CHANGE IN WORKING CAPITAL REQUIREMENTS*
In millions of euros

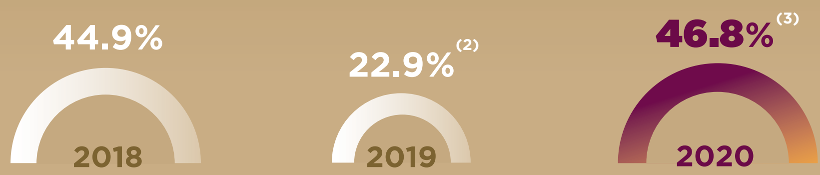


HEADLINE DILUTED EARNINGS PER SHARE*
In euros



DIVIDEND PER SHARE
In euros

PAYOUT RATIO*
In %



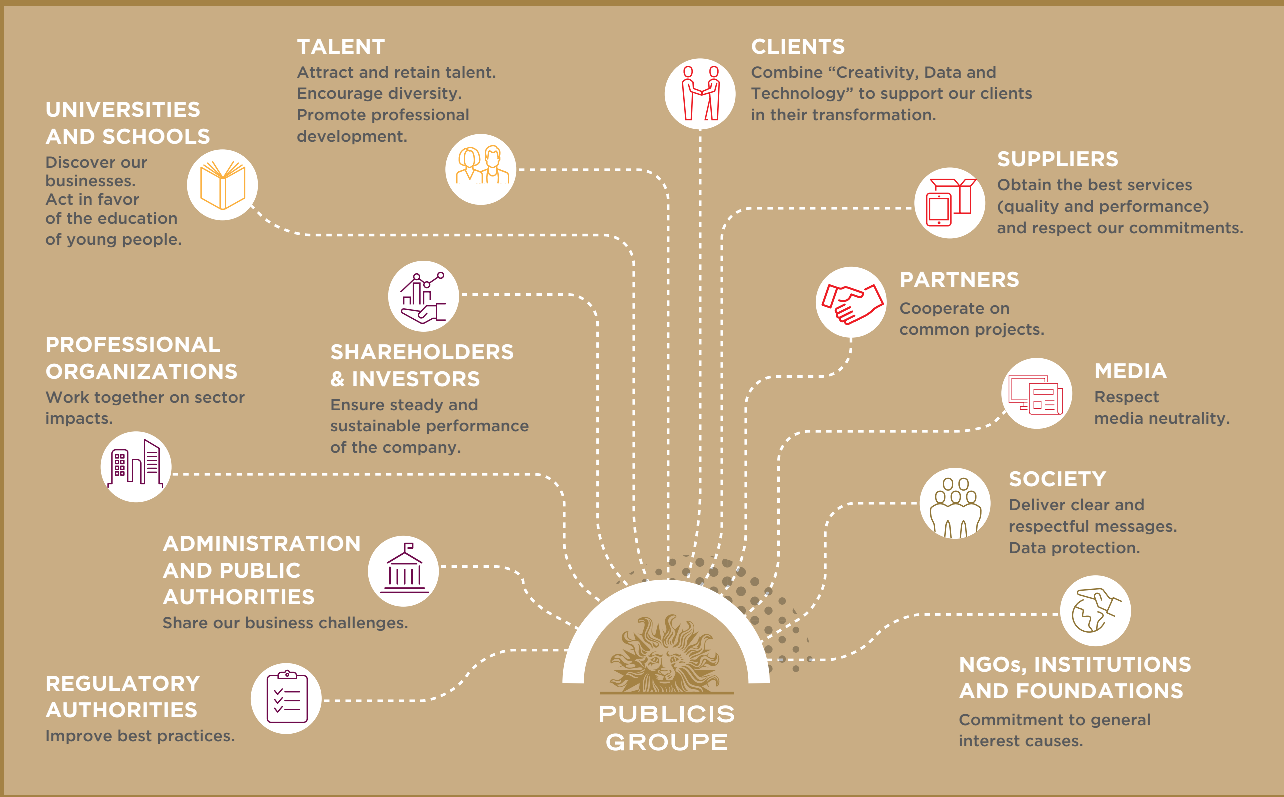
* See definitions in the glossary at the end of the introduction section.

(1) Excluding Epsilon acquisition costs.

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

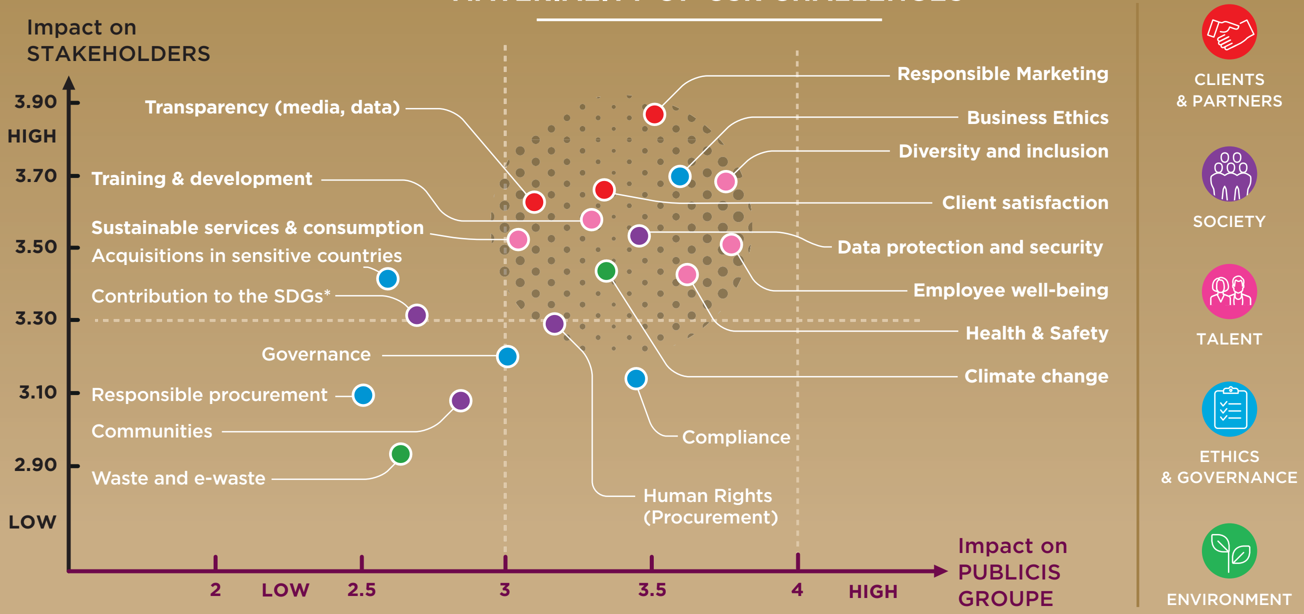
(3) Submitted to the shareholders' vote during the General Shareholders' Meeting of May 26, 2021.

STAKEHOLDERS



In 2020, in view of the upheaval during the year, Publicis Groupe undertook a partial consultation of its main stakeholders - Clients, Talent and Investors, all widely consulted in 2019 – in order to assess changes in the priorities expressed and adjust the Company's responses. A questionnaire was sent to 100 people who had all been asked to complete a questionnaire last year (United States, France, India and the United Kingdom). The responses were analyzed by Salterbaxter, a subsidiary with particular expertise in CSR. The priorities were similar to those already identified, with a slight increase in those heading the list, demonstrating higher expectations. This work was discussed within the Supervisory Board's Strategy and Risk Committee, with Anne-Gabrielle Heilbronner, member of the Management Board and the Groupe's Secretary General, overseeing the entire CSR approach. These elements are described in detail in Chapter 4 of this document, on non-financial reporting - DNFP (Declaration of Non-Financial Performance).

MATERIALITY OF CSR CHALLENGES



*SDG: United Nations Sustainable Development Goals.

GOVERNANCE

The governance of Publicis Groupe, its bodies, their respective roles and functioning are presented in Section 3 .

SUPERVISORY BOARD

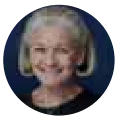
50% (1) ARE WOMEN

(1) Excluding members of the Supervisory Board representing employees

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

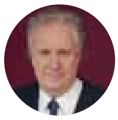
8 MEETINGS IN 2020

94% ATTENDANCE RATE



Élisabeth Badinter
Vice-Chairman of the Supervisory Board
Chairman of the Nominating Committee
Member of the Strategy and Risk Committee

Simon Badinter
Member of the Supervisory Board



Jean Charest
Chairman of the Audit Committee
Member of the Nominating Committee

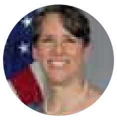
Sophie Dulac
Member of the Supervisory Board

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

Marie-José Kravis
Chairman of the Strategy and Risk Committee
Member of the Nominating Committee

André Kudelski
Chairman of the Compensation Committee
Member of the Audit Committee
Member of the Nominating Committee

Enrico Letta
Member of the Strategy and Risk Committee
(until March 28, 2021)

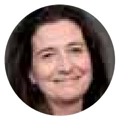


Suzan LeVine
Member of the Audit Committee
Member of the Strategy and Risk Committee

Dr Antonella Mei-Pochtler
Member of the Compensation Committee

Cherie Nursalim
Member of the Compensation Committee

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



Patricia Velay-Borrini
Member of the Supervisory Board representing employees
Member of the Nominating Committee
(since October 16, 2020)

MANAGEMENT BOARD

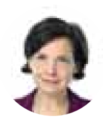
25% ARE WOMEN

Arthur Sadoun
CEO
Chairman of the Management Board

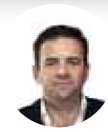
15 MEETINGS IN 2020

Jean-Michel Etienne
Executive Vice President
Groupe Chief Financial Officer
(until December 31, 2020)

Michel-Alain Proch
Groupe Chief Financial Officer
(since January 15, 2021)



Anne-Gabrielle Heilbronner
Secretary General



Steve King
Chief Operating Officer

GLOSSARY AND DEFINITIONS

GLOSSARY

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

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

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

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".

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 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 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.

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 Groupe les Échos and Publicis Groupe. This was the first international event dedicated to innovation, start-up growth and the collaboration between major groups and start-ups in France.

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

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

DEFINITIONS

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

WCR: working capital requirement.

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

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

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

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

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

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

DNFP: declaration of non-financial performance.

EBITDA: operating margin before depreciation and amortization.

EU: European Union.

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

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

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

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

n/a: not available.

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

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

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

CSR: corporate social responsibility.

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

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

CHAPTER

1

PRESENTATION OF THE GROUPE

1.1 GROUPE HISTORY

Founded in 1926 by Marcel Bleustein-Blanchet, the Company's name originates from the combination of "Publi", for "Publicité", which means advertising in French, and "six" for 1926. The founder's ambition was to transform advertising into a true profession with social value, applying a 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. However, in 1934, the French government banned advertising on state radio; Marcel Bleustein-Blanchet thus decided to set up his own station, "Radio Cité", the first private radio station in France. 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 acquisitions drive intensified and has become 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 Groupe, 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 Groupe.

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 Groupe and Medicus, and held a 49% interest in Bartle Bogle

Hegarty. At the same time, Publicis Groupe established a strategic partnership with Dentsu, the leading communications group in the Japanese market and a founding shareholder of Bcom3. The acquisition established Publicis Groupe in the top tier of the advertising and communications industry, making it the fourth largest advertising group worldwide, with operations in more than 100 countries and five continents.

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

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

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

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

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

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

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

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

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

During 2009, Publicis Groupe and Microsoft entered into a global collaboration agreement defining three core objectives for the development of digital media. Microsoft's and VivaKi's respective teams will be able to provide clients with greater added value and effectiveness in all the domains of the digital sphere: contents, 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 euro zone and to 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, and Israel and, for the first time, in Palestine. Additionally, still in the digital arena, Publicis Groupe and IBM formed a global partnership based on their unparalleled influence on the future of e-commerce.

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

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

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

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

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

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

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

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

A very large number of media accounts were up for tender. According to RECMA, there have been tenders for over USD 20 billion worth of billings this year. Publicis Groupe was one of the most exposed of the major communication groups. However, the Groupe consolidated its position with its clients (Coty, Citi) and made prestigious budget gains such as Taco Bell, VF, Visa and Etihad. There were some losses, including the "US Media" budgets 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 operation. Their requirements and objectives help us determine which solutions should be offered to them, to ensure their success and growth;
- a fluid model—just one person—the Global Client Leader or Country Client Leader—to be the sole point of contact and account manager who can draw on our pool of almost 80,000 talented employees and break down silos, the legacies of the past and longstanding habits;
- working in harmony—we have consolidated our income statements and removed all operational hurdles;
- modular organization—the main advantage of our new structure is not just the depth and breadth of our capabilities, but above all our ability to adapt to any situation and to individual client requirements, with an open architecture that offers our global partners plug & play access where required. This modularity is fundamental; it opens up new opportunities for innovation and helps us keep pace with the rhythm of change that currently shows no signs of slowing down;
- comprehensive offering—by bringing together our creativity, our intelligence and our technological expertise, we are able to present ideas to our clients on how to carry out their own transformations and ensure a consumer experience unlike that offered by any other agency or holding company on the market.

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

Two events that took place in 2016 have made Publicis' history. The goal of the first, Viva Technology Paris, run in association with the Les Échos group was to stage a global event in Paris that would bring together start-ups and major stakeholders in the digital industry. This event, held from June 30 to July 1 and 2, 2016, attracted 5,000 start-ups, dozens of large industrial groups and investors, and included over 300 conferences with the biggest names in the global hi-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 topics: going deeper in integration and faster in the execution of the strategy prepared by Maurice Lévy. Our ambition is to become the leader in the convergence of marketing and operational transformations, through the alchemy of creativity and technology. For this, the Groupe has created two new decision-making entities, the Executive Committee and the Management Committee. Several talented people joined the Groupe during the second half of 2017: Véronique Weill, as General Manager, with responsibility for Re:Sources, IT, real estate, insurance and mergers and acquisitions, Agathe Bousquet, as Chairman of Publicis Groupe in France, Emmanuel André in the newly created position of Chief Talent Officer (CTO). Annette King has been appointed during the second quarter of 2018 as CEO of Publicis Groupe in the United Kingdom, where she will supervise the Groupe's activities in this market.

After breaking the silos and organizing itself into Solutions, the Groupe has gone a step further by implementing an organizational structure by country, with the aim of providing clients with a fully integrated offer, from advertising to marketing, consulting, and the 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 notched up significant new account wins, including Daimler, Marriott, Campbell's, Carrefour, Smucker's, GSK and Fiat-Chrysler.

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

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

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

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

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

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

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

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

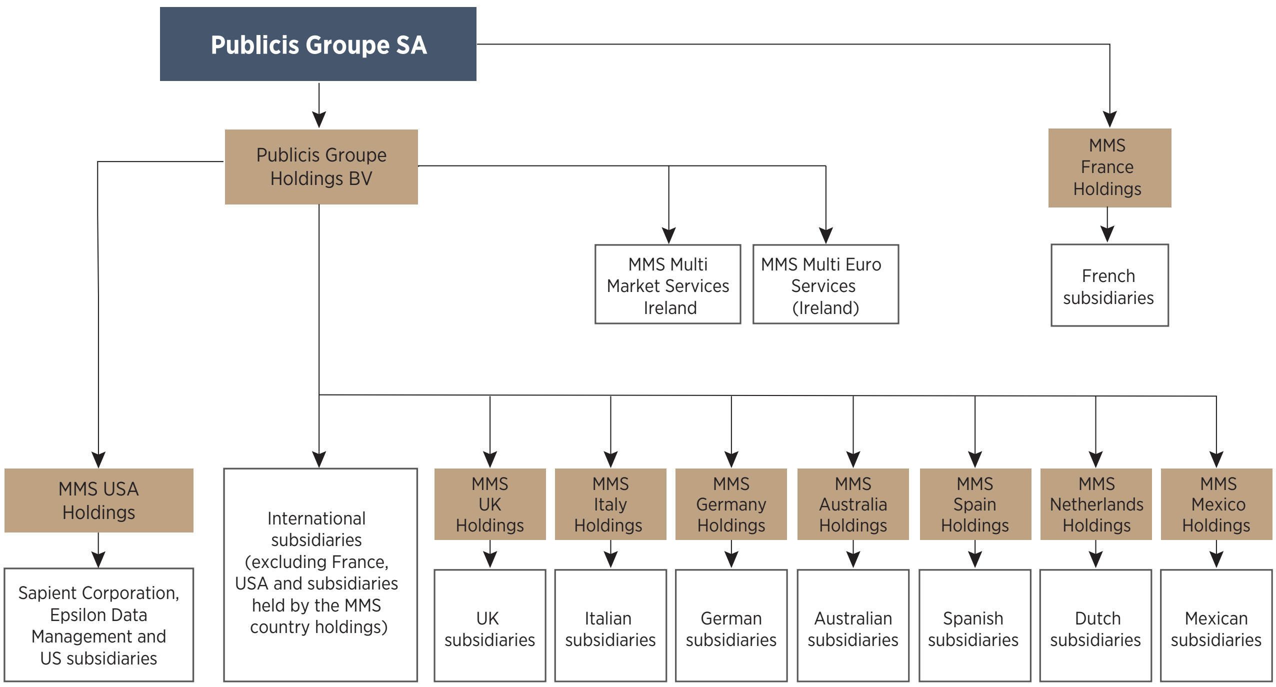
In order to contain the financial impacts of this pandemic, the Groupe quickly faced up to the situation and put a number of strong measures in place, such as the implementation of a cost savings plan of euro 500 million and a reduction of 50% in the dividend initially proposed.

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

1.2 ORGANIZATION CHART

1.2.1 Brief description of the Groupe

/ Simplified organization chart at December 31, 2020[1]



1.2.2 Main subsidiaries

Information concerning Publicis' principal consolidated subsidiaries at December 31, 2020 is provided in Note 35 to its consolidated financial statements in Chapter 6 of this Registration Document.

None of the Groupe's controlled subsidiaries accounts for more than 10% of the Groupe's revenue or net current consolidated income.

None of the companies included in the list of principal consolidated companies at December 31, 2020 has 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 bodies 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 borrowings or financing. The borrowings and financing of the Groupe are 100% held and controlled by Publicis Groupe.

During 2020, Publicis Groupe SA did not take any significant stakes in any companies headquartered in France.

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

1.3 ACTIVITIES AND STRATEGY

1.3.1 Introduction

Publicis is a world leader in marketing, communications and digital business transformation. It was established in 1926 when Marcel Bleustein-Blanchet created what was essentially a start-up. Publicis now has offices in more than 100 countries and approximately 80,000 employees.

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

1.3.2 Strategy

Today, Publicis Groupe is the third largest communications group in the world[1], positioned at every step of the value chain, from consulting to execution, combining marketing transformation and digital business transformation. Publicis Groupe is positioned as the go-to partner for our clients' transformation as they seek to create personalization at scale, in a world increasingly dominated by platforms. Our talent is organized into 10 areas of expertise in four main business lines: Communication, Media, Data, and Technology. Publicis Groupe serves its clients through a unified and fluid organization that facilitates access to all its expertise in all its markets.

Our model has always been client-focused. Our clients, companies, are faced with enormous challenges, but also tremendous opportunities: mobile and digital technologies have changed everything, transferring power to consumers and facilitating the emergence of new competitors. Relations between our clients and their existing or potential consumers have been turned upside down by the revolution in media. The explosion of the Internet has gone hand in hand with the omnipresence of platforms and social media: Google, Facebook, YouTube, Instagram, and Twitter—to name but a few. How we consume has shifted drastically as one-click access to products becomes the norm, which favors the emergence of e-commerce platforms. Direct-to-consumer brands are the newest arrivals, born on the web and creating a need for their well-established rivals to build direct relationships with their consumers. The development of Walled Gardens creates new advertising ecosystems in which clients have only very limited access to data. The use of increasingly diverse data sources, from the Internet as well as the physical world, also raises a raft of new questions for companies, chief among them being peoples' right to privacy. Companies are seeking to grow the value of their brand name in a digital universe where differentiation is key, while operating in markets characterized by low growth and relentless pressure on costs. In 2020, all of these underlying trends were accelerated by the impact of the Covid-19 crisis, which had a profound impact on consumption patterns and working habits.

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

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 making Epsilon the data expertise of the Groupe, Publicis draws on this wealth of resources for all its business activities turning it into a key, differentiating advantage. The Groupe is now in a unique position to serve clients across the entire value chain:

- iconic creative brands can draw on Epsilon's deep client knowledge to boost concept design and create even more compelling campaigns, while in turn fueling the Dynamic Creative Engine to ensure they remain agile in adapting to changing consumer needs in real time;
- the Media offering connects billions of contact points to Epsilon's data to improve the creation of individualized profiles, thereby better optimizing client media spending. This combination enabled the launch of "The Pact, Powered by Epsilon", a solution guaranteeing the results of digital marketing investments based on performance indicators defined in advance;
- Publicis Sapient has relevant proprietary information on clients, allowing it to optimize the solutions offered to its clients to shape their business models. The integration of Epsilon's capabilities with Publicis Sapient thus strengthens its offerings in direct-to-consumer (DTC), digital acquisition, client data platform (CDP) and credit and risk migration.

(1) Source = Competition – Section 1.3.7.

But that's not all: Publicis is also reshaping its organization over time to meet the needs of clients for streamlined and efficient access to the range of expertise on offer 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, has been fully up and running since early 2020. Through the Groupe Client Leader, clients are offered a tailored service and direct access to the Groupe's entire range of expertise. The Groupe helps its clients to constantly innovate and grow their sales, while controlling costs.

The Groupe entered 2020 with a finalized transformation in terms of assets and structure. This enabled it to quickly adapt to the crisis caused by the Covid-19 pandemic, which has impacted the Groupe's clients and employees. The relevance of its integrated Power of One offer, allowing large-scale personalization of marketing campaigns, was thus further strengthened. By the end of March 2020, all Groupe employees were equipped to work remotely, thanks to Re:Sources. The rollout of Marcel, the Groupe's artificial intelligence platform, has been accelerated to meet the requirements of new working methods and enable better sharing, even remotely. Thanks to its country organization, the Groupe has been able to quickly adapt to be as close as possible to its clients and employees.

In 2020, the Groupe's foundations remained very solid financially, supported by the work of the teams in terms of cost and cash management. The operating margin rate and diluted headline earnings per share, respectively at 16.0% and euro 4.27, show particular resilience in such a context, especially as the investment in talent continued at a high level. Free cash flow before change in WCR amounted to nearly euro 1.2 billion.

1.3.3 Main activities and Groupe organization

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

Dynamic and disruptive creativity

Creative

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

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

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

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

Production

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

Publicis Groupe's production business, Prodigious, provides production capacities to its agencies and clients with state-of-the-art campaign management tools and archive libraries.

Digital marketing

In 2020, more than 50% of global advertising investments was spent online. While the various lockdown measures in many countries to combat the pandemic have had the effect of accelerating the penetration of digital, they have only accelerated a fundamental shift in consumer habits.

In response, Publicis has developed its Razorfish all-digital offering for clients seeking to expand their digital presence and reinvent how they relate to their 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, Salter Baxter, CNC, 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 positioning and optimizing brand names and navigating an increasingly complex media environment.

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

The two main service ranges are:

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

Performance

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

Commerce

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

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

In-depth knowledge of consumers driven by data expertise

With the Epsilon acquisition in 2019, Publicis Groupe was able to take a lead in using data and technology to help drive businesses' digital and marketing transformation. Headquartered in the US, Epsilon is a unique technology and platform company with both expertise and considerable data assets. At the acquisition date, Epsilon employed 9,000 people, 3,700 of whom are data scientists and 2,000 are engineers based in Bangalore. The vast majority of its business is based in the United States.

Epsilon's expertise ranges across the entire consumer data lifecycle. It allows firstly client raw data to be structured and enhanced, and then large-scale, personalized, multi-channel campaigns to be activated. The Groupe simplified and streamlined its data offering to help clients to build and control their first-party data and maximize this consumer knowledge to optimize their media spend. It was therefore crucial to focus on rapid integration of Epsilon and position its expertise as one of the Groupe's main services.

Three months after its acquisition in 2019, the Publicis data platform was already integrated within Epsilon. The new Epsilon PeopleCloud product suite has become Publicis Groupe's single data and technology platform, enabling large-scale customization with seamless performance.

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

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 talent.

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

In the second half of 2019, Publicis Groupe reorganized Publicis Sapient's North American business to focus on digital business transformation, its highest growth segment.

Dedicated expertise in healthcare

Publicis Groupe moved very quickly to establish a specialized business in healthcare, with several flagship brands, including 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 client needs, from product launch to its change to a generic product, by offering digital and marketing solutions. More specifically, Healthcare communications encompass a whole series of actions from design to product maturity: advice prior to launching a product on the market, communication tools (publicity, direct marketing, digital, prospection calling, etc.), medical training, scientific communications, public relations and events.

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

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

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 key markets: the United States, United Kingdom, France, DACH (Germany, Austria and Switzerland), Asia-Pacific & Africa-Middle East, Northern and Central Europe, Southern Europe, Canada, Latin America (excl. Brazil) and Brazil. This country-based organizational structure breaks down silos so we can provide our clients with an integrated solution that is seamless and innovative, born out of the alchemy between creativity, media, data and technology. These 10 countries or regions are each run and supervised by a single person and overseen day-to-day by a single Executive Committee, bringing together members with different expertise, and have shared support functions. They are thus structured to offer our clients a broad-based solution that meets their needs.

Because of its contribution to Groupe net revenue (almost 60%), a specific organization was put in place in the United States to adapt this approach to the size of the country. As announced in July 2019, we have a new Executive Committee in the US, chaired by Arthur Sadoun and with a team that brings together the Groupe's four core services: creative, media, data and technology. This body is tasked with overseeing governance in the United States, accelerating implementation of Groupe strategy through the power of all our expertise combined into a single offering, and ramping up revenue synergies through cross-fertilization of our brands.

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 specific clients. Major clients that use Publicis Groupe services on more than one market or across a range of expert areas are each assigned a Groupe Client Leader (GCL). Major clients that use Publicis Groupe services in only one country or region are assigned a Country Leader.

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

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

Global Services

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

Global Services are supported by Global Delivery Centers, which are service production centers for the other Groupe entities. They have more than 10,000 employees located in India, Mauritius, Costa Rica and Colombia.

Re:Sources

Re:Sources is the backbone of our collaborative model and provides 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 expertise. Under the banner "Excellence through collaboration", Publicis Groupe's shared services (billing, treasury, legal, human resources, technology, infrastructure, procurement, real estate, etc.) work hand in hand with the agencies, supporting them in finding the best solutions in order to provide their clients in turn with a redefined consumer experience and a good return on investment. When the Covid-19 pandemic began, the strength of Re:Sources enabled almost all employees to work immediately from home, in all of the Groupe's countries.

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. Following a trial period, the Groupe decided to accelerate its deployment in the context of the health crisis in 2020. The platform quickly emerged as a place for discussions, particularly in terms of inspiration for campaigns, but also for sharing skills. It allows all of the Publicis' talent to be connected to bring the best of the Groupe to clients. In a few hours, Marcel can build teams of multidisciplinary and multicultural experts to meet a specific need.

1.3.4 Main clients

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

The Groupe's main clients by region in 2020 are listed below:

Europe

Lloyds Banking Group; Procter & Gamble; L'Oreal; Daimler AG; Samsung; Renault; Fiat Chrysler Automobile Group; Nissan; Nationwide Building Society; Nestle.

North America

Toyota; General Motors; Verizon; Bank of America; Samsung; Fiat Chrysler Automobile Group; Procter & Gamble; Abbvie; Citigroup; GSK.

Asia Pacific

Procter & Gamble; McDonald's; Nestle; Samsung; GSK; Queensland Government; Daimler AG; Huawei; L'Oreal; Volkswagen.

Latin America

Bradesco; Procter & Gamble; Nestle; Renault; ABInBev; Heineken; Mondelez; McDonald's; Samsung; Coca-Cola Company.

Middle East Africa

Procter & Gamble; Abu Dhabi National Oil Company; Nestle; Samsung; Abu Dhabi Culture; Fiat Chrysler Automobile Group; McDonald's; Vodafone; Aramco; Majid Al Futtaim Group

In 2020, the breakdown of the business sectors of the Groupe's clients as a percentage of total net revenue was as follows:

- Automotive: 16%;
- Financial: 15%;
- TMT: 13%;
- Food and beverage: 13%;
- Healthcare: 12%;
- Non-food consumer products: 11%;
- Retail: 8%;
- Leisure/Energy/Luxury: 7%;
- Other: 5%.

On the basis of 3,620 clients representing 91% of the Groupe's total net revenue.

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

1.3.5 Main markets

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

/ The global advertising market by geographic region

Global advertising market (2020)	Advertising spend in 2020 (in millions of dollars)(1)(2)	% of global advertising spend in 2020(1)(2)	% of Publicis Groupe's net revenue in 2020
North America	240,171	42%	62%
Europe	116,245	20%	23%
Asia Pacific	186,096	32%	10%
Latin America	26,082	5%	2%
Africa & Middle East	9,208	1%	3%
Total	**577,802**	**100%**	**100%**

(1) In current prices and in 2020 average exchange rates.
(2) Zenith forecasts for Publicis Groupe markets.

/ Geographical breakdown of Publicis Groupe's net revenue

(in millions of euros)	2019	In %	2020	In %
North America	5,516	57%	5,997	62%
Europe	2,630	27%	2,278	23%
Asia Pacific	1,006	10%	932	10%
Latin America	326	3%	230	2%
Africa & Middle East	322	3%	275	3%
Total	**9,800**	**100%**	**9,712**	**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 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.

As 2020 was heavily impacted by the Covid-19 pandemic, the traditional seasonality of the business was affected. Thus, the Groupe recorded a low point, in terms of revenue, in the second quarter, the quarter in which the global economy was most affected by the pandemic.

1.3.7 Competition

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

See the table below for the published net revenue and revenue of the top four groups in 2020:

(in millions of euros)(1)	WPP	Omnicom	Publicis	Interpublic
Net revenue in local currency	GBP 9,762	n/d	EUR 9,712	USD 8,064
Net revenue in dollars	USD 12,518	n/d	USD 11,071	USD 8,064
Revenue in local currency	GBP 12,003	USD 13,171	EUR 10,788	USD 9,061
Revenue in dollars	USD 15,392	USD 13,171	USD 12,298	USD 9,061

(1) Exchange rate: EUR 1 = USD 1.140; EUR 1 = GBP 0.889.

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

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

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

1.3.8 Regulatory environment

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

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

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

These regulations can change frequently: their scope can be amended at any time; new regulations can be introduced—including without prior notice; and as the Groupe develops, it may expand into areas covered by regulations that did not previously apply to it. One result of the United Kingdom's exit from the European Union (Brexit) could be to introduce changes to applicable regulations. Any new regulations or amendments to how existing laws or regulations are implemented or applied, or if the Groupe becomes subject to new regulations could have a material impact on the Groupe.

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

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

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

Other countries have also passed legislation to protect personal data. In the US, California passed the California Consumer Privacy Act of 2018 (CCPA), applicable as of January 1, 2020. In November 2020, the State of California passed a law that revises and expands the CCPA (California Privacy Rights Act, "CPRA"). The CPRA will come into force on January 1, 2023, when it will replace the CCPA. The main provisions of the CCPA and the CPRA oblige companies that process personal information about consumers residing in California to inform them about their data collection, use and sharing practices. They also allow Californian consumers to object to their information being shared with third parties and grant them a new right to sue for breach of their private data. In addition, on March 2, 2021, the State of Virginia in the United States adopted a law strengthening the protection of consumer data (Virginia Consumer Data Privacy Act), which will come into force on January 1, 2023.

1.4 INVESTMENTS

Our investments focus on digital expertise and creative excellence in order to enrich content, strengthen our teams and promote innovation and new service offerings. The strengthening of our agencies and the development of strategic partnerships and initiatives with major Internet players allows Publicis Groupe to anticipate the changes and evolution of communications industries towards digital technologies. The aim is to offer the most innovative solutions to our clients, in phase with the rapid changes in consumer behavior and technologies.

1.4.1 Main investments and divestments during the past three years

2018 saw the implementation of the "Sprint to the Future" plan. This resulted in a number of acquisitions, designed in particular to strengthen the strategic game changers (data, dynamic creativity, digital business transformation), but also the disposal of a number of companies that fell outside the scope of this plan.

Publicis Groupe completed the disposal of Genedigi in the second quarter of 2018.

On July 17, Publicis Health announced the acquisition of Payer Sciences, an ultra-innovative agency employing marketing strategies built around strong expertise in data analytics and helping pharmaceutical groups in their dealings with the reimbursement systems in the United States. Based in Morristown, New Jersey, Payer Sciences has a 40-strong team of data analysts, experts in reimbursement systems and in B2B communications.

On August 1, Publicis Communications announced the acquisition of One Digital, a digital agency based in Sao Paulo, focused on performance and creativity. Founded in 2003, One Digital has 64 employees and works with both Brazilian and international brands such as Agora (investments), American Express, Autoline (financial services), BitBlue (crypto-currency), Bradesco (banking services), Next (online banking services), Norsk Hydro Brasil (aluminum production) and ShopFacil.com (e-commerce). The agency will be part of Publicis Communications, which has 1,700 employees in Brazil across all agencies including Arc, Deepline, DPZ&T, F/Nazca Saatchi & Saatchi, Leo Burnett, Tailor Made, MSL, Publicis Brésil, Prodigious, Sapient AG2, Talent Marcel and Vivid Brand.

On October 4, Publicis Groupe announced the acquisition of Kindred Group, the largest independent digital communications player in the Czech Republic. Founded in 2013 by Michal Nýdrle and a number of partners, Kindred Group is a group of independent specialist agencies including the Nýdrle and Inspiro digital agencies, and the Red Media and Go.Direct media agencies. Within a period of five years, Kindred Group has become the largest independent digital communications agency in the Czech Republic in terms of revenue (source: Association of Communications Agencies Czech Republic). Kindred Group's client base includes a series of local and international brands such as Moneta Money Bank, Unilever, KMV, Vodafone, Zoot, Rémy Cointreau, the Ceskoslovenska obchodní bank, Huawei and Makro Cash and Carry. Following this acquisition, the total number of Publicis Groupe employees in the country has grown to 400. Following the integration of Kindred Group, Publicis Groupe is in a position to offer an integrated solution to its clients in the Czech Republic encompassing data analysis, technology implementation and consultancy, as well as programmatic media buying and data enriched creativity.

On October 22, Publicis Groupe announced that it had entered exclusive negotiations with Xebia France, an agile IT consultancy firm. Founded in 2005 by Luc Legardeur, Xebia France is a renowned agile IT consultancy firm that specializes in Data, Web and Cloud technologies, reactive software programming and mobility. This technological gem, with a 170-strong talented team called the "Xebians", works with large accounts such as Axa, Air France, BNP Paribas, la Française des Jeux, Meetic, Natixis, Sanofi and startup businesses such as BlaBlaCar, Early Birds, ManoMano. This merger would strengthen the Publicis Sapient teams in France (650 people) and bolster its technological expertise, which is a key component of Publicis Sapient's unique combination of strategy, consulting, experience and technological expertise – all of which are crucial to the delivery of a successful end-to-end transformation for clients. The acquisition was wrapped up at the end of 2018.

On December 20, Publicis Groupe announced that it had entered into exclusive negotiations with the founding shareholders of Soft Computing, a leading data marketing firm in France, with a view to the acquisition of a controlling block representing 82.99% of the share capital at a price of euro 25 per share (2018 coupon attached), *i.e.* at a premium of 66.66% to the closing price on December 19, 2018. This acquisition was completed on February 7, 2019. Created in 1984 by Eric Fischmeister and Gilles Venturi, Soft Computing is specialized in data and how it is applied to enhance digital marketing and transform the client experience. With over 400 experts, this market leading company provides its services to the majority of large corporates in the retail, services and financial sectors. This merger reinforces Publicis Groupe's data marketing expertise across the entire value chain in France, further consolidating its position as the preferred partner for its clients' transformation.

On December 31, 2018, Publicis Groupe signed an agreement to sell Publicis Health Services (PHS) to Altamont Capital Partners. The disposal was completed on January 31, 2019. This disposal followed the July 2018 announcement of the strategic review of this asset, and the launch of the divestment process communicated to the market the following October. This entity is in the Contract Sales Organization business. This disposal allows Publicis Health, led by Alexandra von Plato, to refocus on its creative, media, insights and consulting activities. Publicis Groupe remains committed to providing the best possible solutions to help clients with their digital transformation and to this end will invest in health-related consulting, in data and technology.

Total acquisition costs for entities integrated during 2018 (gross payments, before acquired cash) came to euro 136 million. In addition, euro 130 million was paid out in earn-outs and euro 21 million to buy-out non-controlling interests.

The Groupe did not buyback any of its own shares in 2018, except for those shares bought under the liquidity contract.

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

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

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

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

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

(1) As per Publicis Groupe accounting principles.

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

Under the terms of the agreement, Publicis Groupe acquired Epsilon in a USD 4.4 billion deal, representing a net purchase price of USD 3.95 billion, after deducting the benefit of acquisition-related tax impacts. This gives an 8.2x multiple, based on a 2018 adjusted EBITDA of USD 485 million[(1)].

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

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

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

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

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

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

The consideration paid (excluding cash and cash equivalents acquired) during 2020 for the integrated entities totaled 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.

1.4.2 Main ongoing investments and divestments

There are no significant investments or divestments underway.

1.4.3 Main future investments

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

Moreover, as at December 31, 2020 the Groupe also had commitments of euro 241 million under earn-out clauses and euro 24 million for non-controlling interest buyouts, a total of euro 265 million, of which euro 101 million is due in less than one year.

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

1.5 MAJOR CONTRACTS

The Company concluded the acquisition of Epsilon by Publicis Groupe on April 12, 2019. The acquisition was subject to a number of conditions precedent, one of which was obtaining the required regulatory approvals, including from the competition authorities in the United States, all of which were satisfied. Closing took place on July 1, 2019. Apart from this transaction, Publicis Groupe did not conclude any significant agreements or any agreements conferring a significant obligation or commitment on the Groupe, with the exception of those concluded in the normal course of affairs, during the two years preceding the date of this Universal Registration Document.

1.6 RESEARCH AND DEVELOPMENT

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

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

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

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

CHAPTER

2

RISKS AND RISK MANAGEMENT

2.1 MAIN RISK FACTORS

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

Description of the main risk factors

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

Covid-19

The Groupe entered 2021 in a context characterized by economic uncertainty related to the coronavirus epidemic (or Covid-19).

After 2020, a year that was affected by the measures put in place by the various governments to control the epidemic, this situation could continue to have an impact on economic activity in the markets in which Publicis operates. It has resulted in certain sectors almost coming to a complete halt (hotels, leisure, travel, etc.) in 2020 and could continue to have an impact on its operational activity and financial performance. The epidemic could also pose risks to the health and safety of its employees.

At the date of filing of this Universal Registration Document, the duration of this epidemic and the magnitude of its impact on the Groupe's growth are still difficult to assess. However, we must underline the risks of budget cuts, client insolvency as having possible consequences for the Groupe.

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

Risk factors

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

1. Particular sensitivity to the economic climate

High ✔	Medium	Low

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

2. Highly competitive industry

High ✔	Medium	Low

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

3. Disruption of the advertising and communications industry

High ✔	Medium	Low

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

4. Risks related to employees

High ✔	Medium	Low

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

The advertising and communications industry is known for high mobility among its management and talent. In addition, the Groupe's new competitors, particularly technology and Internet companies, may attract profiles that the Groupe would like to recruit or retain. The loss of some of them could hurt the Groupe. The Groupe's success very largely depends on the talent and expertise of its teams as well as on the strength of its relationships with clients.

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

In 2020, societal issues related to diversity, equality and inclusion have become a priority in the advertising and communications sector. The Groupe has drawn up ambitious action plans, particularly in the United States. The risk of non-execution of these plans within the allotted time could lead to the departure of certain talent and harm the Groupe's image as an employer.

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

5. Risks associated with client portfolios

High ✔	Medium	Low

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

A significant percentage of the Groupe's revenue is derived from its major clients. In 2020, the Groupe's top 5, 10, 30 and 100 clients accounted for 13%, 20%, 37% and 56% of the Groupe's consolidated revenue, respectively (see also Section 6.6 "Notes to the consolidated financial statements", Note 29 "Risk management").

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

6. Risks of IT system failures and cybercrime

High ✔	Medium	Low

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

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

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

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

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

7. Personal data confidentiality risks

High ✓	Medium	Low

Operating in the advertising and communications industry means that the Groupe has to process a significant volume of personal data. Regulations governing personal data protection are complex and evolving, differ from country to country and generate important and increasing compliance costs. Some of these regulations applicable to the Groupe are well established, while others, more recently introduced, are still under development. An example of recently established regulations, the European Union General Data Protection Regulation (EU) 2016/679 of April 27, 2016 (GDPR) came into force on May 25, 2018 and has strengthened the obligations and liability of companies processing personal data, creating operational requirements (in particular in the event of a breach of confidentiality of the data in question) and increasing their obligations in terms of security and confidentiality. The GDPR has also strengthened the rights of individuals by giving them more control over their personal data. The GDPR provides for administrative sanctions of up to euro 20 million or 4% of global annual revenue for the most serious breaches.

More recently, the California Consumer Privacy Act (CCPA) came into effect on January 1, 2020. In the absence of comprehensive federal data protection regulations, the CCPA is the most important law in this area in the United States. The CCPA provides for a right to opt-out, allowing users to suspend the collection and sale of their personal data. Although this law only applies to Californian residents, one of the main challenges is distinguishing between users in order to apply the appropriate procedures and put in compliance the entire ecosystem by identifying precisely the responsibility of each actor. On November 3, 2020, the California Privacy Rights Act of 2020 (CPRA) was enacted. Most of the provisions of the CPRA will enter into force on January 1, 2023 and apply to personal data collected from January 1, 2022. The CPRA amends the CCPA and includes additional protections for consumer privacy.

Other legislation is currently being drafted in the United States and other countries have already introduced new laws on the protection of personal data. On September 18, 2020, the Brazilian law *Lei Geral de Proteção de Dados Pessoais* (LGPD) entered into force, but due to the Covid-19 pandemic, its application was postponed to August 1, 2021.

In addition, on March 2, 2021, the State of Virginia in the United States adopted a law strengthening the protection of consumer data (Virginia Consumer Data Privacy Act), which will come into force on January 1, 2023.

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

8. Risks associated with mergers and acquisitions

High	Medium ✓	Low

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

Part of the Groupe's strategy hinges on enriching its range of advertising and communication services and increasing its operations in high-growth markets. In this context, the identification of acquisition targets may prove tricky and the assessment of the risks associated with an acquisition or equity investment may be incorrect. Sellers may also at times fail to divulge certain risks. The changing and unpredictable regulatory frameworks of certain emerging markets (see Section 2.4) and certain local practices in these regions are another source of acquisition-related risks. In addition, acquisitions may be concluded on terms that are less favorable than anticipated, and/or the newly acquired companies may either fail to be successfully integrated into Publicis' existing operations or fail to generate the synergies or other benefits that were expected. Such events could have adverse effects on the Groupe.

A description of the Groupe's main acquisitions during 2020 appears in Section 1.4.1. See also Note 3 (Section 6.6) to the consolidated financial statements "Changes to consolidation scope".

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

Large sums have been recognized on the Groupe's balance sheet with euro 10,858 million in goodwill and euro 1,509 million in intangible assets at December 31, 2020. Given the nature of its business, the Groupe's most important assets are, generally, intangible, and are accounted for as such. Each year, the Groupe carries out an evaluation of goodwill and intangible assets so as to determine whether these need to be impaired. The hypotheses made in order to estimate the earnings and the forecasted cash flow in the course of these reevaluations may not be confirmed by subsequent real earnings. If the Groupe were to carry out any such impairment, the loss could have an adverse effect on the Groupe's earnings and financial position. Analysis of goodwill and intangible assets carried on the Groupe's Statement of Financial Position is detailed in Notes 11 and 12 to the consolidated financial statements (Section 6.6).

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

High	Medium ✔	Low

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

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

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

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

The Company has no knowledge of any governmental, legal or arbitration proceedings, whether pending or threatened, liable to have or having had in the last 12 months, a significant effect on the financial position or profitability of the Company and/or the Groupe, other than those mentioned in Note 21 and Note 33 to the consolidated financial statements (Section 6.6).

10. Risks associated with the Groupe's financial rating

High	Medium	Low ✔

Since 2005, Publicis Groupe SA has been publicly rated. Its rating is BBB, with a stable outlook, for Standard & Poor's, and Baa2, with a negative outlook, for Moody's Investors Service.

A financial rating downgrade could adversely affect the Groupe's ability to raise funds and result in higher interest rates for future borrowings.

11. Liquidity risks

High	Medium	Low ✔

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

2.2 INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES

2.2.1 Objectives and organization

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

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

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

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

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

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

2.2.2 Internal control system

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

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

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

This system is also strengthened through a network of shared service centers (Re:Sources) systematically implemented by the Groupe since 1996 in order to overcome the challenges faced by a business that relies on a large number of agencies. This network is managed by a General Manager, reporting to the Chairman of the Management Board, with the legal and financial functions of the shared service centers under the functional responsibility of the Groupe's Legal Department and Finance Department, and Employment Matters and Benefits under the responsibility of the Groupe's Human Resources Department. The network of shared service centers now covers nearly 99% of Groupe revenues as of December 31, 2020.

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

2.2.3 Monitoring the effectiveness of the internal control system

The Groupe's senior management is responsible for the Groupe's internal control system. The Secretary General and the Internal Audit & Risk Management VP regularly report to the Audit Committee and to the Management Board on the quality of the Groupe's internal control system.

2.2.3.1 Internal audit assignments

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

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

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

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

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

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

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

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

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

2.2.3.2 Financial monitoring controls program

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

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

- a monthly self-assessment submitted by all Groupe entities helps to make them accountable for the effectiveness of their controls;
- special teams, called FMC teams, are deployed across the various countries/regions/Solutions to evaluate the effectiveness of the controls within the entities. These teams are linked to the Finance Department of each country/region as well as the Groupe's Internal Control and Risk Management Department, which oversees them, coordinates their work, and compiles the results. These teams follow a control plan covering over 73% of the Groupe's consolidated revenue each year.

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

2.2.3.3 Monitoring by the Legal Department

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

2.2.4 Risk management system

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

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

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

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

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

The risk mapping is updated on a regular basis to strengthen the risk management system on an ongoing basis.

In 2020, the Groupe risk mapping was updated twice, and was presented to the Strategy and Risk Committee meetings of March and September 2020. The Risk Department also carried out a study of the impacts of the Covid-19 crisis on our talent, an update of the risk mapping related to the Duty of care and made a significant contribution to the work carried out within the Groupe on compliance with the Sapin 2 law, in particular by updating the corruption risk mapping.

These mappings also served as a basis, along with other items, for preparing the 2021 audit plan.

2.3 INSURANCE AND COVERAGE OF RISKS

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

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

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

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

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

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

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

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

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

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

CHAPTER

3

GOVERNANCE AND COMPENSATION

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

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

Publicis Groupe SA refers to the Afep-Medef Code as updated in January 2020, with the exception of the recommendations set out in Section 3.1.5 of this Universal Registration Document. This Corporate Governance Code is available for consultation on the Afep website at www.afep.com.

3.1 GOVERNANCE OF PUBLICIS GROUPE

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

Publicis has always taken an innovative approach to its governance: since 1987, the Groupe has had a dual governance system with both Management and Supervisory Boards, in the belief that this would ensure a better balance of powers for the benefit of all stakeholders. The quality of the Board's work is guaranteed by the strong commitment of its members and made easier by the work of four committees: a Compensation Committee, a Nominating Committee, a Strategy and Risk Committee and an Audit Committee.

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-Chairman of the Supervisory Board on June 1, 2017.

3.1.1 Supervisory Board and Management Board

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

3.1.1.1 Composition of the Supervisory Board at December 31, 2020

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

At December 31, 2020, the Supervisory Board had 14 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 an equal number of men and women and 66% of independent members, with the Board members representing employees not included in the calculation of these percentages, in accordance with the law and the Afep-Medef Code.

Gender parity on the Board(1)	Average age	Diversity(2)	Independent members(1)(3)	Average length of term of office	Employee representation
50% Women/50% Men	62 years	66%	66%	8 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, or in gender quotas, or 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 changes in the Board's composition over the last years resulted in greater independence and diversity and a reduction in the average age of members as well as in their average terms of office.

The table below provides a summary of the Supervisory Board's composition as at December 31, 2020:

	Age[1]	Nationality	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 Compensation Committee	Member of the Strategy and Risk Committee	Total number of offices held in listed companies
Maurice Lévy *Chairman of the Board*	78	French	No	06/1/2017	3	2021 GSM		•	•	•	1
Élisabeth Badinter *Vice-Chairman of the Board*	76	French	No	11/27/1987	33	2022 GSM		◆		•	1
Simon Badinter	52	French	No	06/17/1999	21	2021 GSM					1
Jean Charest	62	Canadian	Yes	05/29/2013	7	2021 GSM	◆	•			2
Sophie Dulac	63	French	No	06/25/1998	22	2024 GSM					1
Thomas H. Glocer	61	US	Yes	05/25/2016	4	2024 GSM			•	•	3
Marie-Josée Kravis	71	US	Yes	06/1/2010	10	2024 GSM		•		◆	2
André Kudelski	60	Swiss	Yes	05/25/2016	4	2024 GSM	•	•	◆		2
Enrico Letta	54	Italian	Yes	05/29/2019	1	2023 GSM				•	1
Suzan LeVine	51	US	Yes	05/29/2019	1	2023 GSM	•			•	1
Antonella Mei-Pochtler	62	Italian	Yes	05/29/2019	1	2023 GSM			•		4
Cherie Nursalim	53	Indonesian	Yes	05/30/2018	2	2022 GSM			•		1
Pierre Pénicaud *Member representing employees*	57	French	n/a	06/20/2017	3	06/19/2021				•	1
Patricia Velay-Borrini *Member representing employees*	52	French	n/a	10/16/2020	0	10/15/2024		•			1

(1) At December 31, 2020.
(2) Members of the Supervisory Board qualifying as independent according to the Afep-Medef Code independence criteria.
◆: Committee Chairman.
n/a: not applicable.

Changes to the composition of the Supervisory Board in 2020

The terms of office as members of the Supervisory Board of Sophie Dulac and Marie-Josée Kravis and of Thomas H. Glocer and André Kudelski were renewed for a period of four years by the General Shareholders' Meeting of May 27, 2020.

On October 16, 2020, the Groupe Works Council appointed Patricia Velay-Borrini as the second member of the Supervisory Board representing employees for a period of four years.

Member of the Supervisory Board	Departure	Renewal	Appointment
Sophie Dulac		May 27, 2020	
Thomas H. Glocer		May 27, 2020	
Marie-Josée Kravis		May 27, 2020	
André Kudelski		May 27, 2020	
Patricia Velay-Borrini			October 16, 2020

Balanced gender representation on the Board

At December 31, 2020, the Board had the same number of men and women. In accordance with article L. 225-79-2 of the French Commercial Code, the Board members representing employees are not included in the calculation of the percentage.

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

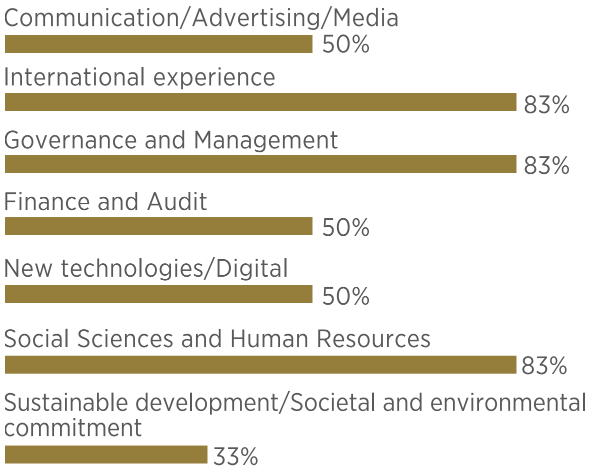
The Publicis Groupe Supervisory Board was chaired by Élisabeth Badinter for over 21 years, from April 19, 1996 to May 31, 2017. The Board has also appointed two women to chair two of its committees, Élisabeth Badinter (Nominating Committee since September 14, 2000) and Marie-Josée Kravis (Strategy and Risk Committee since March 8, 2011).

Diversity and complementary nature of members' skills

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

For several years now, the Board has sought out more international profiles. Accordingly, at December 31, 2020, eight out of 12 members of the Supervisory Board (*i.e.* 66%) were foreign nationals (excluding the members representing employees). In addition, several other Board members have international exposure due to their activity in groups with a strong presence abroad or because they carry out a professional activity abroad (see presentation of Board members below).

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



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

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

Independence

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 over the previous five years

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

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

Criterion 2: Cross-directorships

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

Criterion 3: Significant business relationship

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

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

Criterion 4: Family ties

Not have a close relative who is a corporate officer.

Criterion 5: statutory auditors

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

Criterion 6: Over 12 years on the Board

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

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

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

Criterion 8: Major shareholder status

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

Classification of Supervisory Board members in terms of the independence criteria in the Afep-Medef Code:

(the criterion is considered satisfied when identified by a ✓)

	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-Chairman*	✓	✓	✓		✓		✓		Not independent
Sophie Dulac	✓	✓	✓		✓		n/a	✓	Not independent
Simon Badinter	✓	✓	✓		✓		n/a	✓	Not independent
Jean Charest	✓	✓	✓	✓	✓	✓	n/a	✓	Independent
Thomas H. Glocer	✓	✓	✓	✓	✓	✓	n/a	✓	Independent
Marie-Josée Kravis	✓	✓	✓	✓	✓	✓	n/a	✓	Independent
André Kudelski	✓	✓	✓	✓	✓	✓	n/a	✓	Independent
Enrico Letta	✓	✓	✓	✓	✓	✓	n/a	✓	Independent
Suzan LeVine	✓	✓	✓	✓	✓	✓	n/a	✓	Independent
Antonella Mei-Pochtler	✓	✓	✓	✓	✓	✓	n/a	✓	Independent
Cherie Nursalim	✓	✓	✓	✓	✓	✓	n/a	✓	Independent

n/a: not applicable.

Pursuant to these criteria, at December 31, 2020, eight of the 12 members of the Supervisory Board (excluding the Board members representing employees in accordance with paragraph 9.3 of the Afep-Medef Code) were independent, *i.e.* 66%.

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. It specifically verifies that its members have no significant business relationship either from a qualitative or quantitative perspective with Publicis Groupe.

Employee representation

Patricia Velay-Borrini and Pierre Pénicaud, appointed Board members representing employees by the Groupe Works Council in accordance with the bylaws of the Company and the law, 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, and have the same rights and are subject to the same obligations, particularly those set by the Board's internal regulations, as those applicable to other Board members.

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

Presentation of members of the Supervisory Board

The profiles below present members of the Supervisory Board at December 31, 2020, 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.

Born on February 18, 1942, French national
First appointment: June 1, 2017
Expiry of term of office: 2021 Annual Ordinary General Shareholders' Meeting
Number of shares held: 4,764,706

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

Maurice Lévy

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

Biography

Maurice Lévy joined Publicis Groupe in 1971 as IT Director. In 1975, he was appointed Executive Vice-President Chairman of Publicis Conseil, flagship of the Groupe, progressing through all levels until his appointment as Chairman of the Management Board in 1987. A role held for 30 years until the General Shareholders' Meeting of May 2017, after which he assumed the functions of Chairman of the Supervisory Board of Publicis Groupe SA. He steered the accelerated globalization of the Groupe starting in 1996. In 2001, Publicis Groupe's globalization picked up more steam with the acquisition of Saatchi & Saatchi, then Bcom3 (as well as Leo Burnett, Starcom, MediaVest) in 2002. The obligatory move 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 of the Supervisory Board: Iris Capital Management SAS (France)
- Class A Director: Mora & F SA (Luxembourg)
- Founder and class A manager: Ycor Management SARL (Luxembourg)

Positions held outside the Groupe on a voluntary basis

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

Offices and positions held outside the Groupe in the last five years

Positions listed above

Positions held outside the Groupe in the last five years

Positions listed above

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

Born on March 5, 1944,
French national
First appointment: November 27, 1987
Expiry of term of office: 2022 Annual Ordinary General Shareholders' Meeting
Number of shares held: 16,700,967

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

Élisabeth Badinter

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

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. She keeps a close watch on changing mentalities and mores and 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
- Chairman of the Fondation Marcel Bleustein-Blanchet pour la Vocation (France)

Offices and positions held outside the Groupe in the last five years

Positions listed above

Born on June 23, 1968,
French national
First appointment: June 17, 1999
Expiry of term of office: 2021 Annual Ordinary General Shareholders' Meeting
Number of shares held: 1,279

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

Simon Badinter

- Member of the Supervisory Board

Biography

Son of Élisabeth Badinter, Simon Badinter has served as Director of International Development (1996), member of the Management Board (1999-2013) and Chairman (2003-2011) of Médias et Régies Europe, as well as Chairman of Médias et Régies America until 2013. Today, Simon Badinter hosts a radio talk show called "The Rendezvous", which Iheartradio airs in 50 cities in the United States. He is also a member of the Board of Directors of Médiavision et Jean Mineur.

Other offices and positions held within the Groupe

- Director: Médiavision et Jean Mineur SA (France)

Main offices and positions held outside the Groupe

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

Offices and positions held outside the Groupe in the last five years

Positions listed above

Born on June 24, 1958,
Canadian national
First appointment: May 29, 2013
Expiry of term of office: 2021 Annual Ordinary General Shareholders' Meeting
Number of shares held: 1,400

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

Jean Charest

- Member of the Supervisory Board
- Chairman of the Audit Committee
- Member of the Nominating Committee

Biography

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

Other offices and positions held within the Groupe

None

Main offices and positions held outside the Groupe

- Partner, Senior Lawyer and Strategic Advisor: McCarthy Tétrault Law Firm (Canada)
- Chairman of the Board of Directors: Windiga Énergie (Canada)
- Member of the Advisory Board and member of the Canada US Borders Taskforce: Woodrow Wilson Center – Canada Institute (Canada)
- Member of the Advisory Board: Canadian Global Affairs Institute (Canada)
- Member of the Canadian group of the Trilateral Commission (Canada)
- Director: Asia Pacific Foundation (Canada), Ondine Biomedical (Canada)
- Honorary Chairman of the Board of Directors: Canada ASEAN Business Council (Singapore)
- Member of the Supervisory Board, member of the Compensation and Appointments Committee and member of the International Advisory Board: Tikehau Capital SCA, listed company (France)
- Member: Canadian Council of the North American Forum (Canada), Leaders pour la Paix (Leaders for Peace) (France)
- Permanent representative member: Chardi, Inc. (Canada)
- Joint-Chairman of the Board of Directors: Canada UAE Business Council (Canada)

Offices and positions held outside the Groupe in the last five years

Positions listed above as well as the following offices:

- Director: HNT Electronics Co Ltd (South Korea) (ended in July 2020)
- Member of the panel of experts: Public Policy Forum (Canada) (term expired in 2018)
- National Joint-Chairman and Spokesperson: Mouvement Canada 2017 Redonner (Canada) (term expired in January 2016)

Born on December 26, 1957,
French national
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

Sophie Dulac

• Member of the Supervisory Board

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, Sophie Dulac Productions and Sophie Dulac Distribution. Since 2012, Sophie Dulac is the founder and Chairman of the Champs-Élysées Film Festival. Sophie Dulac was Vice-Chairman 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

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

Offices and positions held outside the Groupe in the last five years

Positions listed above as well as the following offices:

- Chairman: SCI Saint Lambert Holding SAS (France) (term expired in 2016)

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Born on October 8, 1959,
US national
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

Thomas H. Glocer

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

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 Chairman of the Board of BlueVoyant LLC and Chairman of the Board of Istari Global Ltd, specialized in cyber defense, and Executive Chairman 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 and of Merck & Co.

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

Offices and positions held outside the Groupe in the last five years

Positions listed above as well as the following offices:

- Director: Adfin Solutions (United States) (term expired in May 2016), Council on Foreign Relations (United States) (term expired in July 2016)

Born on September 11, 1949,
US national
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

Marie-Josée Kravis

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

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

- President *Emeritus*: Museum of Modern Art of New York – MoMA (United States)
- Vice-Chairman of the Board of Directors and Senior Researcher: Hudson Institute (United States)
- Director: LVMH Moët Hennessy Louis Vuitton SA, listed company (France)
- Vice-Chairman of the Board and member of the Executive Committee: Memorial Sloan Kettering Cancer Center (United States)
- Chairman 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
- Chairman of the Board: The Economic Club of New York (United States)

Offices and positions held outside the Groupe in the last five years

Positions listed above

André Kudelski

- Member of the Supervisory Board
- Chairman of the Compensation Committee
- Member of the Audit Committee
- Member of the Nominating Committee

Born on May 26, 1960,
Swiss national
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 Chairman 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 Chairman and Chief Executive Officer. André Kudelski is also Chairman of the Board of Directors of Innosuisse, the Swiss Innovation Agency, as well as Vice-Chairman 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 first Vice-Chairman of the Board of Directors of Geneva International Airport, as well as being a Director of Nestlé, HSBC Private Banking Holdings (Switzerland), Edipresse and Dassault Systèmes. André Kudelski has received numerous distinctions, including the title of "Global Leader for Tomorrow" from the World Economic Forum in 1995 and an Emmy® Award in 1996 from the National Academy of Arts and Sciences, recognizing his work in controlling access to television.

Other offices and positions held within the Groupe

None

Main offices and positions held outside the Groupe

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

Offices and positions held outside the Groupe in the last five years

Positions listed above as well as the following offices:

- Director: HSBC Private Banking Holdings SA (Switzerland) (term ended on December 31, 2017)
- Chairman of the Board of Directors: Conax AS (now Nagravision AS) (Norway) (term ended in September 2018), SmarDTV SA (Switzerland) (term ended in January 2019)
- Vice-Chairman: Geneva International Airport (public law) (Switzerland) (term ended in November 2018)

Born on August 20, 1966,
Italian national
First appointment: May 29, 2019
Expiry of term of office: 2023 Annual Ordinary General Shareholders' Meeting
Resigned on March 28, 2021
Number of shares held: 500
1 Quai Voltaire,
75007 Paris
France

Enrico Letta

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

Biography

A graduate in international law from Pisa University (his home town) and a Doctor in European Community Law from Sant'Anna School of Advanced Studies in Pisa, Enrico Letta was European Affairs Minister from 1998 to 1999, then Minister for Industry, Trade and Craft Trades from January to April 2000. He was Minister for Industry and Foreign Trade from 2000 to 2001, then Undersecretary of State to the Council Presidency of Romano Prodi from 2006 to 2008. From 2001 to 2015, he was elected to the Chamber of Deputies, aside from the 2004-2006 period when he was a Member of the European Parliament. He was also Vice-Secretary of the Italian Democratic Party from 2009 to 2013. From 2013 to 2014, he was President of the Italian Council. From 2015 to 2021, he was Dean of the Paris School of International Affairs (PSIA). In July 2016, he was appointed President of the Jacques Delors Institute. He was elected Secretary of the Italian Democratic Party in March 2021. Following this election, Enrico Letta resigned from his position as member of the Supervisory Board of Publicis on March 28, 2021.

Other offices and positions held within the Groupe

None

Main offices and positions held outside the Groupe

- Director: ToJoy Shared Holding Group (China), Liberty Zeta Limited (United Kingdom)
- Member of the Global Advisory Board: Amundi SA, listed company (France)*, Tikehau Capital, listed company (France)*, SpencerStuart (Italy)

Offices and positions held outside the Groupe in the last five years

Positions listed above as well as the following office:

- Director: Abertis Infraestructuras SA, listed company (Spain) (term ended in May 2018)

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

Born on November 17, 1969,
US national
First appointment: May 29, 2019
Expiry of term of office: 2023 Annual Ordinary General Shareholders' Meeting
Number of shares held: 520
1535 9th Avenue West
WA 98119 Seattle
United States

Suzan LeVine

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

Biography

Suzan LeVine was appointed as the first Deputy Under Secretary of State in the Department of Employment and Training of the United States Department of Labor 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 participation on the Career Connect Washington Task Force, on the Board of Directors of CareerWise Colorado, on the Rework America Task Force set up by the Markle Foundation and on the CEMETS (Center on the Economics and Management of Education and Training Systems) Advisory Board at ETH University in Zurich gave her an opportunity to share her passion on issues surrounding apprenticeships and careers. She was previously focused on education, technology, community, innovation, travel, corporate social responsibility and youth awareness. She worked at Microsoft, and at Expedia as Vice-President of Sales and Marketing for luxury travel. She 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.
Following her appointment to the United States Department of Labor, Suzan LeVine wished to fulfill her role as a member of the Supervisory Board of Publicis without compensation.

Other offices and positions held within the Groupe

None

Main offices and positions held outside the Groupe

- Commissioner for the Washington State Employment Security Department (United States)
- Chairman-Elect: The National Association of State Workforce Agencies (NASWA) (United States)
- Director: CareerWise Colorado (United States), The American-Swiss Foundation (United States)
- Member of the Markle Foundation's Rework America Task Force (United States)
- Member of the Advisory Board of the CEMETS (Center on the Economics and Management of Education and Training Systems) at ETH University in Zurich (Switzerland)

Offices and positions held outside the Groupe in the last five years

Positions listed above as well as the following office:

- Ambassador of the United States to Switzerland and Liechtenstein (ended in 2017)

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

Antonella Mei-Pochtler

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

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-Chairman of the Board of Westwing AG, member of the Boards of Generali Group, ProSieben Group and SIPRA SA. She is involved in the global education network Teach for All and is a co-founder of the BCG education project, Business@School, which won her the German President's Freedom and Responsibility Award in 2002. She created the Brand Club, a platform for CEOs of international brands and media companies in Germany. She is currently the head of ThinkAustria, the Austrian government's think tank and strategic planning unit, and is a special advisor to the Austrian Federal Chancellor.

Other offices and positions held within the Groupe

None

Main offices and positions held outside the Groupe

- Vice-Chairman of the Supervisory Board: Westwing Group AG, listed company (Germany)
- Independent director, member of the Corporate Governance and Social and Environmental Sustainability Committee and member of the Related-party Transactions Committee: Generali, listed company (Italy)
- Director: SIPRA (Côte d'Ivoire), Teach for All (association) (United States)
- Member of the Supervisory Board: ProSiebenSat.1 Media SE, listed company (Germany)

Offices and positions held outside the Groupe in the last five years

Positions listed above as well as the following office:

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

Cherie Nursalim

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

Born on August 1, 1967, Indonesian national
First appointment: May 30, 2018
Expiry of term of office: 2022 Annual Ordinary General Shareholders' Meeting
Number of shares held: 520

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

Biography

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

Other offices and positions held within the Groupe

None

Main offices and positions held outside the Groupe

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

Offices and positions held outside the Groupe in the last five years

Positions listed above as well as the following office:

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

Born on December 28, 1963,
French national
First appointment: June 20, 2017
Expiry of term of office: June 19, 2021
Number of shares held: -

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

Pierre Pénicaud

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

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. With his work for Perrier, he became senior Artistic Director in 2000. In 2011, he was appointed member and secretary of the CHSCT (Health and Safety Committee) of Publicis Conseil. After being appointed a full member of the Works Council in 2011 and an alternate member in 2017, he is currently deputy secretary and harassment contact of the Social and Economic

Other offices and positions held within the Groupe

- Senior Artistic Director: Publicis Conseil SA (France)

Main offices and positions held outside the Groupe

None

Offices and positions held outside the Groupe in the last five years

None

Born on November 16, 1968,
French national
First appointment: October 16, 2020
Expiry of term of office:
October 15, 2024
Number of shares held: 50

Publicis Media France SA
17/19 rue Bréguet and 30/34 rue du Chemin Vert
75011 Paris
France

Patricia Velay-Borrini

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

Biography

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

Other offices and positions held within the Groupe

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

Main offices and positions held outside the Groupe

None

Offices and positions held outside the Groupe in the last five years

None

3.1.1.2 Composition of the Management Board at December 31, 2020

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

At December 31, 2020, the Management Board comprised four members: Arthur Sadoun, Jean-Michel Etienne, Steve King and Anne-Gabrielle Heilbronner.

The table below provides a summary of the Management Board's composition as at December 31, 2020:

	Age(1)	Nationality	First appointment	Years on the Management Board	End of term of office	Total number of offices held in listed companies	Individual attendance rate at Management Board meetings
Arthur Sadoun *Chairman of the Management Board*	49	French	06/1/2017	3	09/14/2022	1	100%
Jean-Michel Etienne	69	French	07/1/2010	10	12/31/2020	1	100%
Anne-Gabrielle Heilbronner	51	French	09/15/2014	6	09/14/2022	2	100%
Steve King	61	British	06/1/2017	3	09/14/2022	1	93%

(1) At December 31, 2020.

The composition of the Management Board has been unchanged since the appointment of Arthur Sadoun as Chairman of the Management Board and of Steve King as member on June 1, 2017.

The Management Board was reappointed by the Supervisory Board on September 12, 2018. As a result, the term of office of the Chairman of the Management Board Arthur Sadoun, and those of Management Board members Anne-Gabrielle Heilbronner and Steve King were renewed for a further four years following their expiry, and the term of office of Jean-Michel Etienne ended on December 31, 2020. The Supervisory Board of November 25, 2020 appointed Mr. Michel-Alain Proch as a member of the Management Board from January 15, 2021.

The composition of the Management Board strives to achieve a balanced representation of women and men, and thus to maintain a gap between the number of members of each gender of less than or equal to two.

The profiles below present Management Board members on December 31, 2020, their experience and skills, and their main offices and positions over the last five years, to the Company's knowledge.

Born on May 23, 1971, French national
First appointment: June 1, 2017
Expiry of term of office: September 14, 2022
Number of shares held: 133,545

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

Arthur Sadoun

• Chairman of the Management Board

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 named "Director of the Year" by Advertising Age in 2016 and is Chevalier de l'Ordre National du Mérite.

Other offices and positions held within the Groupe

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

Main offices and positions held outside the Groupe

None

Offices and positions held outside the Groupe in the last five years

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

Born on November 2, 1951, French national
First appointment: July 1, 2010
Expiry of term of office: December 31, 2020
Number of shares held: 151,934

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

Jean-Michel Etienne

• Member of the Management Board

Biography

Jean-Michel Etienne began his career as an auditor at Price Waterhouse (1975-1980). He joined the Financial Department of Renault Groupe where he occupied several functions. From 1988 to 1990, he was Accounting Director at Valeo before becoming Planning and Internal Control Director for the Pinault Groupe. In 1991, he was appointed Group Vice-President and Group Financial Controller at CarnaudMetalbox, before being made Chief Financial Officer of Crown Cork Europe after CarnaudMetalbox was taken over by Crown Cork. He joined Publicis Groupe in September 2000 as Groupe Finance Director. In 2006, he was appointed Executive Vice-President – Groupe Finance. Since 2010, he has been a member of Publicis Groupe SA's Management Board.

Other offices and positions held within the Groupe

- Groupe Executive Vice-President, Groupe Finance: Publicis Groupe SA
- Chairman and Chairman of the Executive Committee: Multi Market Services France Holdings SAS (France)
- Chairman: Publicis Finance Services SAS (France), SWELG Holding AB (Sweden), Ella Factory SAS (France), Publicis Sapient France DBT SAS (France)
- Chairman and Director: Multi Market Services Canada Holdings, Inc. (Canada), TMG Mac Manus Canada, Inc. (Canada)
- Chairman of the Board of Directors: MMS Italy Holdings S.r.l. (Italy)
- Vice-Chairman: Lion Re:Sources Iberia SL (Spain)
- Director: Multi Market Services Australia Holdings Pty Limited (Australia), Publicis Groupe Holdings BV (Netherlands), MMS Netherlands Holdings BV (Netherlands), MMS UK Holdings Limited (United Kingdom), Lion Re:Sources UK Limited (United Kingdom), Zenith International (Media) Ltd (United Kingdom), Saatchi & Saatchi Holdings Limited (United Kingdom), Obtineo USA, Inc. (United States), MMS USA Holdings, Inc. (United States), MMS USA Investments, Inc. (United States), BBH Holdings Ltd (United Kingdom), MMS Multi Market Services Ireland Limited DAC (Ireland), MMS Multi Euro Services Limited DAC (Ireland)
- Co-manager: MMS Germany Holdings GmbH (Germany), Re:Sources Germany GmbH (Germany)
- Co-Manager: Multi-Market Services Spain Holdings SL (Spain)

Main offices and positions held outside the Groupe

- Chairman of the Board of Directors of ACTEO (France)

Offices and positions held outside the Groupe in the last five years

Positions listed above

Born on January 7, 1969, French national
First appointment: September 15, 2014
Expiry of term of office: September 14, 2022
Number of shares held: 29,970

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

Anne-Gabrielle Heilbronner

• Member of the Management Board

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 then 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 Human resources, Legal, Procurement, Audit, Risk Management and Internal Control functions, as well as Environmental and Social Responsibility. Anne-Gabrielle Heilbronner is Chairman of the Women's Forum for the Economy and Society.

Other offices and positions held within the Groupe

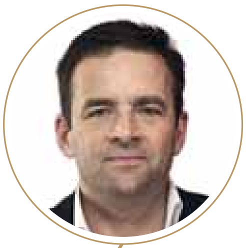
- Secretary General: Publicis Groupe SA
- Chairman: Publicis Groupe Services SAS (France), Wefcos SAS (France)
- Member of the Management Committee: Multi Market Services France Holdings SAS (France)
- Representative of Multi Market Services France Holdings on the Board of Directors of Régie Publicitaire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

Main offices and positions held outside the Groupe

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

Offices and positions held outside the Groupe in the last five years

Positions listed above



Steve King

• Member of the Management Board

Born on August 8, 1959,
British national
First appointment: June 1, 2017
Expiry of term of office:
September 14, 2022
Number of shares held: 44,188

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

Biography

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

Other offices and positions held within the Groupe

- Director: Publicis Media, Inc. (United States), VNC Communications, Inc. (United States), Digitas, Inc. (United States), Publicis Media Limited (United Kingdom), Zenith International (Media) Ltd (United Kingdom), Applied Media Logic Ltd (South Africa)
- Management Board member: Apex Exchange, LLC (United States)

Main offices and positions held outside the Groupe

None

Offices and positions held outside the Groupe in the last five years

None

The term of office of Jean-Michel Etienne on the Management Board having ended on December 31, 2020, Michel-Alain Proch was appointed as a member of the Management Board from January 15, 2021.

Michel-Alain Proch

• Member of the Management Board

Born on April 18, 1970,
French national
First appointment: January 15, 2021
Expiry of term of office:
September 14, 2022
Number of shares held: 19,950

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 has also been Vice-Chairman 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 Chairman and CEO on the integration of the two companies. He previously held the position of Senior Executive Vice-President and Chief Digital Officer of Atos Groupe in 2018, after leading the Groupe's operations in North America from 2015 to 2017.

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

Other offices and positions held within the Groupe

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

Main offices and positions held outside the Groupe

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

Offices and positions held outside the Groupe in the last five years

- Chairman: Banks and Acquirers International Holding SAS (France) (ended in November 2020), Ingenico Business Support SAS (France) (ended in November 2020)
- Chief Executive Officer: Banks and Acquirers International Holding SAS (France) (ended in November 2020), Ingenico Banks and Acquirers France SAS (France) (ended in June 2020), Retail International Holding SAS (France) (ended in November 2020)
- Director: Worldline SA, listed company (France) (ended in December 2016), Ingenico Holdings Asia II Limited (Hong Kong) (ended in October 2019), Ingenico Holdings Asia Limited (Hong Kong) (ended in November 2020), Ingenico Business Support Americas, S. de R.L. de C.V. (Mexico) (ended in December 2019), Ingenico International (Singapore) Pte Ltd (Singapore) (ended in November 2019), Fujian Landi Commercial Equipment Co., Ltd. (China) (ended in November 2020), Ingenico Corp. (United States) (ended in November 2020), Ingenico Inc. (United States) (ended in November 2020), Ingenico Retail Enterprise US Inc. (United States) (ended in March 2019), Stichting Beheer Derdengelden Ingenico Financial Solutions (Netherlands) (ending in 2021), Bambora Top Holding AB (Sweden) (ended in November 2020)
- Member of the Supervisory Board: Global Collect Services BV (Netherlands) (ended in January 2021)

3

3.1.1.3 Upcoming changes in the composition of the Supervisory Board and the Management Board

The Supervisory Board

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

The terms of office of Maurice Lévy, Chairman of the Supervisory Board, Simon Badinter and Jean Charest, members of the Supervisory Board, will end at the close of the next General Shareholders' Meeting on May 26, 2021.

On the recommendation of the Nominating Committee, the Supervisory Board is asking the next General Shareholders' Meeting to reappoint the three aforementioned members of the Supervisory Board for four-year terms.

This proposal is an expression of the wishes of the Company's governance bodies: to confirm the composition of the Board as it stands today, as a balanced and stable body which, thanks to its knowledge of the sector and the Company, contributes to setting the major strategic issues, oversees the smooth running of the Company and which, in this context of economic crisis, has been able to play a key role in ensuring the sustainability of the Company, its strategy and the interests of shareholders and all stakeholders.

To this end, the Supervisory Board proposes to renew its confidence in the members of the Board whose terms of office are coming to an end because, by contributing their expertise and complementary experience, they have contributed to ensuring very satisfactory governance of the Groupe, in accordance with the respective governing bodies, and which enabled the Groupe to maintain a position as a world leader in communications. In the context of the health crisis, it is all the more necessary to ensure stability and continuity of governance.

In particular, the Board considered that the renewal of the term of office of Maurice Lévy for the next four years is essential for Publicis Groupe and insisted that he continue in his role as Chairman of the Supervisory Board, that he continue to support, guide and advise the Management Board and its Chairman, Arthur Sadoun, who himself expressed the same wishes, and that he continue in his relations with large global clients and bring strength to the Groupe's strategic reflections.

Maurice Lévy had long before expressed his wish not to stand again for the shareholders' vote, as he considers that his career journey has been brought to a close after 50 years at Publicis Groupe.

After discussions and much reflection, Maurice Lévy finally agreed that the renewal of his term of office be put to the vote of shareholders and, if the shareholders decide to renew his term of office, he will support the Management Board, its Chairman, Arthur Sadoun and Publicis Groupe.

Thus, Maurice Lévy will be able to continue to facilitate balanced dialogue between the Supervisory Board and the Management Board by ensuring the effective exercise of supervisory powers by the Supervisory Board. The resulting balanced and fluid dialogue between the supervisory and management bodies is the result of Maurice Lévy's pointed knowledge of the Groupe. It is also a reflection of the confidence entrusted to him by the Supervisory Board and Management Board, which renders the Groupe's management exemplary.

Maurice Lévy may also support Publicis in a few key areas, such as the follow-up with a few large clients with whom Maurice Lévy has created strong ties over the years, applying key management principles, and defining and overseeing the implementation of future strategies, including those around Epsilon.

In addition, the term of office of Pierre Pénicaud, member of the Supervisory Board representing employees, will end on June 19, 2021. The Groupe Works Council will have to decide on its renewal or the appointment of a new member representing the employees on the Supervisory Board.

The table below summarizes the changes envisaged in 2021 in the composition of the Supervisory Board (excluding members representing employees):

Supervisory Board member	Departure	Renewal	Appointment	Nationality
Enrico Letta	March 28, 2021			Italian
Maurice Lévy		May 26, 2021		French
Simon Badinter		May 26, 2021		French
Jean Charest		May 26, 2021		Canadian

Subject to the approval by the General Shareholders' Meeting of May 26, 2021 of the aforementioned proposals, the composition of the Supervisory Board would have the following characteristics (excluding members representing employees):

- percentage independence: 64%;
- gender parity: 55% women/45% men;
- percentage of foreign nationals on the Board: 64%.

The Management Board

With the exception of the appointment of Michel-Alain Proch as a member of the Management Board from January 15, 2021, replacing Jean-Michel Etienne, whose term of office expired on December 31, 2020, no changes are expected in the composition of the Management Board for 2021.

Michel-Alain Proch has taken over the duties of Groupe Chief Financial Officer since the closing and presentation of the financial statements for the 2020 financial year. Jean-Michel Etienne will remain with the Groupe until the summer of 2021 as Special Advisor to the Chairman of the Management Board and will oversee the Groupe's shared services.

3.1.1.4 No convictions for fraud or conflicts of interest

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

- no member of the Management Board or the Supervisory Board of Publicis Groupe SA has been convicted of fraud;
- no member of the Management Board or 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 Management Board or 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.

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

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

Apart from the information indicated, to the Company's knowledge, there are no family links or potential conflicts between the interest of members of the Supervisory Board or of the Management 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 or 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 Supervisory Board or the Management Board has been made pursuant to an undertaking made to a major shareholder, client or a supplier of the Company.

3.1.2 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.

As of December 31, 2020, it was composed of the members of the Management Board and:

- Emmanuel André, Chief Talent Officer Publicis Groupe;
- Justin Billingsley, Global Chief Marketing Officer Publicis Groupe;
- Agathe Bousquet, Chairman France, Publicis Groupe;
- Gerry Boyle, Global Chief Media Officer Publicis Groupe, Chief Executive Officer Publicis Groupe Western Europe;
- Andrew Bruce, Chief Executive Officer Publicis Groupe Canada;
- Nick Colucci, Chairman Publicis Health & Chief Operating Officer Operations Publicis Groupe Marketing Services US;
- Tim Jones, Chief Operating Officer Publicis Groupe Marketing Services US;
- Bryan Kennedy, Chairman Epsilon;
- Annette King, Chief Executive Officer Publicis Groupe UK;
- Ros King, EVP Global Clients Publicis Groupe;
- Loris Nold, Chief Executive Officer Publicis Groupe Asia Pacific, Middle East Africa;
- Dave Penski, Chief Operating Officer Publicis Media US & Global Chairman PMX;
- Carla Serrano, Chief Strategy Officer, Publicis Groupe;
- Nigel Vaz, Digital Business Transformation Lead Publicis Groupe, Chief Executive Officer Publicis Sapient;
- Alexandra Von Plato, Chief Executive Officer Publicis Health;
- Véronique Weill, General Manager, Publicis Groupe;
- Jaroslaw Ziebinski, Chief Executive Officer Publicis Groupe Northern & Central Europe.

3.1.3 Gender diversity within governing bodies

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

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

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

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

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

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

/ Position at December 31, 2020

	Percentage of women	Objective by 2025
Global workforce	50.5%	
Management Board	25%	
Management Committee	33.3%	
Key management positions	40.4%	45%

Methods of implementation

In order to achieve this objective, Publicis is continuing its gender diversity policy, which has been conducted 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 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 2020 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.

For the past 10 years, Publicis Groupe has voluntarily chosen to publish interim indicators specific to the Company and its occupations, such as the percentage of women on the Executive Committees of agencies or the percentage of women CEOs of an agency, data supplemented in recent years by the percentage of women leading the Creative, Media, data and Tech teams, corresponding to the Company's major business lines (see Section 4.1.2 "Diversity and inclusion").

3.1.4 Operation of the Supervisory Board and its Specialized Committees

Since November 27, 1987, Publicis Groupe SA has adopted a two-tier management system which comprises a Management Board and a Supervisory Board. This method separates the powers of management and oversight to establish a real balance of power.

The Management Board is the Company's decision-making body for the Company's business operations.

The Supervisory Board has the responsibility of exercising ongoing supervisory authority over the Management Board. In application of the last paragraph of article 16 II of the Company's bylaws, the Supervisory Board wanted to establish four committees, including a Nominating Committee separate from the Compensation Committee, and a Strategy and Risk Committee separate from the Audit Committee, thereby going beyond the recommendations of the Afep-Medef Code.

The Supervisory Board determines, at the meeting for which the agenda includes approval of the annual financial statements for the previous financial year, the transactions referred to in article 12 of the bylaws that require prior approval. At its meeting of February 2, 2021, renewing its resolution of February 5, 2020, the Supervisory Board decided that the purchase or disposal of any real estate, the purchase or disposal of any company whose value exceeded 5% of the Company's equity, and any loan, bond or share issuance exceeding 5% of the Company's equity would be subject to the prior approval of the Supervisory Board. In addition, any significant transaction outside the strategy announced by the Company must be approved in advance by the Supervisory Board.

These provisions are also specified in the internal rules of the Supervisory Board, as well as basic rules such as those concerning the independence of the Supervisory Board's members, conflicts of interest and confidentiality or inside information. The internal rules also establish the terms on which the Supervisory Board and its Specialized Committees operate and the Board's relationship with the Management Board. At its meeting of September 9, 2020, the Supervisory Board updated its internal regulations to bring them into line with the changes in the legislative texts and recommendations of the Afep-Medef Code revised in January 2020 and to ensure they comply with the practices of the Supervisory Board and the Groupe. These adjustments mainly relate to the decisions of the Supervisory Board taken by written consultation, gender balance within the governing bodies, the compensation of the corporate officers and the terminology of the compensation of the members of the

Supervisory Board. The internal rules of the Supervisory Board are available on the Groupe website: www. publicisgroupe.com.

3.1.4.1 Operation of the Supervisory Board

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

The Management Board is always available to provide clarifications or additional information to any Supervisory Board member. The Management Board informs the Supervisory Board of market developments, the competitive environment, strategy and the main challenges facing the Groupe including in terms of corporate social responsibility (CSR). When reviewing the quarterly and half-yearly financial statements, 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. 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 members of the Supervisory Board with all relevant information concerning the Company and the Groupe if the importance or urgency of the information so requires.

The Supervisory Board may decide to meet without the presence of the Management Board, particularly with regard to deliberations on compensation for Management Board members. Meetings may be held with Groupe directors particularly to present strategic action plans.

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

The Supervisory Board met eight times in 2020 and the Management Board met 15 times.

3.1.4.2 Attendance of members of the Supervisory Board at Board meetings and Committee meetings in 2020

	Supervisory Board		Audit Committee		Nominating Committee		Compensation Committee		Strategy and Risk Committee	
	Number of attendances/ number of sessions	Attendance rate	Number of attendances/ number of sessions	Attendance rate	Number of attendances/ number of sessions	Attendance rate	Number of attendances/ number of sessions	Attendance rate	Number of attendances/ number of sessions	Attendance rate
Maurice Lévy *Chairman of the Board*	8/8	100%			2/2	100%	7/7	100%	2/2	100%
Élisabeth Badinter *Vice-Chairman of the Board*	8/8	100%			2/2	100%			2/2	100%
Simon Badinter	8/8	100%								
Jean Charest	8/8	100%	5/5	100%	2/2	100%				
Sophie Dulac	6/8	75%								
Thomas H. Glocer	8/8	100%					6/7	86%	2/2	100%
Marie-Josée Kravis	8/8	100%			2/2	100%			2/2	100%
André Kudelski	7/8	88%	5/5	100%	2/2	100%	7/7	100%		

	Supervisory Board		Audit Committee		Nominating Committee		Compensation Committee		Strategy and Risk Committee	
	Number of attendances/ number of sessions	Attendance rate	Number of attendances/ number of sessions	Attendance rate	Number of attendances/ number of sessions	Attendance rate	Number of attendances/ number of sessions	Attendance rate	Number of attendances/ number of sessions	Attendance rate
Enrico Letta	8/8	100%							2/2	100%
Suzan LeVine	7/8	88%	5/5	100%					2/2	100%
Antonella Mei-Pochtler	7/8	88%					7/7	100%		
Cherie Nursalim	7/8	88%					4/7	57%		
Pierre Pénicaud *Member representing employees*	8/8	100%							2/2	100%
Patricia Velay-Borrini *Member representing employees*(1)	1/1	100%								
Overall attendance rate		**94%**		**100%**		**100%**		**89%**		**100%**

(1) Member joining during the financial year (see Board member profiles above for any additional information).

Independent members.

3.1.4.3 Duties of the Chairman of the Supervisory Board

Maurice Lévy, Chairman of the Supervisory Board, organizes the Supervisory Board's work so that it can fulfill its role of overseeing the Management Board's management of the Company. In 2020, he chaired eight Supervisory Board meetings.

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

3.1.4.4 Supervisory Board activity in 2020

The Board and its Chairman were particularly in demand this year in the context of the Covid-19 health crisis; they were kept informed in real time of the impact and development of this crisis on employees, their working conditions, their physical and mental health, the progress of business, the difficulties faced by our clients and partners, on the Groupe's financial health, and the measures taken in all these areas.

The Supervisory Board and its Chairman oversaw the decisions taken by the Management Board in this context and provided their advice and support to the Management Board to enable the Groupe to overcome this crisis.

The Board met eight times in 2020, with an average attendance rate of 94%.

The main points examined, and decisions made by the Supervisory Board at its meetings during 2020 were as follows:

- at its meeting of February 5, the Supervisory Board took note of the management report of the Management Board and reviewed the consolidated financial statements and parent company financial statements for 2019, after having heard the Audit Committee and the conclusions of the statutory auditors. The Supervisory Board did not comment on these documents and assured the Management Board of its support in its management of the Groupe. The outlook and 2020 commitment were presented as well as the key actions taken to restore organic growth. The Supervisory Board renewed the limits on the powers of the Management Board and the annual authorizations for sureties and guarantees. The Supervisory Board was informed of the preparation for the General Shareholders' Meeting of May 27, 2020. The Compensation Committee presented its report along with the Nominating Committee. The Supervisory Board confirmed the independent status of those of its members previously deemed independent, and on the recommendation of the Nominating Committee, decided to propose to the General Shareholders' Meeting the renewal of the terms of office as member of the Supervisory Board of Sophie Dulac and Marie-Josée Kravis, Thomas H. Glocer and André Kudelski for a term of four years;

- at its meeting on March 4, the Management Board reviewed the overall health situation related to the Covid-19 pandemic and clarified its implications for Publicis Groupe. The measures taken to ensure the safety of employees were discussed as well as the economic impact on the Groupe's business. The Supervisory Board expressed its gratitude to the Management Board and management for having rapidly taken appropriate measures to ensure the safety of employees and anticipate the potential risks related to this context. The Supervisory Board was informed of the uncertainties that affected the 2020 commitment. The Strategy and Risk Committee presented its report. The CSR and sustainable development strategy was presented. Without the presence of the members of the Management Board, with the exception of its Chairman, the Supervisory Board approved the variable compensation for the 2019 financial year for Anne-Gabrielle Heilbronner, Jean-Michel Etienne and Steve King, Management Board members, and approved the award criteria proposed, notably, those relating to CSR, in respect of the 2020 variable compensation after having heard the report of the Compensation Committee. It left the annual fixed compensation for 2020 at the same level as previous years. Without the presence of Arthur Sadoun, Chairman of the Management Board, the Supervisory Board, on the recommendation of the Compensation Committee, set his variable compensation with respect to the 2019 financial year and approved the award criteria proposed, notable, those relating to CSR, in respect of his 2020 variable compensation. It left the annual fixed compensation for 2020 at the same level as in 2019. The Supervisory Board renewed the fixed compensation of the Chairman of the Supervisory Board for 2020. The Supervisory Board adopted the compensation policy of Management Board and Supervisory Board members, to be voted on by shareholders in accordance with article L. 225-82-2 of the French Commercial Code. The Supervisory Board then reviewed the summary results and drew conclusions from the annual self-assessment of its work for 2019. The Supervisory Board voted on the draft resolutions to be submitted to the General Shareholders' Meeting and approved the terms of its report on corporate governance;
- at its exceptional meeting of March 16, the Chairman of the Management Board reviewed the development of the situation due to Covid-19 within the Groupe and the four areas of the action plan put in place by the Management Board, namely: health measures to protect the Groupe's employees, actions to limit the impact of Covid-19 on the Groupe's financial performance, commercial initiatives to strengthen the relationship with clients during this period and strategic measures to deal with the decline in the share price. The Supervisory Board assured the Management Board of its full support in its very effective management of this global health crisis. In view of the decrease in the Publicis Groupe SA share price, the Supervisory Board decided to modify one of the conditions mentioned in the draft resolution on the option for the payment of the dividend in cash or in shares submitted to the General Shareholders' Meeting of May 27, 2020;
- at its meeting of April 10, the Supervisory Board supported the Management Board's decision to ask shareholders to show solidarity with the Groupe, firstly by reducing the dividend from 50% to euro 1.15 per share, compared to euro 2.30 as initially planned, and secondly by postponing its payment from early July to September 28, 2020. The Management Board presented the results for the first quarter of 2020, the economic impacts of the Covid-19 pandemic and the lockdown and the measures taken to deal with this situation and its possible development. The Supervisory Board was informed of the new targets set for the 2020 budget due to the recession. The Supervisory Board underlined that it was very impressed by the exceptional mobilization of the teams around the world, the show of solidarity and the spirit of collaboration at all levels, and expressed its sincere thanks. The Supervisory Board reiterated its full support to the Chairman and members of the Management Board, as well as to the Groupe's management teams, who were able to make the right decisions very early on. The Compensation Committee presented its report. The Supervisory Board, on the recommendation of the Compensation Committee, issued its opinion on the decisions to be taken to integrate the health and economic crisis and its consequences into the calculation of the variable compensation for 2020. Furthermore, individual and voluntary decisions to temporarily reduce compensation were made by Maurice Lévy, Arthur Sadoun, Anne-Gabrielle Heilbronner and Steve King. The Supervisory Board was informed that the General Shareholders' Meeting of May 27, 2020 would be held behind closed doors due to the health situation and the current legislative and administrative measures;
- at its meeting of May 27, the Supervisory Board warmly congratulated Sophie Dulac, Marie-Josée Kravis, Thomas H. Glocer and André Kudelski on their renewal as members of the Supervisory Board. After examining the composition of its four committees due to the renewal of the Supervisory Board members, the Board decided that there was no need to make any changes. An update was made on the proceedings and the conclusions to be drawn from the Meeting held behind closed doors that morning. The Supervisory Board was informed of the management report of the Management Board of March 31, 2020 and the quarterly parent company and consolidated financial statements, as well as the consolidated results at April 30, 2020. The Audit Committee presented its report. The updated forecasts were presented as well as the new 2020 commitment, which was approved. The Supervisory Board expressed a favorable opinion on the implementation of a Euro Medium Term note (EMTN) program with a maximum principal amount of euro 1.5 billion and the issue of bonds under the EMTN program or outside the EMTN program, within the limit of the aforementioned maximum nominal amount. The Management Board informed the Supervisory Board of changes in the Groupe's economic and operational position and of the measures implemented. It noted the guarantees provided by Publicis Groupe SA to guarantee the commitments of its subsidiaries.

The Compensation Committee presented its report on the LTI plans, the salary reductions granted by the Groupe's executives and the reactions of the shareholders on the compensation issues submitted to the General Shareholders' Meeting;

- the first part of its meeting of July 22 was devoted to a presentation by the Chairman of the Management Board of the key results for the first half-year and the follow-up to the measures put in place and actions taken to deal with the health and economic crisis. The subject of diversity in the United States was also discussed. During the second part of the meeting, the Supervisory Board took note of the management report of the Management Board of June 30, 2020, and examined the half-yearly parent company and consolidated financial statements, after having heard the report of the Audit Committee and the conclusions of the statutory auditors. The annual forecasts for the end of June were presented. The Chairman of the Supervisory Board highlighted the exceptional work by the Management Board and its teams and assured it of the support of the Supervisory Board;
- the first part of its meeting on September 9 was devoted to a presentation by Emmanuel André, Chief Talent Officer Publicis Groupe, and Carla Serrano, Chief Strategy Officer Publicis Groupe, on the Marcel collaborative digital platform made available to all Groupe employees. In the second part, the Supervisory Board was informed of the Groupe's results at August 31, 2020 and the annual forecasts. The Audit Committee and the Strategy and Risk Committee presented their reports. The Chairman of the Management Board informed the Supervisory Board of the initial quantitative estimates for 2021, the construction of the 2021 budget and the strategic orientations undertaken by the Management Board. The Supervisory Board noted that the figures and strategic orientations reflected the uncertainties of future developments. The Compensation Committee presented its report. The Committee reviewed the variable compensation of the members of the Management Board for 2020. The Committee recalled that, in the exceptional context created by the Covid-19 pandemic, the Supervisory Board has more leeway to assess variable compensation and integrate the way in which the Management Board has managed the crisis. At this stage, the Board congratulated the Management Board on the work accomplished. The Supervisory Board approved the update of its internal rules;
- the first part of its meeting of November 25 was devoted to a presentation on Canada by Andrew Bruce, CEO Publicis Groupe Canada & Publicis Communications US West. During the second part of the meeting, the Supervisory Board decided on the candidacy of Michel-Alain Proch presented by the Nominating Committee to replace Jean-Michel Etienne, member of the Management Board, whose term of office ended on December 31, 2020. The Supervisory Board resolved to appoint Michel-Alain Proch as a member of the Management Board from his arrival on January 15, 2021 until the renewal of the Management Board on September 14, 2022. The Supervisory Board also welcomed Patricia Velay-Borrini, appointed by the Groupe Works Council, as the member of the Supervisory Board representing employees. The Supervisory Board read the management report by the Management Board of September 30, 2020 and examined the parent company and consolidated financial statements for the third quarter. The Groupe's position and results as at the end of October, as well as the updated forecasts, were presented. The Audit Committee presented its report. The Supervisory Board familiarized itself with the initial draft budget and the broad principles of the 2021 commitments. The Supervisory Board carried out an annual review of the agreements and commitments entered into with related-parties and authorized during previous financial years and noted that no agreements entered into previously and whose performance continued during the financial year fell within the scope of related-party agreements. The Audit Committee informed the Supervisory Board of the appropriateness of the criteria used when classifying ordinary arm's length agreements as part of the procedure assessing such agreements. The Supervisory Board noted that the agreements relating to ordinary arm's length agreements did indeed meet these conditions and that no agreements falling within the scope of article L. 225-86 of the French Commercial Code on related-party agreements had been entered into since the beginning of 2020. The Compensation Committee presented its report.

3.1.4.5 Assessment of the Supervisory Board

The Supervisory Board performs an annual self-assessment of its work, examines the summary results and draws conclusions. Each member of the Supervisory Board completes a personal questionnaire, with possibility of having an individual meeting with the Chairman of the Supervisory Board or the member of the Supervisory Board responsible for overseeing the assessment. The results are summarized and then a meeting is held to take comments. Thomas Glocer, an independent member, in direct contact with Supervisory Board members, conducted individual interviews with any Board member who so wished and carried out this assessment for the 2019 financial year with the support of the Secretary General and the Legal Department. Responses were examined in detail, and compared with the responses given by the same member the previous year. An analysis of the conclusions of the 2019 assessment was presented at the Supervisory Board meeting of March 4, 2020 and the Board led a discussion on areas for improvement. According to this analysis, the Board is particularly satisfied with its relationship with the Management Board, how meetings are held, the decision-making process, the quality of governance, the work of its four committees, as well as the attendance and individual contributions of the members. The Supervisory Board meeting of September 11, 2019 in New York was particularly appreciated by all members. The areas for improvement to be pursued focused on the interventions of Groupe executives (excluding the Management Board) during Supervisory Board meetings, the time devoted to discussions on strategy and on environmental, social and governance (ESG) issues, as well as on diversity and quality of life at work (QVT).

Generally speaking, committee members are satisfied with the committees on which they serve. Some suggestions were made: on the one hand, that an additional meeting of the Strategy and Risk Committee could be planned in order to further develop the strategy and implement monitoring, and on the other hand, improvement of information on compensation methods.

The assessment shows that recommendations made in previous years have been applied. Information on the Groupe's major issues and strategy has been increased due to the health and economic crisis linked to Covid-19. Meetings with operational managers were more frequent. A formal induction program for new members has been set up. As soon as the health situation allows it again, it is planned to organize sessions abroad, once a year.

The self-assessment for the 2020 financial year was carried out at the beginning of 2021 and the conclusions were presented at the Board meeting of March 3, 2021. The tone of this self-assessment is positive and notes progress on the points raised last year.

3.1.4.6 On-boarding and training of Supervisory Board members

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

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

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

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

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

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

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

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

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

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

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

3.1.4.8 Observations of the Supervisory Board on the Management Board report and the financial statements for 2020

The Management Board presented its management report at the Supervisory Board Meeting of February 2, 2021, as well as the annual and consolidated financial statements for 2020. The Supervisory Board examined them, made itself aware of the opinion of the Audit Committee on the closing of the accounts, and had a discussion with the statutory auditors. After having received all the information deemed to be relevant, the Supervisory Board had no comments to make.

3.1.4.9 The Supervisory Board's Specialized Committees

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

Each committee comprises at least three members who must be natural persons, members of the Supervisory Board and appointed by the Supervisory Board. Members are chosen for their competence and expertise in the committee's scope of work. 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 four Specialized Committees (the Nominating Committee, Compensation Committee, Audit Committee and Strategy and Risk Committee) assist the Supervisory Board in performing its duties and thereby help improve Groupe corporate governance. Following the renewal of four terms of office on the Supervisory Board on May 27, 2020, the Board considered that there was no need to make any changes in the composition of its four committees, given on the one hand, that they function well and, and on the other hand, that the length of time these positions are held is a key factor in success. The composition of the four committees ensures a diversified and balanced representation in terms of diversity, independence, skills, experience and nationalities.

The members of the four committees are appointed for the duration of their term on the Supervisory Board and may be reelected in the same manner, pursuant to article 13 of the bylaws. Each committee elects a Chairman from among its members to direct the work of the committee and to provide reports to the Supervisory Board.

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 to validly deliberate. A member may not participate by proxy.

Audit Committee

Independent members: **100%**	**5 meetings** Attendance rate: **100%**	Gender balance: **34% Women** **66% Men**

The Audit Committee is governed by article 6 *et seq*. of the Supervisory Board's internal rules.

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

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

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

The Audit Committee currently has three independent members: Jean Charest, Chairman, Suzan LeVine and André Kudelski.

Due to their professional backgrounds, its members have particular expertise in financial and accounting matters.

There was no change to the composition of the Audit Committee in 2020. Until her death in August 2020, Claudine Bienaimé assisted the Audit Committee as a permanent expert. The members of the Audit Committee and all members of the Supervisory Board and Management Board paid heartfelt tribute to her.

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

The quality review process of the Internal Audit Department was conducted again in 2020 by the French Institute of Auditors and Internal Controllers (IFACI). The renewal of the certification of the Internal Audit Department by IFACI was obtained for three years. An annual meeting will now be organized between the Chairman of the Audit Committee and the VP Internal audit.

The Committee heard from the statutory auditors without the presence of the members of management during its meetings on the financial statements. The Committee checked the independence of the statutory auditors and monitored the completion of their duties. The statutory auditors presented their methodology, the scope of their audit and the main technical matters of the audited financial statements and detailed their work to the Committee. The Committee reviewed and authorized the fees for additional assignments entrusted to the statutory auditors and issued an opinion on the budget for their fees for the 2020 financial year.

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

The Committee reported to the Supervisory Board on the exercise of its duties, the results of the accounts certification, the way that this had contributed to the integrity of the financial information and the Committee's role in the process. During the Supervisory Board meeting on the annual review of related-party agreements and commitments entered into and authorized during previous financial years, the Committee informed it of the follow-up and the results of the procedure put in place on September 11, 2019 for the assessment of agreements entered into by Publicis Groupe SA relating to ordinary transactions concluded under arm's length conditions within the meaning of article L. 225-87 of the French Commercial Code. The Committee reviewed and approved the 2021 internal audit plan.

Nominating Committee

Independent members: **60%***	**2 meetings** / Attendance rate: **100%**	Gender balance: **40% Women** **60% Men***

*Excluding the member representing employees.

The Nominating Committee is governed by article 7 *et seq.* of the Supervisory Board's internal rules.

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

- to make any appropriate observations on the composition of the Supervisory Board and Management Board;
- to propose to the Supervisory Board a process for selecting members of the Management Board that ensures, until the end of the process, the presence of at least one person of each gender among the candidates;
- to propose, to the Board, candidates for corporate officers of the Company;
- to examine, prior to any decision of the Management Board, proposals for the appointment of Head Office executives, members of the Management Committee, Executive Committees of the major countries and practices. In the event of an emergency, the decision to appoint these executives is taken jointly by the Chairman of the Management Board and the Chairman of the Supervisory Board which will inform the Committee after they have made the decision. In addition, the Committee is informed of decisions, after they are made, to appoint members of countries' Executive Committees;
- to draw up a succession plan for executive and non-executive corporate officers and to examine, beforehand, the succession plans for all key positions;
- to examine the gender balance policy applied to management bodies.

The Nominating Committee currently comprises six members, including three independent members and, at her request, one member representing employees: Élisabeth Badinter, Chairman, Marie-Josée Kravis (independent member), Patricia Velay-Borrini (member representing employees), Jean Charest (independent member), Maurice Lévy and André Kudelski (independent member).

Changes in the composition of the Nominating Committee in 2020:

Member of the Nominating Committee	Departure	Appointment
Patricia Velay-Borrini Member representing employees		November 25, 2020

During 2020, the composition of the Supervisory Board was the subject of particular attention by the Committee, namely with regard to the level of independence of the members in respect of the criteria set by the Afep-Medef Code, and its diversity. After consulting the four members of the Board whose terms of office were due to expire in 2020 and having obtained their consent to the proposal for their renewal, the Committee recommended to the Supervisory Board the renewal of the terms of office of Sophie Dulac, Marie-Josée Kravis, Thomas H. Glocer and André Kudelski for a period of four years. The Supervisory Board has followed its recommendation. The Committee reviewed the succession plan for corporate officers. It also examined the proposals for appointments to the key management positions of Publicis Groupe. After a rigorous and in-depth selection process assisted by a recruitment firm, with the presence of candidates of both genders until the end of this process, the Committee recommended to the Supervisory Board the candidacy of Michel-Alain Proch to replace Jean-Michel Etienne, member of the Management Board, whose term of office expired on December 31, 2020. The Supervisory Board has followed its recommendation. In early 2021, the Committee decided, among other things, on the composition of the Management Board and the renewal of the terms of office of Maurice Lévy, Simon Badinter and Jean Charest, which were due to expire.

Compensation Committee

Independent members: **80%**	**7 meetings** / Attendance rate: **89%**	Gender balance: **40% Women** **60% Men**

The Compensation Committee is governed by article 8 *et seq.* of the Supervisory Board's internal rules.

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

- to issue a recommendation on the amount and division of compensation allocated to members of the Supervisory Board;
- to study and propose to the Supervisory Board the elements of compensation and benefits to executive corporate officers in the Company, and particularly the variable compensation, as well as the attribution of stock subscription or purchase options, performance shares and all other elements of compensation (termination benefits, pension, non-compete clauses, etc.);

- to propose to the Supervisory Board the draft resolutions, to be submitted to the General Shareholders' Meeting, on the compensation policy for corporate officers, the information relating to this compensation and the elements comprising this compensation;
- to approve, prior to any decision by the Management Board, the conditions for fixed, variable and exceptional compensation making up the total compensation and other benefits of Head Office executives, members of the Management Committee, Executive Committees of the major countries and practices. In the event of an emergency, the decision on the compensation conditions of these directors is taken jointly by the Chairman of the Management Board and the Chairman of the Supervisory Board which will inform the Committee after they have made the decision. In addition, the Committee is informed of the decisions on the compensation conditions of country Executive Committee members;
- in general terms, approving, prior to any decision of the 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.

The Compensation Committee currently has five members including four independent members: André Kudelski (independent member), Chairman, Antonella Mei-Pochtler (independent member), Cherie Nursalim (independent member), Thomas H. Glocer (independent member) and Maurice Lévy. Michel Cicurel assists the Committee as a permanent expert.

There was no change to the composition of the Compensation Committee in 2020. At the time of her appointment, Patricia Velay-Borrini was asked to join the Compensation Committee. She preferred to join the Nominating Committee, at least during the first year of her term of office.

In 2020, the Committee reviewed issues related to the compensation of Management Board members (fixed and variable portions) and the Chairman of the Supervisory Board (fixed compensation) and proposed to the Supervisory Board related decisions to be taken in view of the economic developments related to the Covid-19 pandemic. The Committee expressed its opinion on the decisions to be taken to include the health crisis and its consequences in the calculation of the variable portions for 2020 and on the mechanism of variable portions for 2020 for the entire Groupe. The Committee reviewed the calculation method and the scope for comparing the compensation of executive corporate officers with the Company's performance and the average and median compensation of employees. The Committee was consulted on the share-based compensation policy. It was informed of the share plans awarded and delivered in 2020. The Committee was informed of the temporary salary reductions granted voluntarily by the Groupe's managers and employees. These measures are part of the savings efforts implemented throughout the Groupe. The Committee was kept informed of reimbursements made for everyone except Anne-Gabrielle Heilbronner, Maurice Lévy, Arthur Sadoun and Steve King. The Committee was also informed of the points of attention noted in the reports of the proxy advisory firms or addressed during the discussions with the shareholders prior to the General Shareholders' Meeting of May 27, 2020. The principles of a new variable compensation plan for 2021, which is intended to become the Groupe's single plan, were submitted to the Committee. The Committee was informed of the compensation of Patricia Velay-Borrini, who was appointed by the Groupe Works Council to join the Supervisory Board as the second member representing employees. The Committee was kept informed of increases for members of the country Executive Committees. The Committee was informed of the compensation and contractual aspects relating to Michel-Alain Proch, a new member of the Management Board from January 15, 2021, replacing Jean-Michel Etienne.

Strategy and Risk Committee

Independent members: **66%***	**2 meetings** / Attendance rate: **100%**	Gender balance: **50% Women** **50% Men**

* Excluding the member representing employees.

The Strategy and Risk Committee is governed by article 9 *et seq.* of the Supervisory Board's internal rules.

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

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

The Strategy and Risk Committee has seven members including four independent members and one member representing employees: Marie-Josée Kravis (independent member), Chairman, Élisabeth Badinter, Suzan LeVine (independent member), Thomas H. Glocer (independent member), Enrico Letta (independent member), Maurice Lévy and Pierre Pénicaud (member representing employees).

There was no change to the composition of the Strategy and Risk Committee in 2020.

During 2020, the Committee was informed of the situation related to Covid-19, on the vigilance and measures taken by Publicis Groupe to ensure the safety and health of employees, support talent and protect teleworking from cyberattacks, and the economic risks of the health crisis. The Committee reexamined the risks facing the Company and the policies making it possible to control or reduce them, the Groupe's corporate and social responsibility (CSR) strategy and the options adopted when implementing this strategy as well as the major strategic options and development opportunities available to the Groupe. The Committee took note of the report on stakeholder engagement, which was drawn up on the basis of informal consultations with clients, employees and shareholders on topics relating in particular to diversity, data and the Groupe's support for its clients to accompany them in their CSR transformation and climate change. The Committee focused on diversity and climate change. It was informed of the appointment of a new Director of Diversity and Inclusion in the United States and the creation of a Steering Committee on Diversity and Inclusion for the Groupe composed of representatives from the 10 key countries. The Committee was informed of the Publicis Groupe action plan to contribute to the fight against global warming.

The Committee reviewed the risk mapping. Risks are generally on the rise. Competitive pressure on talent and clients has intensified. The Committee examined in particular the risks related to data protection and personal data privacy. These risks are very present as well as operational and geopolitical risks. The Committee updated the specific corruption and influence peddling risk mapping that is used for controls and audits. Risks of corruption and influence peddling remain low within the Groupe. The Committee was informed of the implementation of the action plan relating to duty of care and updated the risk mapping specific to the duty of care plan. The Committee examined the Groupe's strategic priorities and related execution risks.

3.1.5 Application of the Afep-Medef Code: implementation of the "apply or explain" rule

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

Recommendations of the Afep-Medef Code	Position
Article 18.1 – Composition of the Compensation Committee "It is recommended... that one of its members should be an employee director."	Pierre Pénicaud and Patricia Velay-Borrini were appointed members of the Supervisory Board representing employees by the Groupe Works Council of Publicis Groupe SA on June 20, 2017 and October 16, 2020 respectively. They declined the invitation made to them by the Supervisory Board to join the Compensation Committee. At his request, Pierre Pénicaud is a member of the Strategy and Risk Committee, while Patricia Velay-Borrini has chosen to be a member of the Nominating Committee. The Board supported these requests, considering that their significant experience in the Groupe and their operational knowledge are assets for these Committees. In their capacity as members of the Board, Pierre Pénicaud and Patricia Velay-Borrini naturally take part in meetings to review the compensation of corporate officers, which enables them to express their views on these subjects. Patricia Velay-Borrini plans to join the Compensation Committee after one year, the time to familiarize herself with the various subjects dealt with by the Supervisory Board.
Article 26.2 – Annual information (information on ratios) "Corporations which have no or not many employees in relation to the global workforce in France must take into account a more significant perimeter in relation to the wage bill or the workforce in France of the corporations over which they have exclusive control within the meaning of Article L.233-16 II of the French Commercial Code."	As Publicis Groupe SA has a single employee, it has decided to publish the ratios as provided for in 6° of article L. 22-10-9 of the French Commercial Code on a scope representative of the Groupe's business in France, to which have been added the workforce of all Groupe companies in the United States and the United Kingdom. This scope is a more valid financial comparison insofar as it represents the bulk of the Groupe's revenues (73%) and of its payroll (67%), the remainder being spread across other countries worldwide. This scope was preferred to a scope limited to France, which only represents 6% of Groupe revenues and 6% of Groupe payroll and is not representative of Groupe operations (see Section 3.2.2.8 of the Universal Registration Document).

3.1.6 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 the networks and is available in seven languages.

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

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

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

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

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

3.2 COMPENSATION OF CORPORATE OFFICERS

In accordance with applicable legal and regulatory provisions, this section sets out the compensation policy for corporate officers for the 2021 financial year as well as the items of compensation for corporate officers for the 2020 financial year.

3.2.1 Compensation policy for corporate officers for the 2021 financial year

Pursuant to article L. 22-10-26 of the French Commercial Code, the General Shareholders' Meeting of May 26, 2021 will be asked to approve the compensation policy for corporate officers for the 2021 financial year. To this end, five resolutions are tabled for the members of the Supervisory Board, the Chairman of the Supervisory Board, the members of the Management Board and the Chairman of the Management Board, respectively. As required by law, the General Shareholders' Meeting will be asked to vote on this policy at least once a year as well as whenever there is a major change to the compensation policy.

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

3.2.1.1 Principles applicable to all corporate officers

General principles and Governance

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

The Compensation Committee plays a key role in determining the compensation policy and the individual decisions. In this regard, the Compensation Committee meets at least once a year to review the compensation policy for corporate officers, confirm the performance results for the financial and non-financial objectives from the previous year and determine the new performance criteria for the current year. To this end, the Compensation Committee draws in particular on the work done and presented by the Secretary General. 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. Composed of 80% independent members in 2020 (see Section 3.1.4.9 "The Supervisory Board's Specialized Committees"), 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 3.1.1.4 "No convictions for fraud or conflicts of interest"). 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 variable compensation and long-term variable compensation, in particular using performance shares) to reflect market practices and incorporate the Groupe's performance criteria over the medium to long term. The financial criteria (*i.e.* organic growth and operating margin), as well as the structuring projects for the Groupe (in particular the implementation of key strategic actions which have a full impact on the Groupe's development), constitute a significant portion of the variable compensation of corporate officers.

In accordance with the decision of the Supervisory Board, it is specified that the following changes have been made to the compensation policy in relation to the compensation principles and criteria voted on by the shareholders at the last General Shareholders' Meeting of May 27, 2020:

- the Supervisory Board of November 25, 2020 decided to appoint Michel-Alain Proch to the Groupe Management Board to replace Jean-Michel Etienne whose term of office ended, as scheduled, on December 31, 2020. Michel-Alain Proch joined the Groupe on January 15, 2021 and took over the operational functions as Groupe Chief Financial Officer covering the entire scope of Jean-Michel Etienne's duties in early February. The compensation policy applicable to Michel-Alain Proch is described in Section 3.2.1.8 of this document;
- within the framework of the provisions of the severance payment applicable to each member of the Management Board, the conditions for retaining the rights to free shares have been strictly aligned with the constraints imposed by the Afep-Medef Code and best market practices. Thus, in the event of forced departure, the corporate officer may retain the performance shares allocated to him/her *prorata temporis*;
- for Steve King, the Supervisory Board reviewed his financial and non-financial objectives for 2021 in particular to take into account his role in Europe and the reorganization of the Groupe towards P&L responsibility at country level;
- the criterion linked to the organic growth of the Company's net revenues in the calculation of the annual variable portion was modified to set the maximum payment threshold based on the achievement of the Target threshold, which is set at more than 30% above the Commitment (annual budget), as has been done across the Groupe to mobilize all teams to achieve high organic growth in 2021;
- under the proposal to renew the term of office of Maurice Lévy as Chairman of the Supervisory Board, Maurice Lévy has proposed that his compensation be reduced. It would be set at euro 1,300,000 gross from 2021 (while it was nominally set at euro 1,900,000 previously).

Terms of the compensation policy applicable to all corporate officers

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

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

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

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

The principles of the compensation policy applicable to corporate officers, subject to approval by the General Shareholders' Meeting on May 26, 2021, are also intended to apply to newly-appointed corporate officers or those who are reappointed at the General Shareholders' Meeting. For the Chairman of the Supervisory Board and the Chairman of the Management Board and the newly appointed members of the Management Board, the Supervisory Board may, on the proposal of the Compensation Committee, temporarily decide on the fixed and variable compensation of the newly-appointed corporate officer, taking into account, in particular, his or her profile and experience. This decision must be in the best interests of the Company and necessary to ensure the Groupe's long-term future and/or viability.

3.2.1.2 Compensation policy for members of the Supervisory Board

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

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

Total amount of compensation

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

As a reminder, the Groupe's General Shareholders' Meeting of May 28, 2014 set an annual amount of euro 1.2 million for the compensation of members of the Supervisory Board, valid for each financial year and until a new decision by shareholders (a sum that has been unchanged since).

Above and beyond the recommendations of the Afep-Medef Code, Publicis Groupe compensates the members of the Supervisory Board exclusively for their actual attendance at meetings of the Supervisory Board and of its committees.

In accordance with the total amount of compensation approved by the General Shareholders' Meeting, each member of the Supervisory Board receives euro 5,000 for each Supervisory Board Meeting and each Committee Meeting attended.

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

For reference, 68.13% of the compensation budget authorized for members of the Supervisory Board was used for 2020.

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 2020.

Compensation for the Vice-Chairman

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

The compensation policy for members of the Supervisory Board in respect of the 2021 financial year will be subject to approval by the General Shareholders' Meeting of May 26, 2021 in its tenth 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.

The Supervisory Board, in its meeting of March 3, 2021, decided, on a proposal from the Nomination Committee, to submit to the Shareholders' Meeting of May 26, 2021 the renewal of the term of office of Maurice Lévy as a member of the Supervisory Board and, if applicable, to renew his term of office as Chairman of the Supervisory Board, for the next four years.

Although Maurice Lévy had long before expressed his wish not to stand again for the shareholders' vote, considering that he had completed his career with the fiftieth anniversary of his presence within Publicis Groupe, the Supervisory Board considered that the Groupe still needed the services of Maurice Lévy and urged the latter to continue his mission as Chairman of the Supervisory Board, to provide support, guidance and advice to the Management Board and its Chairman, Arthur Sadoun, who expressed the same wish, and so that he can pursue his action with major global customers and support the Groupe's strategic thinking.

Thus, Maurice Lévy will be able to continue to facilitate balanced dialogue between the Supervisory Board and the Management Board by ensuring 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 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 will be able to provide support to Publicis 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 Epsilon.

For 2021, the Supervisory Board meeting of March 3, 2021 approved Maurice Lévy's proposal to reduce his compensation and set his compensation as Chairman of the Board at a gross annual fixed amount of euro 1,300,000.

The compensation policy for Maurice Lévy as Chairman of the Supervisory Board in respect of the 2020 financial year, and the vote on the items paid or awarded to Maurice Lévy in respect of the 2019 financial year, were widely approved by the General Shareholders' Meeting of May 27, 2020 (sixth and eleventh resolutions) pursuant to article L. 225-82-2 II (now article L. 22-10-26 II) of the French Commercial Code (*ex-ante* and *ex-post* votes).

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

The compensation policy for the Chairman of the Supervisory Board in respect of the 2021 financial year will be subject to approval by the General Shareholders' Meeting of May 26, 2021 in its ninth 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 shareholders by establishing a strong link between performance and compensation. Within this context, its essential purpose is to encourage the achievement of ambitious objectives and create value on a long-term basis, by setting stringent performance criteria.

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

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

The main competitors of Publicis Groupe are actually American and British companies.

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;
- encourage the management to achieve a level of performance which is high, growing and long-lasting within a very competitive environment, where new players from consulting or technological firms have become direct competitors of Publicis Groupe.

It is guided by three principles:

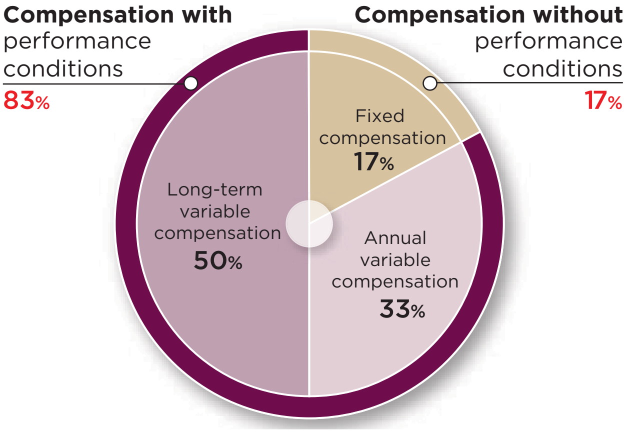
- competitive and coherent compensation package with regard to market trends;
- internal equity, based on individual and collective performance, in order to ensure fair and balanced compensation reflecting the level of individual success of each person, and the contribution to common projects, measured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

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

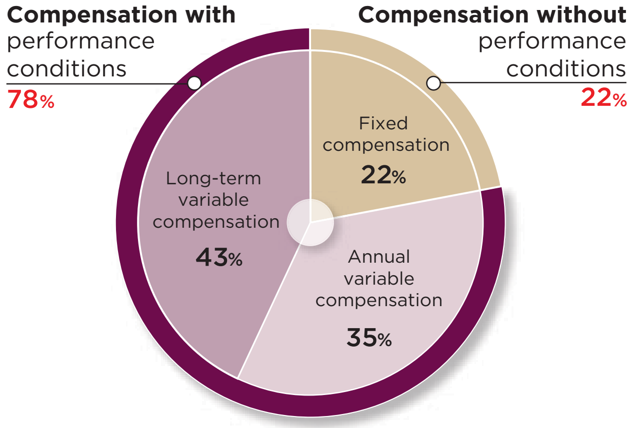
Components of the compensation of the members of the Management Board

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

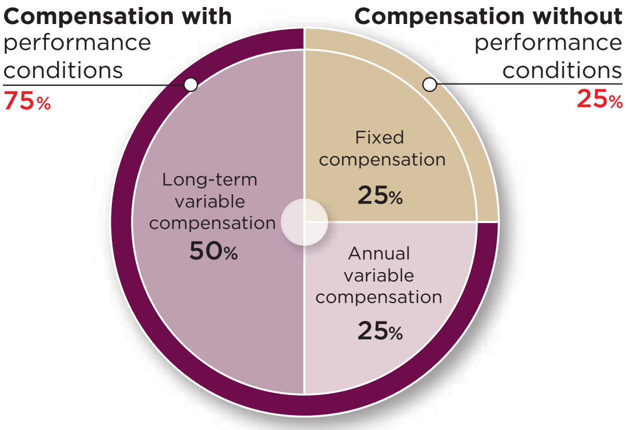
ARTHUR SADOUN, Chairman of the Management Board
Structure of 2021 compensation target



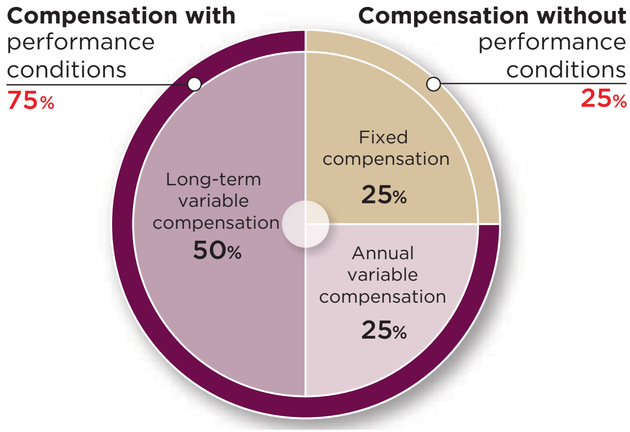
STEVE KING
Structure of 2021 compensation target



ANNE-GABRIELLE HEILBRONNER
Structure of 2021 compensation target



MICHEL-ALAIN PROCH
Structure of 2021 compensation target



Fixed compensation

The fixed compensation is determined by taking into account:

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

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

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

Annual variable compensation

Annual variable compensation is intended to represent a substantial part of the total annual compensation of the Management Board member, if objectives set are achieved. It encourages overperformance as a specific reward is paid when the objectives are exceeded.

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

No minimum amount is guaranteed. Annual variable compensation is calculated 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 of the executives's personal 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.

For the purposes of illustration, in 2021, the organic growth and operating margin targets, as well as the relevant Corporate Social Responsibility criteria, will be the same for all Management Board members and defined as follows:

- the organic growth of Publicis Groupe's net revenue measured against the Target and Commitment (annual budget) objectives presented to the Supervisory Board;
- the operating margin of Publicis Groupe will be compared to the operating margin of peer group companies. If Publicis Groupe posts the best margin, 100% of the variable compensation for this criterion will be attributed. If Publicis Groupe does not post the best margin, the percentage awarded then depends on ranking and on whether Publicis Groupe is in second or third position. No variable compensation is awarded on the basis of this criterion if Publicis Groupe comes in fourth;
- progress on the Corporate Social Responsibility policy assessed with regard to the 2025 trajectory on the following priorities: (i) Diversity, Equality and Inclusion, and (ii) Combating climate change.

Detailed elements of annual variable compensation for the 2021 financial year are explained in Section 3.2.1.5 for the Chairman of the Management Board and Sections 3.2.1.6 to 3.2.1.8 for the other members of the Management Board.

Variable long-term compensation

The share-based compensation program is meant to incentivize on a long-term basis. It is subject to stringent performance conditions to develop loyalty and encourage the organization's key talent over the long-term and common interests with Publicis Groupe SA shareholders (see Section 6.6 note 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 allocation of shares is subject to performance and continued presence conditions to be met over a period generally set at three years.

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

The Supervisory Board, on the recommendation of the Compensation Committee, decided to grant the following performance shares to the members of the Management Board under the "LTIP 2021 *Directoire*":

LTIP 2021 Directoire	Grant date	Vesting date(1)	Number of performance shares awarded(2)	% of the share capital
Arthur Sadoun, Chairman	March 16, 2021	March 16, 2024	61,237	0.02%
Anne-Gabrielle Heilbronner	March 16, 2021	March 16, 2024	24,495	0.01%
Steve King	March 16, 2021	March 16, 2024	41,350	0.02%
Michel-Alain Proch	March 16, 2021	March 16, 2024	24,495	0.01%

(1) Performance conditions described below.
(2) Number of shares allocated based on the closing share price on the day of the Compensation Committee meeting of March 2, 2021, in accordance with the decision of the Supervisory Board of March 3, 2021.

The characteristics of the plans awarded to the members of the Management Board are as follows:

Type of plan	LTIP 2021 Directoire		
Performance conditions	Organic growth rate of Publicis Groupe compared to the weighted average of the peer group	Consolidated operating margin of Publicis Groupe compared to the peer group	2 CSR criteria
Type of performance conditions	Relative performance compared with the peer group Omnicom, WPP, IPG, Publicis Groupe		
Weighting	45% of shares awarded	45% of shares awarded	10% of shares awarded
Acquisition	• > the weighted average of the peer group: 100% of shares delivered • Between 80% and 100%: the number of shares awarded is reduced by 5% for each 1% of performance recorded below 100%. • < 80% of the peer group average: no shares delivered	• Highest operating margin compared to the peer group: 100% of the shares delivered • Margin in 2nd position: 50% of shares delivered • Margin rate in 3rd position: 15% • Margin in 4th position: no shares delivered	If the trajectory on the following priorities is respected: • Diversity, equality and inclusion (45% of women holding key management positions by 2025, with a benchmark target of 43% by the end of 2023 – baseline year 2020), and • Combating climate change (100% renewable energy by 2030, with a benchmark target of +50% in 2023 compared to the baseline year 2020)
Performance period	Following a three-year period at the end of which performance is calculated		

Type of plan	LTIP 2019-2021 Directoire		
Performance conditions	Organic growth rate of Publicis Groupe compared to a peer group	Operating margin of Publicis Groupe compared to a peer group	A CSR criterion
Type of performance conditions	Relative performance compared with the peer group Omnicom, WPP, IPG, Publicis Groupe		
Weighting	45% of shares awarded	45% of shares awarded	10% of shares awarded
Acquisition	• Highest organic growth rate compared to the peer group: 100% of the shares delivered; • Growth rate in 2nd position: 75% of the shares delivered; • Growth rate in 3rd position: 50% or 30% of the shares delivered depending on the difference with the 2nd position: if the difference is minimal (<10%), 50% may be delivered, and if the difference is significant (>15%), 30% will be delivered. For a difference between 10% and 15%, the Compensation Committee, with the approval of the Supervisory Board, will decide the percentage of the shares that may be delivered.	• Highest operating margin compared to the peer group: 100% of the shares delivered; • Margin in 2nd position: 75% of the shares delivered; • Margin in 3rd position: 50% or 30% of the shares delivered depending on the difference with the 2nd position: if the difference is minimal (<10%), 50% may be delivered, and if the difference is significant (>15%), 30% will be delivered. For a difference between 10% and 15%, the Compensation Committee, with the approval of the Supervisory Board, will decide the percentage of the shares that may be delivered.	• 10% of the shares awarded will be delivered if the CSR performance condition is met: at least 40% of women on the Executive Committees of the Groupe, Solutions and major countries
Performance period	Following a three-year period at the end of which performance is calculated		

3

Stringent criteria

Publicis Groupe strives to use appropriate 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 and 2016 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
Achievement rate	50%	53.2%	50%	75%

The shares of the LTIP 2019-2021 *Directoire* and LTIP 2021 *Directoire* plans will be delivered, subject to final validation and external appraisal of the performance conditions, on June 14, 2022 for the LTIP 2019-2021 *Directoire* and March 16, 2024 with respect to the LTIP 2021 *Directoire*.

Stability of the performance conditions

The Supervisory Board considers that consistency in the performance conditions helps to create long-term value. This is why the performance criteria concerning organic revenue growth and the Groupe's operating margin have been used since 2003 in long-term compensation programs and for annual variable portions.

In accordance with the Afep-Medef Corporate Governance Code revised in June 2018, a CSR criterion was introduced in 2019.

Uniqueness of the performance conditions

The same performance conditions have been used to date for all of the Groupe's long-term compensation programs, whether they relate to Management Board members or other executives. The main objective is to align the interests of the entire management team with the Groupe's strategic objectives.

Vesting period

In order to favor the retention of members of the Management Board, no shares are acquired by the beneficiaries before the end of a continued presence condition in the Groupe, and subject to the performance conditions being satisfied. This vesting period is three years.

Continued presence condition

Except in the specific case of death, disability or retirement, or in exceptional circumstances explained by the Supervisory Board and made public, the acquisition of shares is subject to compliance with the continued presence condition for Management Board members until the end of the vesting period.

This condition may only be waived upon recommendation of the Supervisory Board after obtaining the opinion of the Compensation Committee.

Maximum share grant level

Publicis Groupe share awards to Management Board members are limited to 0.3% of the Company's share capital, a ceiling that also applies to stock options. For information, this ceiling is a long way from being reached. Total number of shares granted before performance represents 0.13% of the share capital today.

Mandatory holding

The Supervisory Board has decided that, in addition to plan-specific rules, Management Board members must maintain ownership of at least 20% of the shares they were awarded, in registered form, throughout their terms of office. In addition, in accordance with the Afep-Medef Corporate Governance Code, Management Board members undertake not to use hedging instruments on shares to be received or shares received but which are non-transferable.

Stock option plan

The Management Board reserves the right to grant stock options.

These awards are limited to 0.3% of the Company's share capital, a ceiling that also applies to performance shares.

Supplementary pension plan

The Groupe has currently chosen not to implement a supplementary pension plan for corporate officers who are under the French system.

Collective health and welfare insurance plans

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

Unemployment insurance for corporate officers

Private insurance coverage under the French plan was offered to the members of the Management Board who cannot benefit from the compulsory unemployment insurance for employees.

Employment contract

With the exception of the Chairman of the Management Board, the members of the Management Board may have an employment contract with a company of the Groupe.

Severance payment

The members of the Management Board may be entitled to severance payment in case of imposed departure, granted in accordance with current law and the Afep-Medef Corporate Governance Code. In accordance with said code, the cumulative amount of the severance payment and non-compete compensation may not exceed twenty-four months of total compensation (annual fixed and variable compensation).

Detailed elements of severance payments are explained in Section 3.2.1.5 for the Chairman of the Management Board and Sections 3.2.1.6 to 3.2.1.8 for the other members of the Management Board.

Non-compete agreement

The members of the Management Board may be bound by a non-compete agreement and, in consideration, benefit from non-compete compensation in accordance with current legislation and the Afep-Medef Corporate Governance Code. The Supervisory Board reserves the right to forgo this commitment. In accordance with said code, the cumulative amount of the severance payment and non-compete compensation may not exceed twenty-four months of total compensation (annual fixed and variable compensation). It should also be recalled that, in accordance with article R. 22-10-8, III of the French Commercial Code, the payment does not apply when the interested party is retiring.

Other items

Management Board members may be entitled to benefits based on local regulations and compensation practices, such as the use of a Groupe company car.

Where a member of the Management Board has been hired from outside the Groupe, the Supervisory Board may decide to compensate, in whole or in part, for benefits forgone on leaving previous employment.

Detailed quantified elements of the compensation policy are explained in Section 3.2.1.5 for the Chairman of the Management Board and in Sections 3.2.1.6 to 3.2.1.8 for the other members of the Management Board.

Modification to the Management Board's composition

If a new Management Board is appointed or a new member joins the Management Board, the above compensation policy applicable to Management Board members is applicable to them. The Supervisory Board, on the recommendation of the Compensation Committee, will determine, within the framework of this policy, depending on the specific situation of the person concerned, the fixed and variable components of their compensation, as well as the parameters, objectives and criteria for the variable elements of their compensation.

3.2.1.5 Compensation policy for the Chairman of the Management Board

The compensation policy for the Chairman of the Management Board is based on the same items as those for all corporate officers set out in Section 3.2.1.1 and includes the items applicable to Management Board members presented in Section 3.2.1.4 as well as the specific items detailed below.

Fixed compensation

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

The gross annual compensation of Arthur Sadoun as Chairman of the Management Board of Publicis Groupe SA amounts to euro 1,000,000 per year, unchanged since June 1, 2017.

Annual variable compensation

The Chairman of the Management Board may receive annual variable compensation.

The Supervisory Board, on the recommendation of the Compensation Committee, decided on the criteria for the variable compensation of Arthur Sadoun for the 2021 financial year.

The variable compensation of Arthur Sadoun, which, if targets are met, may represent up to 200% of his fixed compensation, without exceeding this percentage, is based on the following for the 2021 financial year:

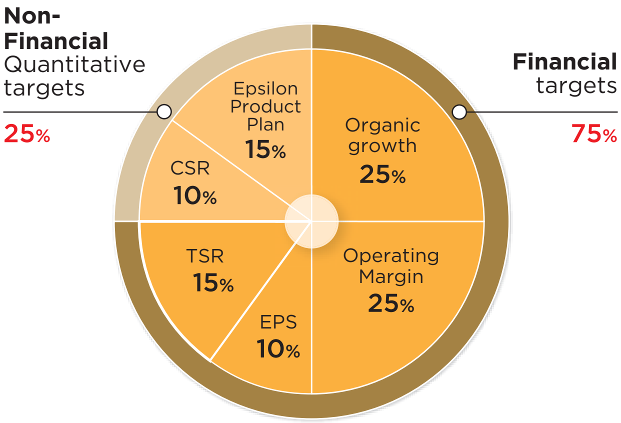
- four financial and Stock Exchange criteria, accounting for 75% of the overall weight of the criteria, taking into consideration trends in Publicis Groupe growth and profitability:
  - organic growth in Groupe revenue based on the Target submitted to the Supervisory Board for 25% (10% if the Commitment (annual budget) is achieved) – see Section 3.2.1.4 "Annual variable compensation",
  - operating margin (the highest in the market compared with that of a peer group comprising three other major international communications groups, *i.e.* Omnicom, WPP and IPG) accounting for 25% (see Section 3.2.1.4 "Annual variable compensation"),
  - for 10%, the rate of change of the Groupe's headline diluted earnings per share (headline diluted EPS), comparing the diluted headline EPS for the fiscal year and the diluted headline EPS for fiscal year 2019 (the year 2020 is not significant), and
  - for 15%, the TSR (Total Shareholder Return) which reflects the difference between the share price of the Publicis Groupe SA share at the end of the fiscal year in question and the stock market price at the beginning of the same fiscal year (based on the average of the opening prices recorded over the last 20 trading days of the year, compared to the average of the opening prices over the first 20 trading days of the year), plus the amount of dividends paid during the financial year.

    These last two criteria are directly related to the immediate interests of shareholders.

    These financial and Stock Exchange performance criteria were chosen by the Supervisory Board, following the proposal of the Compensation Committee, because they best express the quality of the Company's performance. Two of them are measured in comparison with the main competitors of Publicis Groupe (operating margin and EPS), and encourage overperformance. These criteria are unchanged compared to 2020;
- quantifiable individual non-financial criteria corresponding to 25% of the overall weight of the criteria in order to value the implementation of key strategic actions which will yield long-term effects on the Groupe's development:
  - the implementation of the Epsilon Product Plan for 15%, and
  - Corporate Social Responsibility (CSR) for 10%. The assessment of the progress of the CSR policy with regard to the 2025 trajectory will be made on the basis of the following priorities:
    - Diversity, Equality and Inclusion: the trajectory aims for 45% women among key executives in 2025 with a target benchmark of 41% at the end of 2021, and
    - Combating climate change: the trajectory aims for 100% of energy from direct renewable sources by 2030 with a target benchmark of around +8% at the end of 2021 compared to 2020.

ARTHUR SADOUN

Annual variable compensation target for 2021



Long-term variable share-based compensation

The Chairman of the Management Board may receive long-term variable share-based compensation.

Publicis Groupe decided to set up a new share plan each year for management and certain key employees of the Groupe. As Chairman of the Management Board, Arthur Sadoun is also eligible for this new plan from 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 2024 for the "LTIP 2021 *Directoire*", will depend – for 90% of the shares awarded – on Publicis Groupe's average financial performance over a three-year period (2021-2023) as compared with the financial performance of a peer group comprising WPP, Omnicom, IPG and Publicis Groupe, plus two conditions relating to Corporate Social Responsibility for 10% of the shares awarded.

In addition, Arthur Sadoun is also a beneficiary of the LTIP 2019-2021 *Directoire*, which is currently in its final year of vesting.

In each of these plans, assuming the performance conditions are met, entitlement to receive shares is subject to continued employment until the end of the vesting period.

In the event of forced departure or a departure due to a change in control or strategy and except in the event of serious or gross misconduct, shares awarded may be retained *prorata temporis*, subject to performance conditions.

In the event of retirement, he may, at the end of the vesting period and upon approval by the Supervisory Board, in accordance with the compensation policy approved by shareholders and applicable at that time, receive the shares granted to him *prorata temporis*.

It should be noted that, in accordance with the compensation policy applicable at the time of the award of shares under the LTIP 2019-2021, the *prorata temporis* mechanism for this plan only applies to shares awarded more than two years previously.

Benefits in kind

The Chairman of the Management Board receives some benefits in kind.

Arthur Sadoun benefits from the use of a taxi firm and gets a refund 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.

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 due 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.

These commitments were authorized by the Supervisory Board on September 12, 2018 and approved by the Combined Ordinary and Extraordinary Shareholders' Meeting of May 29, 2019 in its fifth resolution, for commitments formerly subject to the procedures on related-party agreements.

Non-compete agreement

The Chairman of the Management Board may be subject to a non-compete obligation in return for financial consideration.

The Supervisory Board accordingly decided to subject Arthur Sadoun in the event of his resignation to a non-compete agreement and an agreement not to solicit personnel during the two years following the end of his term of office as Chairman of Publicis Groupe SA's Management Board.

In consideration of his observance of this non-compete agreement, Arthur Sadoun will receive monetary compensation (payable monthly in advance) in an amount equal to two years of total gross compensation (fixed and targeted variable portions) calculated using the average of the last 24 months of compensation.

The Supervisory Board may waive this clause.

Arthur Sadoun will not be subject to a non-compete obligation in the event of a forced departure. In any case, Arthur Sadoun may not receive both a severance payment and an indemnity in respect of the non-compete agreement.

In its twenty-first resolution, the General Shareholders' Meeting of May 31, 2017 approved this non-compete indemnity in respect of the commitments subject to the related-party agreements procedure.

It is recalled that the compensation policy for Arthur Sadoun as Chairman of the Management Board for the financial year 2020 as well as the items paid or allocated to Arthur Sadoun for the same financial year were widely approved by the General Shareholders' Meeting of May 27, 2020 (eighth and twelfth resolutions) pursuant to article L. 225-82-2 II (now article L. 22-

10-26 II) of the French Commercial Code (*ex-ante* and *ex-post* votes).

The compensation policy for the Chairman of the Management Board in respect of the 2021 financial year will be subject to approval by the General Shareholders' Meeting of May 26, 2021 in its eleventh resolution pursuant to article L. 22-10-26 (II) of the French Commercial Code.

3.2.1.6 Compensation policy for Anne-Gabrielle Heilbronner, member of the Management Board

The compensation policy for Anne-Gabrielle Heilbronner is based on the same items as those for all corporate officers set out in Section 3.2.1.1 and includes the items applicable to Management Board members presented in Section 3.2.1.4 as well as the specific items presented below.

Annual fixed compensation

The gross annual fixed compensation of Anne-Gabrielle Heilbronner amounts to euro 600,000, unchanged from 2016.

The Supervisory Board, on the Compensation Committee's recommendation, had approved this compensation in line with:

- the scope of responsibilities of Anne-Gabrielle Heilbronner as Secretary General of the Groupe, which includes in particular the legal and governance function, human resources, internal audit, internal control, internal risk management and procurement;
- 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.

Corporate Social Responsibility (CSR) was included in her scope in the summer of 2017.

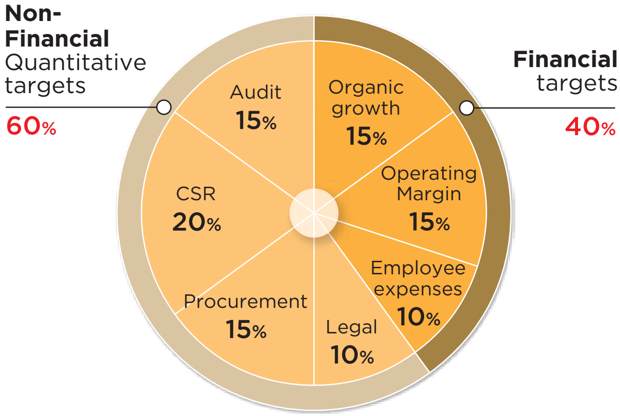
Annual variable compensation

The Supervisory Board, on the recommendation of the Compensation Committee, decided on the criteria for the variable compensation of Anne-Gabrielle Heilbronner for the 2021 financial year.

The variable compensation of Anne-Gabrielle Heilbronner, which, if targets are met, may represent up to 100% of her fixed compensation, without exceeding this percentage, is based on the following for the 2021 financial year:

- two criteria linked to the Groupe's financial performance, each counting equally, for 30% of variable compensation:
  - organic growth based on the Target submitted to the Supervisory Board (10% based on the Commitment (annual budget)) – see Section 3.2.1.4 "Annual variable compensation", and
  - operating margin compared to a peer group (see Section 3.2.1.4 "Annual variable compensation");
- five quantifiable individual financial and non-financial criteria, in line with main areas of responsibility, accounting for 70% of variable compensation:
  - audit (plan execution) (15%),
  - procurement (15%),
  - employee expenses (10%),
  - legal (10%), and
  - CSR (20%). The assessment of the progress of the CSR policy with regard to the 2025 trajectory will be made on the basis of the following priorities:
    - Diversity, Equality and Inclusion: the trajectory aims for 45% women among key executives in 2025 with a benchmark target of 41% at the end of 2021, and
    - Combating climate change: the trajectory aims for 100% of energy from direct renewable sources by 2030 with a benchmark target of around +8% at the end of 2021 compared to 2020.

ANNE-GABRIELLE HEILBRONNER
Annual variable compensation target for 2021



Long-term variable share-based compensation

Publicis Groupe decided to set up a new share plan each year for management and certain key employees of the Groupe. As a member of the Management Board, Anne-Gabrielle Heilbronner is also eligible for this new plan from 2021. Under this plan, the number of shares likely to be delivered at the end of a three-year vesting period (except in the event of death or disability), *i.e.* in 2024 for the "LTIP 2021 *Directoire*" will depend – for 90% of the shares awarded – on the average financial performance achieved by Publicis Groupe over a three-year period (2021-2023), compared to the financial performance of a peer group consisting of WPP, Omnicom, IPG and Publicis Groupe, and two conditions relating to Corporate Social Responsibility for 10% of the shares granted.

In addition, Anne-Gabrielle Heilbronner is also a beneficiary of the LTIP 2019-2021 *Directoire*, which is currently in its final year of vesting.

In each of these plans, assuming the performance conditions are met, entitlement to receive shares is subject to continued employment until the end of the vesting period.

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*.

It should be noted that, in accordance with the compensation policy applicable at the time of the award of shares under the LTIP 2019-2021, the *prorata temporis* mechanism for this plan only applies to shares awarded more than two years previously.

Benefits in kind

The use of one of the Company cars.

Moreover, Anne-Gabrielle Heilbronner is covered by the job-loss insurance taken out by Publicis Groupe for its corporate officers, as the French unemployment office (Pôle Emploi) does not cover this.

Collective health and welfare insurance plans

Anne-Gabrielle Heilbronner benefits from the coverage applicable to executives of her level under the French system.

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 under the employment contract may not exceed two years of total compensation (fixed and variable compensation paid).

These commitments were authorized by the Supervisory Board on September 12, 2018 and approved by the Combined Ordinary and Extraordinary Shareholders' Meeting of May 29, 2019 in its seventh resolution for commitments formerly subject to the procedures on related-party agreements.

Non-compete agreement

She 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 2020 financial year as well as the items paid or allocated to Anne-Gabrielle Heilbronner for the same financial year were widely approved by the General Shareholders' Meeting of May 27, 2020 (ninth and fourteenth resolutions) pursuant to article L. 225-82-2 II (now article L. 22-10-26 II) of the French Commercial Code (*ex-ante* and *ex-post* votes).

The compensation policy of Anne-Gabrielle Heilbronner for the 2021 financial year will be submitted for approval to the General Shareholders' Meeting of May 26, 2021 in its thirteenth resolution pursuant to II of article L. 22-10-26 of the French Commercial Code.

3.2.1.7 Compensation policy for Steve King, member of the Management Board

The compensation policy for Steve King is based on the same items as those for all corporate officers set out in Section 3.2.1.1 and includes the items applicable to Management Board members presented in Section 3.2.1.4 as well as the specific items presented below.

Annual fixed compensation

Steve King's gross annual compensation from June 1, 2017 is GBP 900,000, *i.e.* euro 1,012,869.

His compensation is determined and paid in pounds sterling. The translation into euros was carried out at the average rate of 1 pound sterling = euro 1.12541 in 2020.

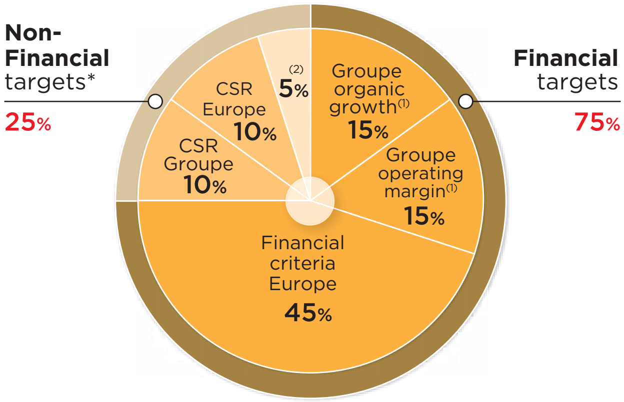
Annual variable compensation

The Supervisory Board, on the recommendation of the Compensation Committee, decided on the criteria for the variable compensation of Steve King for the 2021 financial year.

The variable compensation of Steve King, which, if targets are met, may represent up to 160% of his fixed compensation, without exceeding this percentage, is based on the following for the 2021 financial year:

- two criteria linked to the Groupe's financial performance, each counting equally, for 30% of the variable compensation:
- organic growth based on the Target submitted to the Supervisory Board (10% if the Commitment (annual budget) is achieved) – see Section 3.2.1.4 "Annual variable compensation", and
- operating margin compared to that of a peer group (see Section 3.2.1.4 "Annual variable compensation");
- six individual financial and non-financial criteria related to its role within Europe (of which five stemming from quantitative objectives and one being a precisely-defined qualitative objective) for 60% of the variable portion:
- organic growth based on the Target: 15% (10% if the Commitment (annual budget) is achieved),
- operating margin: 15%,
- overall service cost control: 10%,
- overall quality of services: 5%,
- cash generation: 5%,
- Corporate Social Responsibility (CSR) at European level (10%). The assessment of the progress of the CSR policy with regard to the 2025 trajectory will be made on the basis of the following priorities:
  - Diversity, Equality and Inclusion: the trajectory aims for 45% women among key executives in 2025 with a benchmark target of 41% at the end of 2021, and
  - Combating climate change: the trajectory aims for 100% of energy from direct renewable sources by 2030 with a benchmark target of around +8% at the end of 2021 compared to 2020.
- CSR at global level (10%). The assessment of the progress of the CSR policy with regard to the 2025 trajectory will be made on the basis of the following priorities:
- Diversity, Equality and Inclusion: the trajectory aims for 45% women among key executives in 2025 with a benchmark target of 41% at the end of 2021, and
- Combating climate change: the trajectory aims for 100% of energy from direct renewable sources by 2030 with a benchmark target of around +8% at the end of 2021 compared to 2020.

STEVE KING
Annual variable compensation target for 2021



(1) Groupe financial criteria (2) Quality of Global Services

* Quantifiable targets, with the exception of the target relating to the Quality of Global Services, which remains measurable.

Long-term variable share-based compensation

Publicis Groupe decided to set up a new share plan each year for management and certain key employees of the Groupe. As a member of the Management Board, Steve King is also eligible for this new plan from 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 2024 for the "LTIP 2021 *Directoire*", will depend – for 90% of the shares awarded – on Publicis Groupe's average financial performance over a three-year period (2021-2023) as compared with the financial performance of a peer group comprising WPP, Omnicom, IPG and Publicis Groupe, plus two conditions relating to Corporate Social Responsibility for 10% of the shares awarded.

In addition, Steve King is also a beneficiary of the LTIP 2019-2021 *Directoire*, which is currently in its final year of vesting.

In each of these plans, assuming the performance conditions are met, entitlement to receive shares is subject to continued employment until the end of the vesting period.

In the event of forced departure or a departure due to a change in control or strategy and except in the event of serious or gross misconduct, shares awarded may be retained *prorata temporis*, subject to performance conditions.

In the event of retirement, he may, at the end of the vesting period and upon approval by the Supervisory Board, in accordance with the compensation policy approved by shareholders and applicable at that time, receive the shares granted to him *prorata temporis*.

It should be noted that, in accordance with the compensation policy applicable at the time of the award of shares under the LTIP 2019-2021, the *prorata temporis* mechanism for this plan only applies to shares awarded more than two years previously.

Benefits in kind

Steve King benefits from the reimbursement of expenses related to his vehicle.

Collective welfare, healthcare and pension plan schemes

Steve King benefits from the pension plan, and from the medical costs and welfare cover applicable to executives of his level in the United Kingdom.

Employment contract

Steve King benefits from an employment contract with one of the Groupe's United Kingdom subsidiaries.

Severance payment

Steve King benefits from a severance payment and the terms of the non-compete agreement as they appear in his employment contract with one of the Groupe's subsidiaries in the United Kingdom. No other compensation will be due.

In the event of a forced departure due to a change in control or strategy and other than in the case of serious or gross misconduct, Steve King would be entitled to this single severance payment.

Provided that Steve King does not continue to be employed by Publicis Groupe, the amount of the severance would be equal to one year's total gross compensation (fixed and variable compensation paid), calculated using the average of the last 24 months of compensation.

He would also have the right to exercise the options to subscribe to and/or to purchase the shares that have been awarded to him, and to retain *prorata temporis* the right to performance shares already granted to him, subject to the performance conditions set out in the regulations for the plan in question being satisfied (in accordance with the Supervisory Board decision of November 25, 2020).

In addition, this severance payment would be subject to a performance condition: the severance amount would only be due in its full amount if the average annual amount of the variable compensation acquired by Steve King for the three years prior to the termination of his duties is equal to at least 75% of his "target variable compensation". If the average annual amount is less than 25% of the "target variable compensation", no sum or benefits will be due. If the average annual amount is between 25% and 75% of the "target variable compensation", payments and benefits will be calculated on a proportional basis between 0% and 100% using the rule of three.

The severance payment may only be paid after the determination by the Supervisory Board that the performance conditions had been achieved at the date on which his term as a member of the Management Board ended.

The Supervisory Board reaffirmed that this severance payment and any compensation for a non-compete obligation (see below) may not exceed 12 months of total compensation (fixed and variable compensation paid).

These commitments were authorized by the Supervisory Board on September 12, 2018 and approved by the Combined Ordinary and Extraordinary Shareholders' Meeting of May 29, 2019 in its eighth resolution for commitments formerly subject to the procedures on related-party agreements.

Non-compete agreement

Steve King is subject to a non-compete obligation in his employment contract with a British subsidiary of the Groupe. This obligation does not give rise to financial consideration as permitted by applicable local regulations.

The Supervisory Board reaffirmed that any severance payment and any compensation for a non-compete obligation may not exceed 12 months of total compensation (fixed and variable compensation paid).

The non-compete agreement was specifically approved by the General Shareholders' Meeting of May 31, 2017. This agreement remains in force until a decision to the contrary by the Supervisory Board.

It is recalled that the compensation policy for members of the Management Board for the 2020 financial year as well as the items paid or allocated to Steve King for the same financial year were widely approved by the General Shareholders' Meeting of May 27, 2020 (ninth and fifteenth resolutions) pursuant to article L. 225-82-2 II (now article L. 22-10-26 II) of the French Commercial Code (*ex-ante* and *ex-post* votes).

The compensation policy for Steve King for the 2021 financial year will be submitted for approval to the General Shareholders' Meeting of May 26, 2021 in its thirteenth resolution pursuant to II of article L. 22-10-26 of the French Commercial Code.

3.2.1.8 Compensation policy for Michel-Alain Proch, member of the Management Board from January 15, 2021

The compensation policy for Michel-Alain Proch is based on the same items as those for all corporate officers set out in Section 3.2.1.1 and includes the items applicable to Management Board members presented in Section 3.2.1.4 as well as the specific items presented below.

Annual fixed compensation

The gross annual fixed compensation of Michel-Alain Proch is euro 600,000.

The Supervisory Board approved this compensation in line with:

- his profile, experience and skills; and
- the market practices in compensation observed for this level of responsibility in France and for this level of international responsibility in Publicis Groupe's business sector.

Annual variable compensation

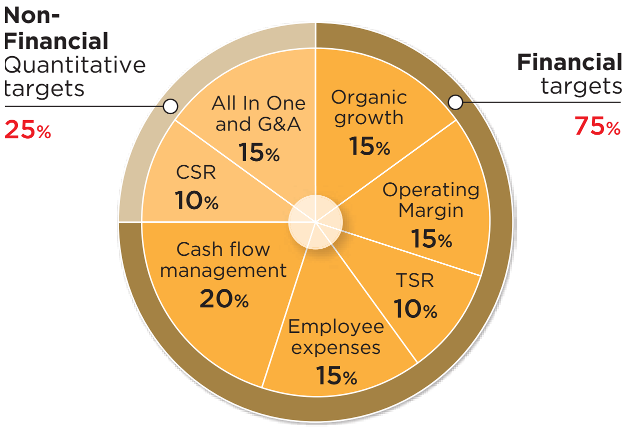
The Supervisory Board, on the recommendation of the Compensation Committee, decided on the criteria for the variable compensation of Michel-Alain Proch for the 2021 financial year.

The variable compensation of Michel-Alain Proch, which, if targets are met, may represent up to 100% of his fixed compensation, without exceeding this percentage, is based on the following for the 2021 financial year:

- three financial and Stock Exchange related criteria for 40% of the variable part:
- organic growth based on the Target submitted to the Supervisory Board (see Section 3.2.1.4 "Annual variable compensation") for 15% (10% if the Commitment (annual budget) is achieved),
- operating margin compared to that of the peer group (see Section 3.2.1.4 "Annual variable compensation") for 15%, and
- TSR (Total Shareholder Return) for 10%;
- four quantifiable individual financial and non-financial criteria, for 60% of the variable part:
- employee expenses (15%),
- cash and debt management (20%),
- the achievement of All in One and G&A targets (15%), and
- Corporate Social Responsibility (CSR) for 10%. The assessment of the progress of the CSR policy with regard to the 2025 trajectory will be made on the following priorities:
  - Diversity, Equality and Inclusion: the trajectory aims for 45% women among key executives in 2025 with a benchmark target of 41% at the end of 2021, and
  - Combating climate change: the trajectory aims for 100% of energy from direct renewable sources by 2030 with a benchmark target of around +8% at the end of 2021 compared to 2020.

MICHEL-ALAIN PROCH

Annual variable compensation target for 2021



Long-term variable share-based compensation

Publicis Groupe decided to set up a new 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 new plan from 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 2024 for the "LTIP 2021 *Directoire*", will depend – for 90% of the shares awarded – on Publicis Groupe's average financial performance over a three-year period (2021-2023) as compared with the financial performance of a peer group comprising WPP, Omnicom, IPG and Publicis Groupe, plus two conditions relating to Corporate Social Responsibility for 10% of the shares awarded.

Assuming the performance conditions are met, entitlement to receive shares is subject to continued employment until the end of the vesting period.

In the event of forced departure or a departure due to a change in control or strategy and except in the event of serious or gross misconduct, shares awarded may be retained *prorata temporis*, subject to performance conditions.

In the event of retirement, he may, at the end of the vesting period and upon approval by the Supervisory Board, in accordance with the compensation policy approved by shareholders and applicable at that time, receive the shares granted to him *prorata temporis*.

Benefits in kind

The use of one of the Company cars.

Moreover, Michel-Alain Proch will be covered by the job-loss insurance taken out by Publicis Groupe for its corporate officers, as the French unemployment office (Pôle Emploi) does not cover this.

Collective health and welfare insurance plans

Michel-Alain Proch benefits from cover applicable to executives at his level under the French regime.

Employment contract

Michel-Alain Proch has an employment contract with one of the Groupe's subsidiaries.

Severance payment

The current commitments to Michel-Alain Proch provide that in the event of a forced departure due to a change in control or strategy and other than in the case of serious or gross misconduct, Michel-Alain Proch would be entitled to a severance payment.

Provided that Michel-Alain Proch does not continue to be employed by Publicis Groupe, the amount of the severance would be equal to one year's total gross compensation (fixed and variable compensation paid), calculated using the average of the last 24 months of compensation.

He would also have the right to exercise the options to subscribe to and/or to purchase the shares that have been awarded to him, and to retain the performance shares already granted to him *prorata temporis*, subject to the performance conditions set out in the regulations for the plan in question.

In addition, the payment of the severance amount would be subject to a performance condition: the severance amount would only be due in its full amount if the average annual amount of the variable compensation acquired by Michel-Alain Proch for the three years prior to the termination of his duties is equal to at least 75% of his "target variable compensation". If the average annual amount is less than 25% of the "target variable compensation", no sum or benefits will be due. If the average annual amount is between 25% and 75% of the "target variable compensation", payments and benefits will be calculated on a proportional basis between 0% and 100% using the rule of three.

The severance payment may only be paid after the determination by the Supervisory Board that the performance conditions had been achieved at the date on which his term as a member of the Management Board ended.

The severance payment and any compensation under the employment contract may not exceed two years of total compensation (fixed and variable compensation paid).

In addition, in the event of a forced departure other than following a change of control or a change in strategy and occurring no later than two years following his appointment as a member of the Management Board and except in the event of serious or gross misconduct, Michel-Alain Proch will be entitled to a specific and exceptional termination indemnity:

- in the event of departure during the first year, the amount of compensation will be calculated *prorata temporis*, on the basis of six months of total gross compensation (fixed portion and target variable portion), subject to prior recognition by the Supervisory Board of the achievement of the aforementioned performance conditions, assessed on the date of termination of the term of office as a member of the Management Board;
- in the event of departure during the second year, the amount of compensation will be calculated *prorata temporis*, on the basis of twelve months of total gross compensation (fixed portion and variable portion paid), subject to prior recognition by the Supervisory Board of the achievement of the aforementioned performance conditions, assessed on the date of termination of the term of office as a member of the Management Board.

On April 6, 2021, Michel-Alain Proch announced his decision to waive his specific and exceptional termination benefit as detailed above. This waiver was noted by the Supervisory Board on April 8, 2021. As a result, the terms of termination benefits for Michel-Alain Proch are aligned with those of the other members of the Management Board.

Non-compete agreement

A non-compete clause was entered into with Michel-Alain Proch when he joined Publicis Groupe, as part of his employment contract. This non-compete clause, for a maximum period of two years, provides for a maximum financial compensation equal to 30% of the last gross monthly salary, excluding variable elements, received by Michel-Alain Proch prior to his departure from the Groupe, calculated on the basis the average of the last twelve months preceding his departure. Publicis Groupe may waive this clause.

The compensation policy for Michel-Alain Proch as a member of the Management Board for the 2021 financial year will be submitted for approval to the General Shareholders' Meeting of May 26, 2021 in its twelfth resolution pursuant to II of article L. 22-10-26 of the French Commercial Code.

3.2.2 Compensation of corporate officers for the 2020 financial year

In accordance with Article L. 22-10-34, I of the French Commercial Code, the General Shareholders' Meeting deliberates on the disclosures mentioned in article L. 22-10-9 of the French Commercial Code. The General Shareholders' Meeting of May 26, 2021 will thus be asked to vote on these disclosures in a resolution referenced below.

Should the General Shareholders' Meeting of May 26, 2021 not approve said resolution, the Supervisory Board will be required to submit a revised compensation policy, taking into account the shareholders' vote, for approval at the next General Shareholders' Meeting.

The approval of the disclosures mentioned in article L. 22-10-9 (I) of the French Commercial Code on the compensation of corporate officers in respect of the 2020 financial year is subject to the approval of the General Shareholders' Meeting of May 26, 2021 in its fourteenth 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, 2020 to each member of the Supervisory Board, both by the Company and by the companies controlled by the Company as defined by article L. 233-16 of the French Commercial Code, is indicated hereafter.

The compensation of Supervisory Board members breaks down into the fixed compensation of Supervisory Board members in respect of their office (formerly attendance fees), with the exception of the compensation paid to the Chairman (see Section 3.2.2.2), and the exception of the salaries paid by a Groupe subsidiary to Pierre Pénicaud and Patricia Velay-Borrini in respect of their salaried positions in 2020 (see table 3). If applicable, the amount of fixed and variable compensation included in the total compensation is indicated. Total compensation is expressed in euros. The amounts indicated are gross amounts before deductions of taxes or social charges.

The items of compensation paid or awarded in respect of the 2019 financial year were approved by the previous General Shareholders' Meeting in its tenth resolution. It is specified that the compensation of Supervisory Board members paid or awarded in respect of the 2020 financial year complies with the compensation policy set out in Section 3.2.2.1 of the Publicis Groupe SA 2019 Universal Registration Document as widely approved by the General Shareholders' Meeting of May 27, 2020 in its seventh resolution pursuant to article L. 22-10-26 of the French Commercial Code. Supervisory Board members received euro 5,000 for each Supervisory Board meeting and for each Committee meeting they attended.

At their request, Patricia Velay-Borrini and Pierre Pénicaud receive an amount of euro 2,500 for each meeting of the Supervisory Board and each Committee in which they participate and the Company has decided to allocate an equivalent amount to charitable work.

3.2.2.2 Compensation paid or allocated to Maurice Lévy, Chairman of the Supervisory Board

In accordance with article L. 22-10-34 (II) of the French Commercial Code, the General Shareholders' Meeting must vote on the fixed, variable and extraordinary items of total compensation and benefits of any kind paid during the past financial year or awarded for that financial year to the Chairman of the Supervisory Board.

The General Shareholders' Meeting of May 26, 2021 will thus be asked to vote on the items of compensation paid or awarded in respect of the 2020 financial year to Maurice Lévy, Chairman of the Supervisory Board, as set out below, being noted that Maurice Lévy only receives a fixed compensation as Chairman of the Supervisory Board. These elements comply with the compensation policy for the Chairman of the Supervisory Board for the 2020 financial year presented in Section 3.2.1.3 of the Publicis Groupe SA 2019 Universal Registration Document as approved by the General Shareholders' Meeting of May 27, 2020 in its sixth resolution.

The items of compensation of the Chairman of the Supervisory Board were thus approved by the previous General Shareholders' Meeting; the items of compensation paid as from June 1, 2019 to the Chairman of the Board reflect his decision to waive a third of his prior compensation while taking into account the vote of the Meeting. Furthermore, in the exceptional environment of the Covid-19 pandemic, Maurice Lévy informed the Company of his decision to reduce his annual compensation by 30%.

It should be noted that the 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) 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 26, 2021 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 2020 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 2019-2020)	Amounts awarded in respect of the past financial year or accounting valuation (period 2020-2021)	Amounts to be paid for the period 2020-2021	Presentation
Fixed compensation	1,900,000	1,900,000	1,330,000	The amount paid for 2020 corresponds to the total payment of the fixed compensation of Maurice Lévy awarded for the period from May 2019 to May 2020. The amount awarded for 2020 corresponds to the sum initially awarded by Publicis Groupe, which does not take into account the decision by Maurice Lévy to reduce his compensation by 30%, as described in Section 3.2.1.3 of the 2019 Universal Registration Document. This reduction will appear when compensation is paid for the period from May 2020 to May 2021, which will then amount to euro 1,330,000. 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.

Items of compensation subject to approval	Amounts paid in respect of the past financial year (period 2019-2020)	Amounts awarded in respect of the past financial year or accounting valuation (period 2020-2021)	Amounts to be paid for the period 2020-2021	Presentation
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	95,000	95,000	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 2021 for the year 2020: common performance assessment applicable to members of the Management Board

The compensation policy adopted for 2020 provided that the assessment of the performance of members of the Management Board for 2020, and without modifying the overall variable portion as a percentage of the fixed amount, would take into account their ability to manage the crisis by **1.** ensuring the health and safety of Groupe employees, **2.** maintain smooth operations, **3.** protecting revenue and the client portfolios, **4.** rigorously managing costs and **5.** taking appropriate measures for the strict management of resources and protection of Groupe assets.

In accordance with this compensation policy, the Supervisory Board, after consulting the Compensation Committee, decided to take into account, in its assessment of the performance of all members of the Management Board, including its Chairman, the way in which the Covid-19 crisis was managed for the following fundamental aspects:

1. Ensure the health and safety of the Groupe's employees:

- since the beginning of the crisis, the priority has been the health of employees. Instructions from governments and the WHO were followed in each country where the Groupe operates. A crisis task force was set up at Groupe level, with special units in the various countries. Travel was immediately restricted, and then prohibited. Information was distributed and safety rules and health measures were put in place. Faced with the magnitude of the crisis and in order to comply with lockdown decisions by the public authorities, the Groupe made arrangements for employees to switch to remote working. All measures were introduced in record time to provide employees with the technical resources to work from home. Social protection and medical support mechanisms were called to action. The Groupe made sure that every employee had appropriate health cover for the circumstances and that any expat could return home if they wanted to. Support measures were swiftly put in place: dedicated email address, Q&As, sharing of tips, yoga classes, psychological support, etc.;

- these mechanisms remained in place throughout the whole year and were also backed up by unprecedented communication efforts to keep the teams engaged. Every Sunday, a video message was sent from the CEO to all Groupe employees. Q&A sessions were regularly organized with the Groupe's key managers; several thousand employees took part in these;
- implementation of new tools by the Groupe (HRIS) was sped up and adapted to support the accelerated rollout of Marcel and the platforms for the redeployment of our internal resources;
- in the spring, events in the United States led to an increase in the focus on talent from "diverse" groups and the launch of an unprecedented effort in the area of diversity and inclusion. All top management were involved in a "Pause for Action" day, which resulted in an action plan being announced;
- in the second half of the year, attention was also devoted to the lessons to be drawn from this crisis: The "Future of Work" survey was launched, as well as a seminar on Marcel, before Christmas, which brought the Groupe's 80,000 employees together virtually. The return to the office, where possible, was managed very cautiously, with the management team's top priority being the health of employees.

2. Maintain smooth operations:

- priority was given to teleworking;
- thanks in particular to the HRIS, internal resource management tools were rolled out, making it possible to assign the Groupe's employees to the areas where the work was most intense and thus limit the impact of the crisis on employment;
- a new budget was drawn up immediately and approved by the Board in May 2020, following close consultation with each country. Strict budget monitoring was set up throughout the year;
- cumbersome processes (accounts closing, payroll) were managed remotely without mishap.

3. Protect revenue and the client portfolios:

- teams were mobilized for talent as a priority, then for the Groupe's clients;
- discussions were held with each client affected by the crisis;
- specific products were developed to meet the needs of clients;
- a Chief Marketing Officer was appointed, together with a supporting team;
- In the end, revenue with the Groupe's top 200 clients grew by 1.8%.

4. Rigorous cost management:

- several hundred contracts with strategic suppliers and lessors were renegotiated and payment terms were adjusted wherever possible;
- internal resources were used and external recruitment was frozen;
- restructuring was carried out where necessary;
- some 6,000 employees voluntarily agreed to a reduction of their wages, and reductions in working hours were added according to local situations;
- in the end, Publicis delivered the best operating margin in the sector.

5. Take appropriate measures for the strict management of resources and protection of the Groupe's assets:

- the investment effort was maintained where it was vital for the Groupe (Marcel, cybersecurity);
- the real estate sites have been redeployed: the premises streamlining program has been intensified;
- the use of state aid in France was refused in order to maintain our independence;
- the share price held up well.

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

In accordance with article L. 22-22-34 (II) of the French Commercial Code, the General Shareholders' Meeting must vote on the variable and extraordinary items of total compensation and benefits of any kind paid during the past financial year or awarded for that financial year to the Chairman of the Management Board.

The General Shareholders' Meeting of May 26, 2021 will be asked to vote on the items of compensation paid or awarded in respect of the 2020 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 2020 financial year presented in Section 3.2.1.5 of the Publicis Groupe SA 2019 Universal Registration Document, as approved by the General Shareholders' Meeting of May 27, 2020 in its eighth 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 2020 financial year are in line with those paid or awarded in respect of the 2019 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 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 26, 2021 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 2020 to Arthur Sadoun, Chairman of the Management Board, subject to shareholder approval

Items of compensation subject to approval	Amounts paid in respect of the past financial year	Amounts awarded in respect of the past financial year or accounting valuation	Presentation
Fixed compensation	850,000	1,000,000	Proportion of fixed compensation: 37.78% The previous Shareholders' Meeting approved the compensation of Arthur Sadoun, set at euro 1,000,000, while being informed of Arthur Sadoun's decision to waive 30% of his fixed compensation for a period of six months from April 2020, which resulted in the payment of annual compensation of euro 850,000 for the 2020 financial year. 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	1,400,000	2,000,000	Proportion of variable compensation: 62.22% Variable compensation to be paid in 2021 for financial year 2020: 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 2020 financial year, the Supervisory Board set the variable part of Arthur Sadoun's compensation at euro 2,000,000 gross, the payment of which will be subject to the approval of the Annual General Shareholders' Meeting of May 26, 2021 in its sixteenth resolution in accordance with article L. 22-10-34, II of the French Commercial Code. This amount results from the following facts and assessments shown below and in the table below.
Multi-year variable compensation	-	-	N/A
Exceptional compensation	-	-	N/A
Stock options, performance shares or any other long-term benefit (warrants, etc.)	N/A	865,800	This amount is the maximum annual valuation in the consolidated financial statements of performance shares awarded to Arthur Sadoun in 2019 under the LTIP 2019-2021 Directoire performance share plan as described in Section 3.2.1.4. In 2019, it was decided to grant him 60,000 shares subject to continued presence and performance conditions covering the period 2019-2021 (i.e. 20,000 shares subject to continued presence and performance conditions per year)[1].
Other benefits	-	-	N/A
Indemnities when taking or leaving a function	-	-	No sum was awarded with respect to the past financial year. The severance payment described in Section 3.2.1.5 of this document that may be paid to Arthur Sadoun equates to one year's total gross compensation (fixed part and variable part paid) calculated on the average of the last 24 months of compensation, subject to performance conditions, i.e. an estimated amount of euro 2,325,000.
Non-compete agreement	-	-	No sum was awarded with respect to the past financial year. The non-compete payment described in Section 3.2.1.5 that may be paid to Arthur Sadoun is equivalent to two years of total gross compensation (fixed part and target variable part) calculated on the average of the last 24 months of compensation, i.e. an estimated amount of euro 6,000,000 (non-cumulative with a severance payment).
Supplementary pension plan	-	-	N/A

Items of compensation subject to approval	Amounts paid in respect of the past financial year	Amounts awarded in respect of the past financial year or accounting valuation	Presentation
Collective health and welfare insurance plans	4,653	4,653	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) In accordance with the Company's usual practice, performance share plans that are awarded every three years are broken down in thirds over the three years in which the performance is assessed.

Annual variable compensation to be paid in 2021 for financial year 2020

The variable part of Arthur Sadoun's compensation, which, if targets are met, may represent up to 200% of his fixed compensation, without exceeding this percentage, for financial year 2020, is based on financial and Stock Exchange performance criteria, essentially based, on the one hand, a comparison with the performance of the main competitors of Publicis Groupe (Omnicom, WPP and IPG) and, on the other hand, individual quantifiable non-financial performance criteria, considered as major for the development of the Groupe. The compensation of the Chairman of the Management Board for 2020 is thus based on two types of criteria:

- three financial performance and Stock Exchange criteria, accounting for 75% of the overall weight of the criteria, taking into consideration trends in Publicis Groupe growth and profitability:
  - the Groupe's organic revenue growth based on the Commitment submitted to the Supervisory Board for 25%,
  - the operating margin (the highest in the market compared to that of a peer group composed of the other three main global communications groups, namely Omnicom, WPP and IPG) for 25%, and
  - for 25%, the rate of change of the Groupe's headline diluted earnings per share (headline diluted EPS), comparing the headline diluted earnings per share of the financial year and the average headline diluted earnings per share of the two previous financial years and the TSR (Total Shareholder Return) which reflects the difference between the share price of Publicis Groupe SA at the end of the financial year under review and the share price at the start of that same year (on the basis of the average of the opening listed share prices recorded in the last 20 trading sessions in the year, compared to the average of the opening listed share prices in the first 20 trading sessions of the year), increased by the amount of the dividends paid during the financial year. This criterion is directly linked to the interests of shareholders.

These financial and Stock Exchange performance criteria were chosen by the Supervisory Board, following the proposal of the Compensation Committee, because they best express the quality of the Company's performance. Two of them are measured in comparison with the main competitors of Publicis Groupe, thus encouraging overperformance:

- individual non-financial criteria corresponding to 25% of the overall weight of the criteria in order to value the implementation of key strategic actions which will yield long-term effects on the Groupe's development:
  - development of "data and Epsilon Cloud" accounting for 8%,
  - execution of the Digital Business Transformation development plan (Publicis Sapient) accounting for 8%, and
  - two CSR criteria accounting for 9%:
    - 40% women on the Groupe's key Executive Committees, and
    - 6% increase in the Groupe's consumption of renewable energy to the detriment of fossil fuels (compared with 2019 – 31.3%).

In addition, as indicated in the compensation policy for the 2020 financial year, in the 2019 Universal Registration Document (see Section 3.2.1.1 "Exceptional items related to the Covid-19 pandemic"), the valuation of the performance of Arthur Sadoun takes into account, for the year 2020, without modifying his overall variable portion as a percentage of the fixed amount, his ability to manage the crisis by ensuring the health and safety of employees, maintaining smooth operations, protecting revenue and the client portfolios, rigorously managing costs, taking appropriate measures for the strict management of resources and the protection of the Groupe's assets.

In accordance with the compensation policy adopted for the 2020 financial year, the Supervisory Board, after consulting the Compensation Committee, decided to take into account, in its assessment of the performance of Arthur Sadoun, the fundamental way in which the Covid-19 crisis was managed as described in Section 3.2.2.3 of this document.

/ Criteria linked to the financial performance of Publicis Groupe

Objectives	Results	Objective achievement level	Amount of target variable compensation	Amount of variable compensation to be paid
Organic growth	Growth of -6.3% > Commitment adopted in May 2020	Achieved	€500,000	€500,000
Operating margin	With an operating margin of 16%, Publicis Groupe is number one in its peer group.	Achieved	€500,000	€500,000
Rate of change in diluted headline earnings per share for the Groupe and Total Shareholder Return (TSR)	Diluted headline EPS (2020 growth vs. 2019-2018 average) of Publicis Groupe > average of the peer group	Achieved	€400,000	€400,000
	TSR: -0.01	Achieved	€100,000	€100,000

/ Individual non-financial criteria

Objectives & Results	Objective achievement level	Amount of target variable compensation	Amount of variable compensation to be paid
Development of “data and Epsilon Cloud” Strong contribution to revenue growth with the top 200 clients (+1.8%)	Achieved	€160,000	€160,000
Execution of the Digital Business Transformation development plan (Publicis Sapient) Success of the Sapient plan showing a return to growth in the United States. Activity also strengthened in Asia	Achieved	€160,000	€160,000
CSR criteria Rate of 40.4% on the most significant Executive Committees	Achieved	€180,000	€180,000
Percentage of renewable energies in the energy mix increased by 6.9%			
Total (financial and non-financial criteria)			**€2,000,000**
Total awarded			**€2,000,000**

On the proposal of the Compensation Committee, the Supervisory Board approved the payment of the full amount of the variable compensation of Arthur Sadoun, in light of the achievement of the objectives detailed above, and which is amply justified in view of the effort to reduce his salary for the Groupe's benefit, combined with the attainment of the objectives assigned and achieved on account of the Covid-19 crisis, in accordance with Section 3.2.2.3 of this document (i.e. his ability to manage the crisis by 1. taking care of the health and safety of the Groupe's employees, 2. maintaining smooth operations, 3. protecting revenue and the client portfolios, 4. rigorously managing costs, and 5. taking appropriate measures for the strict management of resources and the protection of the Groupe's assets).

The full achievement of the additional crisis management objectives enabled the Groupe to perform well above the industry average, which allowed it to both reimburse employees for salary reductions and increase the variable compensation package of employees (or teams) in order to fairly reward team performance.

3.2.2.5 Compensation paid or allocated to Jean-Michel Etienne, member of the Management Board until December 31, 2020

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 26, 2021 will be asked to vote on the items of compensation paid or awarded in respect of the 2020 financial year to Jean-Michel Etienne, member of the Management Board, as set out below. These items comply with the principles and criteria of compensation of Management Board members with respect to the 2020 financial year presented in Section 3.1.2.4 of the 2019 Universal Registration Document as approved by the General Shareholders' Meeting of May 27, 2020 in its ninth 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 2020 financial year are in line with those paid or awarded in respect of the 2019 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 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 Jean-Michel Etienne, member of the Management Board, are subject to the approval of the General Shareholders' Meeting of May 26, 2021 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 2020 to Jean-Michel Etienne, member of the Management Board, subject to shareholder approval

Items of compensation subject to approval	Amounts paid in respect of the past financial year	Amounts awarded in respect of the past financial year or accounting valuation	Presentation
Fixed compensation	840,000	840,000	Proportion of fixed compensation: 55.56% The rules for determining the fixed compensation can be found in Section 3.2.1.4 of this document and Section 3.1.2.4 of the 2019 Universal Registration Document.
Annual variable compensation	672,000	777,000	Proportion of variable compensation: 44.44% Variable compensation to be paid in 2021 for financial year 2020: After assessing 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 2020 financial year, the Supervisory Board set the variable part of Jean-Michel Etienne's compensation at euro 777,000 gross, the payment of which will be subject to the approval of the General Shareholders' Meeting of May 26, 2021 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	1,000	1,000	Loyalty bonus paid on the 20th anniversary in the Groupe
Stock options, performance shares or any other long-term benefit (warrants, etc.)	N/A	577,200	This amount represents the maximum annual valuation in the consolidated financial statements of the performance shares awarded in 2019 to Jean-Michel Etienne under the LTIP 2019-2021 Directoire performance share plan described in Section 3.2.1.4. In 2019, it was decided to award him 40,000 shares subject to continued presence and performance conditions covering the period 2019-2021 (i.e. 13,333 shares subject to continued presence and performance conditions per year)(1).
Other benefits	-	-	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 3.2.1.4 of this document and Section 3.2.1.4 of the 2019 Universal Registration Document that may be paid to Jean-Michel Etienne equates to one and a half years of total gross compensation (fixed and variable compensation paid), subject to performance conditions, i.e. an estimated amount of euro 2,269,500.
Non-compete agreement	-	-	N/A

Items of compensation subject to approval	Amounts paid in respect of the past financial year	Amounts awarded in respect of the past financial year or accounting valuation	Presentation
Supplementary pension plan	-	-	N/A
Collective health and welfare insurance plans	4,653	4,653	This is the employer's contribution to the collective health and welfare insurance plans.
Compensation by the company(ies) within the scope of consolidation within the meaning of article L. 233-16 of the French Commercial Code	-	-	Jean-Michel Etienne benefited from an employment contract with one of the Groupe's subsidiaries. Jean-Michel Etienne held other positions in Groupe subsidiaries. Compensation from positions in Groupe companies is excluded by Janus, the code of conduct of Publicis Groupe. Jean-Michel Etienne does not receive any compensation other than that detailed in this document.

(1) In accordance with the Company's usual practice, performance share plans that are awarded every three years are broken down in thirds over the three years in which the performance is assessed.
(2) Benefits in kind relating to the use of a company-provided vehicle are not mentioned if they are for an immaterial amount.

Annual variable compensation to be paid in 2021 for financial year 2020

The variable compensation of Jean-Michel Etienne, which, if targets are met, may represent up to 100% of his fixed compensation without exceeding this percentage, would be based on:

- two criteria linked to the Groupe's financial performance, each counting equally, for 30% of the variable compensation:
  - organic growth based on the Commitment submitted to the Supervisory Board, and
  - operating margin compared to a peer group;
- four individual financial and non-financial criteria (governed by precise quantitative objectives), for 60% of the variable part, each one being taken into account on an equal basis:
  - management and execution of the savings plan in accordance with the initial Sprint to the Future program, only applied to 2020,
  - cash flow management,
  - employee expenses, and
  - achievement of the objectives of the "All In One" real estate program;
- two CSR criteria, accounting for 10% of variable compensation:
  - 40% women on Executive Committees, and
  - 6% increase in the Groupe's consumption of renewable energy to the detriment of fossil fuels (compared with 2019 – 31.3%).

In addition, as indicated in the compensation policy for the 2020 financial year, in the 2019 Universal Registration Document (see Section 3.2.1.1 "Exceptional items related to the Covid-19 pandemic"), the valuation of the performance of Jean-Michel Etienne takes into account, for the year 2020, without modifying his overall variable portion as a percentage of the fixed amount, his ability to manage the crisis by ensuring the health and safety of employees, maintaining smooth operations, protecting revenue and the client portfolios, rigorously managing costs, taking appropriate measures for the strict management of resources and the protection of the Groupe's assets.

In accordance with the compensation policy adopted for the 2020 financial year, the Supervisory Board, after consulting the Compensation Committee, decided to take into account, in its assessment of the performance of Jean-Michel Etienne, the way in which the Covid-19 crisis was managed for the fundamental aspects set out in Section 3.2.2.3 of this document.

/ Criteria linked to the financial performance of Publicis Groupe

Objectives	Results	Objective achievement level	Amount of target variable compensation	Amount of variable compensation to be paid
Organic growth	Growth of -6.3% > Commitment adopted in May 2020	Achieved	€126,000	€126,000
Operating margin	With an operating margin of 16%, Publicis Groupe is number one in its peer group.	Achieved	€126,000	€126,000

/ Individual financial and non-financial criteria

Objectives	Results	Objective achievement level	Amount of target variable compensation	Amount of variable compensation to be paid
Management and execution of the savings plan	More aggressive savings plan decided after the start of the Covid-19 crisis than planned in the initial Commitments. The target was exceeded.	Achieved	€126,000	€126,000
Cash flow management	The targets were exceeded.	Achieved	€126,000	€126,000
Employee expenses	-0.9% compared to the Commitment (annual budget).	Partially achieved	€126,000	€63,000
"All in One" real estate program	The targets were exceeded.	Achieved	€126,000	€126,000
CSR criteria	Rate of 40.4% in the most significant Executive Committees. Percentage of renewable energy in the energy mix grew by 6.9%.	Achieved	€84,000	€84,000
Total (financial and non-financial criteria)				**€777,000**
Total awarded				**€777,000**

On the proposal of the Compensation Committee, the Supervisory Board approved the partial payment of 92.5% of the target variable compensation of Jean-Michel Etienne, in light of the almost complete achievement of the objectives detailed above, and which is amply justified in view of the attainment of the objectives assigned and achieved on account of the Covid-19 crisis, in accordance with Section 3.2.2.3 of this document (i.e. his ability to manage the crisis by 1. taking care of the health and safety of the Groupe's employees, 2. maintaining smooth operations, 3. protecting revenue and the client portfolios, 4. rigorously managing costs, and 5. taking appropriate measures for the strict management of resources and the protection of the Groupe's assets).

The full achievement of the additional crisis management objectives enabled the Groupe to perform well above the industry average, which allowed it to both reimburse employees for salary reductions and increase the variable compensation package of employees (or teams) in order to fairly reward team performance.

3.2.2.6 Compensation paid or allocated to Anne-Gabrielle Heilbronner, member of the Management Board

In accordance with article L. 22-10-34, II of the French Commercial Code, the General Shareholders' Meeting must vote on the variable and extraordinary items of total compensation and benefits of any kind paid during the past financial year or awarded for that financial year by means of a separate resolution for each member of the Management Board.

The General Shareholders' Meeting of May 26, 2021 will thus be asked to vote on the items of compensation paid or awarded in respect of the 2020 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 2020 presented in Section 3.2.1.4 of the Publicis Groupe SA 2019 Universal Registration Document, as approved by the General Shareholders' Meeting of May 27, 2020 in its ninth 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 2020 financial year are in line with those paid or awarded in respect of the 2019 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 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 26, 2021 in its eighteenth resolution pursuant to article L. 22-10-34 (II) of the French Commercial Code.

/ Table – Items of compensation paid or awarded in 2020 to Anne-Gabrielle Heilbronner, member of the Management Board, subject to shareholder approval

Items of compensation subject to approval	Amounts paid in respect of the past financial year	Amounts awarded in respect of the past financial year or accounting valuation	Presentation
Fixed compensation	540,000	600,000	Proportion of fixed compensation: 52.94% The previous Shareholders' Meeting approved the compensation of Anne-Gabrielle Heilbronner, set at euro 600,000, while being informed of Anne-Gabrielle Heilbronner's decision to waive 20% of her fixed compensation for a period of six months from April 2020, which resulted in the payment of annual compensation of euro 540,000 for the 2020 financial year. The rules for determining the fixed compensation can be found in Section 3.2.1.6 of this document.
Annual variable compensation	480,000	600,000	Proportion of variable compensation: 47.06% Variable compensation to be paid in 2021 for financial year 2020: 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 2020 financial year, the Supervisory Board set the variable compensation of Anne-Gabrielle Heilbronner at euro 600,000 gross, the payment of which will be subject to the approval of the General Shareholders' Meeting of May 26, 2021 in its eighteenth resolution pursuant to article L. 22-10-34, II of the French Commercial Code. This amount results from the following facts and assessments shown below and in the table below.
Multi-year variable compensation	-	-	N/A
Exceptional compensation	-	-	N/A
Stock options, performance shares or any other long-term benefit (warrants, etc.)	N/A	288,600	This amount represents the maximum annual valuation in the consolidated financial statements of the performance shares awarded in 2019 to Anne-Gabrielle Heilbronner under the LTIP 2019-2021 Directoire performance share plan described in Section 3.2.1.4. In 2019, it was decided to award her 20,000 shares subject to continued presence and performance conditions covering the period 2019-2021 (i.e. 6,667 shares subject to continued presence and performance conditions per year)(1).
Other benefits	12,357	12,357	This amount corresponds to the cost to the Publicis Groupe of job-loss insurance. The use of one of the Company cars(2).
Indemnities when taking or leaving a function	-	-	No sum was awarded with respect to the past financial year. The severance payment described in Section 3.2.1.6 that may be paid to Anne-Gabrielle Heilbronner equates to one year of total gross compensation (fixed and variable compensation paid), subject to performance conditions, i.e. an estimated amount of euro 1,032,356.

Items of compensation subject to approval	Amounts paid in respect of the past financial year	Amounts awarded in respect of the past financial year or accounting valuation	Presentation
Non-compete agreement	-	-	No sum was awarded with respect to the past financial year. The non-compete payment described in Section 3.2.1.6 that may be paid to Anne-Gabrielle Heilbronner under her employment contract equates to 30% of gross salary, excluding variable items, i.e. an estimated amount of euro 180,000.
Supplementary pension plan	-	-	N/A
Collective health and welfare insurance plans	4,653	4,653	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 from positions in Groupe companies is excluded by Janus, the code of conduct of Publicis Groupe. Anne-Gabrielle Heilbronner does not receive compensation other than that detailed in this document.

(1) In accordance with the Company's usual practice, performance share plans that are awarded every three years are broken down in thirds over the three years in which the performance is assessed.
(2) Benefits in kind relating to the use of a company-provided vehicle are not mentioned if they are for an immaterial amount.

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Annual variable compensation to be paid in 2021 for financial year 2020

The variable compensation of Anne-Gabrielle Heilbronner, which, if targets are met, may represent up to 100% of her fixed compensation, without exceeding this percentage, is based on:

- ▶ two criteria linked to the Groupe's financial performance, each counting equally, for 30% of the variable compensation:
- organic growth based on the Commitment submitted to the Supervisory Board, and
- operating margin compared to a peer group;
- ▶ five individual quantifiable non-financial criteria, in line with main areas of responsibility, accounting for 70% of variable compensation:
- internal audit and control (15%): quality of execution and achievement of objectives (including follow-up),
- procurement (15%): reduction of purchasing costs,
- human resources (10%): roll out of the HRIS platform such as to enable the Marcel platform to operate,
- legal (15%): performance and operational quality of Legal Department, and
- CSR (15%): 40% women on the Groupe's main Executive Committees and 6% increase in the Groupe's consumption of renewable energy to the detriment of fossil fuels (compared with 2019 – 31.3%).

In addition, as indicated in the compensation policy for the 2020 financial year, in the 2019 Universal Registration Document (see Section 3.2.1.1 "Exceptional items related to the Covid-19 pandemic"), the valuation of the performance of Anne-Gabrielle Heilbronner takes into account, for the year 2020, without modifying her overall variable portion as a percentage of the fixed amount, her ability to manage the crisis by ensuring the health and safety of employees, maintaining smooth operations, protecting revenue and the client portfolios, rigorously managing costs, taking appropriate measures for the strict management of resources and the protection of the Groupe's assets.

In accordance with the compensation policy adopted for the 2020 financial year, the Supervisory Board, after consulting the Compensation Committee, decided to take into account, in its assessment of the performance of Anne-Gabrielle Heilbronner, the way in which the Covid-19 crisis was managed for the fundamental aspects set out in Section 3.2.2.3 of this document.

/ Criteria linked to the financial performance of Publicis Groupe

Objectives	Results	Objective achievement level	Amount of target variable compensation	Amount of variable compensation to be paid
Organic growth	Growth of -6.3% > Commitment adopted in May 2020	Achieved	€90,000	€90,000
Operating margin	With an operating margin of 16%, Publicis Groupe is number one in the peer group.	Achieved	€90,000	€90,000

/ Individual non-financial criteria

Objectives & Results	Percentage of objective met	Amount of target variable compensation	Amount of variable compensation to be paid
Internal audit and controls Target achieved with 74 assignments Renewed IFACI certification Target achieved for internal control testing (coverage rate) Significant reduction in the number of open recommendations	Achieved	€90,000	€90,000
Procurement Savings target achieved	Achieved	€90,000	€90,000
Human resources The HRIS was fully rolled out in April 2020	Achieved	€60,000	€60,000
Legal Strong activity in 2020, particularly in the areas of personal data, anti-corruption (43,000 people trained online), contracts and investigations	Achieved	€90,000	€90,000
CSR Rate of 40.4% on the most significant Executive Committees Percentage renewable energies in the energy mix increased by 6.9%	Achieved	€90,000	€90,000
Total (Financial and non-financial criteria)			**€600,000**
Total awarded			**€600,000**

On the proposal of the Compensation Committee, the Supervisory Board approved the partial payment of the full amount of the variable compensation of Anne-Gabrielle Heilbronner, in light of the achievement of the objectives detailed above, and which is amply justified in view of the effort to reduce his salary for the Groupe's benefit, combined with the attainment of the objectives assigned and achieved on account of the Covid-19 crisis, in accordance with Section 3.2.2.3 of this document (i.e. her ability to manage the crisis by 1. taking care of the health and safety of the Groupe's employees, 2. maintaining smooth operations, 3. protecting revenue and the client portfolios, 4. rigorously managing costs, and 5. taking appropriate measures for the strict management of resources and the protection of the Groupe's assets). The full achievement of the additional crisis management objectives enabled the Groupe to perform well above the industry average, which allowed it to both reimburse employees for salary reductions and increase the variable compensation package of employees (or teams) in order to fairly reward team performance.

3.2.2.7 Compensation paid or allocated to Steve King, member of the Management Board

In accordance with article L. 22-10-34, II of the French Commercial Code, the General Shareholders' Meeting must vote on the variable and extraordinary items of total compensation and benefits of any kind paid during the past financial year or awarded for that financial year by means of a separate resolution for each member of the Management Board.

The General Shareholders' Meeting of May 26, 2021 will thus be asked to vote on the items of compensation paid or awarded in respect of the 2020 financial year to Steve King, member of the Management Board, as set out below. These elements comply with the compensation policy for members of the Management Board for the financial year 2019 presented in Section 3.2.1.4 of the Publicis Groupe SA 2019 Universal Registration Document, as approved by the General Shareholders' Meeting of May 27, 2020 in its ninth 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 2020 financial year are in line with those paid or awarded in respect of the 2019 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 of the French Commercial Code.

These fixed, variable and extraordinary items within the total compensation and benefits of any kind paid during the past financial year or awarded with respect to the same financial year to Steve King, member of the Management Board, are subject to the approval of the General Shareholders' Meeting of May 26, 2021 in its nineteenth resolution pursuant to article L. 22-10-34, II of the French Commercial Code.

/ Table – Items of compensation paid or awarded in 2020 to Steve King, member of the Management Board, subject to shareholder approval[1]

Items of compensation subject to approval	Amounts paid in respect of the past financial year	Amounts awarded in respect of the past financial year or accounting valuation	Presentation
Fixed compensation	911,582	1,012,869	Proportion of fixed compensation: 44.55% The previous Shareholders' Meeting approved the compensation of Steve King, set at GBP 900,000 (euro 1,012,869), while being informed of Steve King's decision to waive 20% of his fixed compensation for a period of six months from April 2020, which resulted in the payment of annual compensation of GBP 810,000 (euro 911,582) for the 2020 financial year. The rules for determining fixed compensation can be found in Section 3.2.1.7 of this document.
Annual variable compensation	1,134,413	1,620,590	Proportion of variable compensation: 55.45% Variable compensation to be paid in 2021 for financial year 2020: 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 2020 financial year, the Supervisory Board set the variable part of Steve King's compensation at GBP 1,440,000 gross, i.e. euro 1,620,590, the payment of which will be subject to the approval of the Annual General Shareholders' Meeting of May 26, 2021 in its nineteenth 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	721,500	This amount represents the maximum annual valuation in the consolidated financial statements of the performance shares awarded in 2019 to Steve King under the LTIP 2019-2021 Directoire performance share plan as described in Section 3.2.1.4. In 2019, it was decided to award him 50,000 shares subject to continued presence and performance conditions covering the period 2019-2021 (i.e. 16,667 shares subject to continued presence and performance conditions per year)[2].
Other benefits	-	-	The use of one of the Company cars[3]

Items of compensation subject to approval	Amounts paid in respect of the past financial year	Amounts awarded in respect of the past financial year or accounting valuation	Presentation
Indemnities when taking or leaving a function	-	-	No sum was awarded with respect to the past financial year. The severance payment described in Section 3.2.1.7 that may be paid to Steve King equates to one year of total gross compensation (fixed and variable compensation paid) calculated from the average over the previous 24 months of compensation, subject to performance conditions, i.e. an estimated amount of euro 2,328,870.
Non-compete agreement	-	-	N/A
Supplementary pension plan	53,402	53,402	N/A
Collective health and welfare insurance plans	-	-	N/A
Compensation by the company(ies) within the scope of consolidation as per article L. 233-16 of the French Commercial Code	-	-	Steve King continues to benefit from an employment contract with one of the Groupe's subsidiaries. Compensation for offices held in Groupe companies is excluded by Janus, the Publicis Groupe code of conduct. Steve King does not receive compensation other than that detailed in this document.

(1) Compensation determined and paid in pounds sterling. The translation into euros was carried out at the average rate of 1 pound sterling = euro 1.12541.
(2)In accordance with the Company's usual practice, performance share plans that are awarded every three years are broken down in thirds over the three years in which the performance is assessed.
(3)Benefits in kind relating to the use of a company-provided vehicle are not mentioned if they are for an immaterial amount.

Annual variable compensation to be paid in 2021 for financial year 2020

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

- two criteria linked to the Groupe's financial performance, each counting equally, for 20% of the variable compensation:
- organic growth based on the Commitment submitted to the Supervisory Board, and
- operating margin compared to a peer group;
- three criteria linked to the financial performance of Publicis Media and PMX in relation to the objectives, for 30% of variable compensation, each being taken into account on an equal basis:
- organic growth,
- operating margin, and
- cash generation;
- three individual criteria in line with his new role in Europe, each being taken into account on an equal basis and accounting for 45% of variable compensation:
- setting up effective, clear and robust management in Europe, with clear objectives for each individual,
- impact on growth of cross-fertilization of skills between countries and disciplines, and
- setting up global services with the aim of creating clear, value-added services and impacting growth;
- two CSR criteria, accounting for 5% of variable compensation:
- 40% women on Executive Committees in Europe, and
- 6% increase in the Groupe's consumption of renewable energy to the detriment of fossil fuels (compared with 2019 – 31.3%).

In addition, as indicated in the compensation policy for the 2020 financial year, in the 2019 Universal Registration Document (see Section 3.2.1.1 "Exceptional items related to the Covid-19 pandemic"), the valuation of the performance of Steve King takes into account, for the year 2020, without modifying his overall variable portion as a percentage of the fixed amount, his ability to manage the crisis by ensuring the health and safety of employees, maintaining smooth operations, protecting revenue and the client portfolios, rigorously managing costs, taking appropriate measures for the strict management of resources and the protection of the Groupe's assets.

In accordance with the compensation policy adopted for the 2020 financial year, the Supervisory Board, after consulting the Compensation Committee, decided to take into account, in its assessment of the performance of Steve King, the way in which the Covid-19 crisis was managed for the fundamental aspects set out in Section 3.2.2.3 of this document.

/ Criteria linked to the financial performance of Publicis Groupe

Objectives	Results	Objective achievement level	Amount of target variable compensation[1]	Amount of variable compensation to be paid[1]
Organic growth	Growth of -6.3% > Commitment adopted in May 2020	Achieved	€162,059	€162,059
Operating margin	With an operating margin of 16%, Publicis Groupe is number one in its peer group.	Achieved	€162,059	€162,059

/ Criteria linked to the performance of Publicis Media

Objectives	Results	Objective achievement level	Amount of target variable compensation[1]	Amount of variable compensation to be paid[1]
Organic growth	The growth of PM US, PMX Global and Media Practice is > Commitment adopted in May 2020	Achieved	€162,059	€162,059
Operating margin	Publicis Media's operating margin is higher than the Commitment adopted in May 2020	Achieved	€162,059	€162,059
Cash generation	Cash flow targets were met.	Achieved	€162,059	€162,059

/ Individual non-financial criteria

Objectives & Results	Objective achievement level	Amount of target variable compensation[1]	Amount of variable compensation to be paid[1]
Objectives related to his new role in Europe Implementation of effective, clear and robust management in Europe The management teams in the main countries were partly reorganized this year. In the other countries, the teams are in place and some major recruitment has taken place.	Achieved	€243,089	€243,089
Impact on growth through the mixing of skills Talent teams have been set up for this purpose. The requisite skills were allocated according to need and were not an obstacle to the development of the countries.	Achieved	€243,089	€243,089
Global services implementation The objective is to develop products and services to support countries after the disappearance of hub solutions. Four pillars have been put in place: Media, Production, Content and Commerce.	Partially achieved	€243,089	€81,030
Other individual criteria CSR criteria Rate of 40.4% on the most significant Executive Committees Percentage renewable energies in the energy mix increased by 6.9%	Achieved	€81,030	€81,030
Total (Financial and non-financial criteria)			**€1,458,533**
Total awarded			**€1,620,590**

(1) Compensation determined and paid in pounds sterling. The translation into euros was carried out at the average rate of 1 pound sterling = euro 1.12541.

On the proposal of the Compensation Committee, the Supervisory Board approved the payment of the full amount of the variable compensation of Steve King, in light of the achievement of the objectives detailed above, and which is amply justified in view of the effort to reduce his salary for the Groupe's benefit, combined with the attainment of the objectives assigned and achieved on account of the Covid-19 crisis, in accordance with Section 3.2.2.3 of this document (i.e. his ability to manage the crisis by 1. taking care of the health and safety of the Groupe's employees, 2. maintaining smooth operations, 3. protecting revenue and the client portfolios, 4. rigorously managing costs, and 5. taking appropriate measures for the strict management of resources and the protection of the Groupe's assets).

The full achievement of the additional crisis management objectives enabled the Groupe to perform well above the industry average, which allowed it to both reimburse employees for salary reductions and increase the variable compensation package of employees (or teams) in order to fairly reward team performance.

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 2016 to 2020 financial years.

Scope

Publicis Groupe SA currently employs only one person. In 2020, the ratio determined at the level of Publicis Groupe SA was 42 compared to the compensation of Maurice Lévy, Chairman of the Supervisory Board(1), 48 compared to the compensation of Arthur Sadoun, Chairman of the Management Board(2), 32 compared to the compensation of Jean-Michel Etienne(3), 22 compared to the compensation of Anne-Gabrielle Heilbronner(4) and 45 compared to the compensation of Steve King(5), members of the Management Board. In accordance with recommendation 26.2 of the Afep-Medef Code, and in line with article L. 22-10-9 (I) (6) of the French Commercial Code, Publicis Groupe has decided to publish in detail the ratios required by law on an expanded scope, representative of the Groupe's business in France, to which have been added the workforce of all Groupe companies in the United States and the United Kingdom. This scope is economically relevant insofar as it represents the bulk of the Groupe's payroll (67%) and Groupe revenue (73%), the remainder being spread across other countries worldwide. As a result, the publication of the ratios required on the basis of this expanded scope makes it possible to provide clear information that fully meets the objective of transparency regarding compensation gaps. A scope restricted to France has also been excluded, as it accounts for only 6% of the Groupe's revenue, 6% of the Groupe's payroll, and is not representative of its business.

It should be noted that from 2020, the scope now takes into account the Epsilon workforce, the acquisition having taken place in July 2019.

Compensation components

The compensation of the executive corporate officers and employees used for the purposes of the table below includes all items of compensation (fixed and variable) and benefits of any kind paid during the 2016 to 2020 financial years.

The method used to determine and value the components 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) for financial years 2016 to 2020.

Thus, for the financial year 2020, the share-based compensation from the LTIP 2017, the Publicis Sapient and Publicis Epsilon plans were taken into account to determine the total employee compensation for 2020. However, in the case of plans that occur every three years (in particular the LionLead plans, the last allocation of which took place in 2016, and the *Directoire* (2019-2021) plan, the most recent allocation of which took place in 2019), the amount of share-based compensation determined in the year of definitive release of the shares is allocated in thirds 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

(1) The ratios for the previous four years are 6 for 2016, 6 for 2017, 61 for 2018 and 62 for 2019, in relation to the compensation of Élisabeth Badinter, Chairman of the Supervisory Board until May 31, 2017, and Maurice Lévy, Chairman of the Supervisory Board from June 1, 2017.

(2) The ratios for the four previous years are 84 for 2016, 77 for 2017, 59 for 2018 and 51 for 2019, in relation to the compensation of Maurice Lévy, Chairman of the Management Board until May 31, 2017, and Arthur Sadoun, Chairman of the Management Board from June 1, 2017.

(3) The ratios for the previous four years are 55 for 2016, 49 for 2017, 50 for 2018 and 32 for 2019.

(4) The ratios for the previous four years are 39 for 2016, 33 for 2017, 31 for 2018 and 23 for 2019.

(5) The ratios for the previous four years are 88 for 2016, 45 for 2017, 64 for 2018 and 58 for 2019, in relation to the compensation of Kevin Roberts, member of the Management Board until August 31, 2016, and Steve King, member of the Management Board from June 1, 2017.

was spread in thirds over the three years of plan performance (2016, 2017 and 2018). For corporate officers, share-based compensation from the LionLead3 and LTIP 2016-2018 *Directoire* plans (vesting in 2019) was also spread over the three years of performance, *i.e.* 2016, 2017 and 2018. These valuations make it possible to reflect the strict performance conditions of our plans and the specific details of the performance shares awarded to our executive corporate officers. It should be noted that from 2021, the allocation of shares to the Groupe's corporate officers will now be carried out on an annual cycle.

/ Changes in aggregates

	2016	2017	2018	2019	2020
Performance of the Company					
Company net revenue (in millions of euros)	9,733[1]	9,332	8,969	9,800	9,712
(Change compared with the previous financial year)	*+1.37%*	N/A	*-3.89%*	*+9.27%*	*-0.90%*
Compensation of employees					
Average compensation of employees (full time equivalent basis excluding executive corporate officers)	82,250	80,884	80,410	83,593	91,499
(Change compared with the previous financial year)	*+1.65%*	*-1.66%*	*-0.59%*	*+3.96%*	*+9.46%*
Median compensation of employees (full time equivalent basis excluding executive corporate officers)	62,662	61,973	62,405	65,005	74,732
(Change compared with the previous financial year)	*+2.90%*	*-1.10%*	*+0.70%*	*+4.17%*	*+14.96%*
Chairman of the Supervisory Board[2]					
Compensation of Élisabeth Badinter	295,000	300,000[3]	-	-	-
Compensation of Maurice Lévy	-	-	2,845,000	2,885,000	1,985,000
(Change compared with the previous financial year)	*-4.84%*	*+1.69%*	*N/A*	*+1.41%*	*-31.20%*
Ratio to average employee compensation	4	4[4]	35	35	22
(Change compared with the previous financial year)	*-6.38%*	*+3.41%*	*N/A*	*-2.46%*	*-37.14%*
Ratio to median employee compensation	5	5[4]	46	44	27
(Change compared with the previous financial year)	*-7.52%*	*+2.82%*	*N/A*	*-2.65%*	*-40.15%*
Chairman of the Management Board[5]					
Compensation of Maurice Lévy	3,917,500	3,541,667	-	-	-
Compensation of Arthur Sadoun	-	2,276,106	2,749,511	2,400,000	2,250,000
(Change compared with the previous financial year)	*+38.26%*	*-15.31%[6]*	*-17.13%[6]*	*-12.71%*	*-6.25%*
Ratio to average employee compensation	48	41[6]	34	29	25
(Change compared with the previous financial year)	*+36.02%*	*-13.88%*	*-16.64%*	*-16.04%*	*-14.35%*
Ratio to median employee compensation	63	54[6]	44	37	30
(Change compared with the previous financial year)	*+34.37%*	*-14.37%*	*-17.70%*	*-16%*	*-18%*

	2016	2017	2018	2019	2020
Member of the Management Board (Jean-Michel Etienne)					
Compensation	2,560,284	2,296,252	2,338,252	1,512,000	1,513,000
(Change compared with the previous financial year)	*-37.07%*	*-10.31%*	*+1.83%*	*-35.34%*	*+0.07%*
Ratio to average employee compensation	31	28	29	18	17
(Change compared with the previous financial year)	*-38.09%*	*-8.80%*	*+2.43%*	*-37.80%*	*-8.58%*
Ratio to median employee compensation	41	37	37	23	20
(Change compared with the previous financial year)	*-38.84%*	*-9.32%*	*+1.12%*	*-37.92%*	*-12.96%*
Member of the Management Board (Anne-Gabrielle Heilbronner)					
Compensation	1,816,560	1,541,363	1,446,863	1,092,357	1,032,357
(Change compared with the previous financial year)	*+73.57%*	*-15.15%*	*-6.13%*	*-24.50%*	*-5.49%*
Ratio to average employee compensation	22	19	18	13	11
(Change compared with the previous financial year)	*+70.75%*	*-13.72%*	*-5.58%*	*-27.38%*	*-13.66%*
Ratio to median employee compensation	29	25	23	17	14
(Change compared with the previous financial year)	*+68.68%*	*-14.21%*	*-6.78%*	*-27.52%*	*-17.79%*
Member of the Management Board (Steve King(7))					
Compensation	4,123,293(8)	2,133,811(9)	3,017,105	2,731,562	2,099,397
(Change compared with the previous financial year)	*-11.79%*	*-48.25%*	*+41.40%*	*-9.46%*	*-23.14%*
Ratio to average employee compensation	50	26	38	33	23
(Change compared with the previous financial year)	*-13.22%*	*-47.38%*	*+42.23%*	*-12.91%*	*-29.78%*
Ratio to median employee compensation	66	34	48	42	28
(Change compared with the previous financial year)	*-14.27%*	*-47.67%*	*+40.42%*	*-13.09%*	*-33.15%*

(1) As Net Revenue is only available from the year 2017, the Groupe's performance for 2016 is based on Revenue.
(2) Élisabeth Badinter's term of office as Chairman of the Supervisory Board ended on May 31, 2017. Maurice Lévy took over as Chairman of the Supervisory Board on June 1, 2017.
(3) In order to provide a valid financial comparison, the compensation paid to Élisabeth Badinter in 2017 was annualized (i.e. euro 300,000) for the purposes of calculating ratios and changes in compensation compared with the previous financial year.
(4) The 2017 ratios take into account the compensation paid to Élisabeth Badinter in 2017, the portion of the compensation of Maurice Lévy solely pertaining to the period from June 1 to December 31, 2017 having been paid in 2018.
(5) The term of office of Maurice Lévy as Chairman of the Management Board ended on May 31, 2017. Arthur Sadoun took over as Chairman of the Management Board as from June 1, 2017.
(6) In order to provide a valid financial comparison, the ratio for 2017 and the evolution of compensation, compared with the previous financial year, were calculated on the basis of the following basis: firstly the compensation paid in 2017 to the outgoing Chairman of the Management Board, Maurice Lévy, adjusted to reflect (1) the period compensated (namely 12 months in 2016 and the first five months in 2017, i.e. a total of 17 months) and (2) the effective term of the outgoing Chairman of the Management Board for 2017, i.e. five months, the compensation thus calculated for 2017 amounts to euro 1,041,667; and secondly, the compensation paid in 2017 for the incoming Chairman of the Management Board, Arthur Sadoun, i.e. euro 2,276,105, thus a total amount of euro 3,317,772.
(7) The term of Kevin Roberts as a member of the Management Board ended on August 31, 2016. The term of office of Steve King as a member of the Management Board began on June 1, 2017.
(8) The compensation paid in respect of 2016 to Kevin Roberts was annualized (i.e. euro 4,123,293) for the purposes of calculating ratios.
(9) The compensation paid in respect of 2017 to Steve King was annualized (i.e. euro 2,133,811) for the purposes of calculating ratios.

3.2.2.8 Standardized presentation of compensation (AMF and Afep)

The 2021-02 position-recommendation of the AMF and the Afep-Medef Code recommends a standardized presentation of the compensation of executive corporate officers of companies whose securities are traded on a regulated market.

/ Table 1 (AMF nomenclature) compensation summary table in respect of the compensation and the options and shares granted to each executive corporate officer (in euros)

	2020	2019
Management Board		
Arthur Sadoun, Chairman of the Management Board		
Compensation awarded for the financial year(1)	3,000,000	2,400,000
Valuation of multi-year variable compensation granted during the financial year	-	-
Valuation of options granted during the financial year	-	-
Maximum annual valuation of performance shares granted during the financial year(3)	865,800	865,800
Valuation of other long-term compensation plans	-	-
Total	**3,865,800**	**3,265,800**
Jean-Michel Etienne, Executive Vice-President – Groupe Finance		
Compensation awarded for the financial year(1)	1,618,000	1,512,000
Valuation of multi-year variable compensation granted during the financial year	-	-
Valuation of options granted during the year	-	-
Maximum annual valuation of performance shares granted during the financial year(3)	577,200	577,200
Valuation of other long-term compensation plans	-	-
Total	**2,195,200**	**2,089,200**
Anne-Gabrielle Heilbronner, Secretary General		
Compensation awarded for the financial year(1)	1,212,357	1,080,000
Valuation of multi-year variable compensation granted during the financial year	-	-
Valuation of options granted during the year	-	-
Maximum annual valuation of performance shares granted during the financial year(3)	288,600	288,600
Valuation of other long-term compensation plans	-	-
Total	**1,500,957**	**1,368,600**
Steve King, member of the Management Board		
Compensation awarded for the financial year(1)(2)	2,686,861	2,175,807
Valuation of multi-year variable compensation granted during the financial year	-	-
Valuation of options granted during the year	-	-
Valuation of other long-term compensation plans	-	-
Maximum annual valuation of performance shares granted during the financial year(3)	721,500	721,500
Total	**3,408,361**	**2,897,307**

(1) See details in Table 2.
(2) Compensation determined and paid in pounds sterling. The conversion into euros was carried out at the average rate of 1 pound sterling = euro 1.12541 in 2020.
(3) Maximum annual amount under the LTIP 2019-2021 Directoire for 2019 and for 2020. The LTIP 2019-2021 Directoire is a three-year plan subject to continued employment and performance conditions. As an illustration, the rates at which performance conditions were met under the preceding plans i.e. LionLead3 and LTIP 2016-2018, were 75% and 50%, respectively. The LTIP 2019-2021 Directoire plan covers the 2019, 2020 and 2021 financial years.

/ Table 2 (AMF nomenclature) summary table of the compensation for each executive corporate officer (in euros)

In general, the compensation paid corresponds to the fixed compensation for the specified year and the variable portion corresponds to that of the previous year.

No multi-year variable compensation, exceptional compensation or compensation awarded for serving as a director was paid to corporate officers.

	2020 – Amounts:		2019 – Amounts:	
	Awarded	Paid	Awarded	Paid
Management Board				
Arthur Sadoun, Chairman of the Management Board				
Fixed compensation	1,000,000	850,000	1,000,000	1,000,000
Annual variable compensation(1)	2,000,000	1,400,000	1,400,000	1,400,000
Benefits in kind(2)	-	-	-	-
Total	**3,000,000**	**2,250,000**	**2,400,000**	**2,400,000**
Jean-Michel Etienne, Executive Vice-President – Groupe Finance				
Fixed compensation	840,000	840,000	840,000	840,000
Annual variable compensation(3)	777,000	672,000	672,000	672,000
Loyalty bonus(4)	1,000	1,000	-	-
Benefits in kind(2)	-	-	-	-
Total	**1,618,000**	**1,513,000**	**1,512,000**	**1,512,000**
Anne-Gabrielle Heilbronner, Secretary General				
Fixed compensation	600,000	540,000	600,000	600,000
Annual variable compensation(5)	600,000	480,000	480,000	480,000
Benefits in kind(2)	-	-	-	-
Job-loss insurance(6)	12,357	12,357	12,357	12,357
Total	**1,212,357**	**1,032,357**	**1,092,357**	**1,092,357**
Steve King, member of the Management Board(7)				
Fixed compensation(5)	1,012,869	911,582	1,026,324	1,026,324
Annual variable compensation(8)	1,620,590	1,134,413	1,149,483	1,477,907
Supplementary pension plan	53,402	53,402	54,112	54,112
Benefits in kind(2)	-	-	-	-
Total(7)	**2,686,861**	**2,099,397**	**2,229,919**	**2,558,343**

(1) The variable compensation criteria for the year 2019 and their achievement levels are presented in Section 3.2.2.3 of the 2019 Universal Registration Document. The criteria for variable compensation for the year 2020 and their achievement levels are presented in Section 3.2.2.4 of this document.
(2) Benefits in kind relating to the use of a company-provided vehicle are not mentioned if they are for an immaterial amount.
(3) The variable compensation criteria for the year 2019 and their achievement levels are presented in Section 3.2.2.4 of the 2019 Universal Registration Document. The criteria for variable compensation for the year 2020 and their achievement levels are presented in Section 3.2.2.5 of this document.
(4) Loyalty bonus paid for length of service with the Groupe (20 years).
(5) The variable compensation criteria for the year 2019 and their achievement levels are presented in Chapter 3.2.2.5 of the 2019 Universal Registration Document. The criteria for variable compensation for the year 2020 and their achievement levels are presented in Section 3.2.2.6 of this document.
(6) As the French unemployment office (Pôle Emploi) does not cover it, Publicis Groupe took out insurance for its corporate officers.
(7) Compensation determined and paid in pounds sterling. The translation into euros was carried out at the average rate of 1 pound sterling = euro 1.14036 in 2019 and at the average rate of 1 pound sterling = euro 1.12541 in 2020.
(8) The variable compensation criteria for the year 2019 and their achievement levels are presented in Chapter 3.2.2.6 of the 2019 Universal Registration Document. The criteria for variable compensation for the year 2020 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 2019 and 2020 to members of the Supervisory Board (gross amounts in euros before deduction of taxes or social charges)

	2020 – Amounts:		2019 – Amounts:	
	Awarded	Paid	Awarded	Paid
Maurice Lévy[1]				
Fixed compensation	1,330,000	1,900,000	1,900,000	2,800,000
Compensation solely related to membership of the Supervisory Board	95,000	85,000	85,000	85,000
Other compensation	-	-	-	-
Élisabeth Badinter[2]				
Fixed compensation	-	-	-	-
Compensation solely related to membership of the Supervisory Board	60,000	40,000	40,000	55,000
Other compensation	-	-	-	-
Simon Badinter				
Fixed compensation	-	-	-	-
Compensation solely related to membership of the Supervisory Board	40,000	40,000	40,000	25,000
Other compensation	-	-	-	-
Claudine Bienaimé[3]				
Fixed compensation	-	-	-	-
Compensation solely related to membership of the Supervisory Board				40,000
Other compensation	-	-	-	-
Jean Charest				
Fixed compensation	-	-	-	-
Compensation solely related to membership of the Supervisory Board	75,000	70,000	70,000	70,000
Other compensation	-	-	-	-
Michel Cicurel[3]				
Fixed compensation	-	-	-	-
Compensation solely related to membership of the Supervisory Board				35,000
Other compensation	-	-	-	-
Sophie Dulac				
Fixed compensation	-	-	-	-
Compensation solely related to membership of the Supervisory Board	30,000	40,000	40,000	30,000
Other compensation	-	-	-	-

	2020 – Amounts:		2019 – Amounts:	
	Awarded	Paid	Awarded	Paid
Thomas Glocer				
Fixed compensation	-	-	-	-
Compensation solely related to membership of the Supervisory Board	80,000	75,000	75,000	65,000
Other compensation	-	-	-	-
Marie-Josée Kravis				
Fixed compensation	-	-	-	-
Compensation solely related to membership of the Supervisory Board	60,000	45,000	45,000	55,000
Other compensation	-	-	-	-
André Kudelski				
Fixed compensation	-	-	-	-
Compensation solely related to membership of the Supervisory Board	105,000	100,000	100,000	75,000
Other compensation	-	-	-	-
Enrico Letta(4)				
Fixed compensation	-	-	-	-
Compensation solely related to membership of the Supervisory Board	50,000	25,000	25,000	-
Other compensation	-	-	-	-
Suzan LeVine(4)				
Fixed compensation	-	-	-	-
Compensation solely related to membership of the Supervisory Board	70,000	35,000	35,000	-
Other compensation	-	-	-	-
Marie-Claude Mayer(5)				
Fixed compensation	-	-	-	-
Compensation solely related to membership of the Supervisory Board		25,000	25,000	40,000
Other compensation	-	-	-	-
Antonella Mei-Pochtler(4)				
Fixed compensation	-	-	-	-
Compensation solely related to membership of the Supervisory Board	70,000	25,000	25,000	-
Other compensation	-	-	-	-
Véronique Morali(5)				
Fixed compensation	-	-	-	-
Compensation solely related to membership of the Supervisory Board		45,000	45,000	65,000
Other compensation	-	-	-	-

	2020 – Amounts:		2019 – Amounts:	
	Awarded	Paid	Awarded	Paid
Cherie Nursalim				
Fixed compensation	-	-	-	-
Compensation solely related to membership of the Supervisory Board	55,000	40,000	40,000	20,000
Other compensation	-	-	-	-
Pierre Pénicaud(6) *Member representing employees*				
Fixed compensation	-	-	-	-
Compensation solely related to membership of the Supervisory Board	25,000	25,000	25,000	17,500
Other compensation	-	-	-	-
Patricia Velay-Borrini(7) *Member representing employees*				
Fixed compensation	-	-	-	-
Compensation solely related to membership of the Supervisory Board	2,500	-	-	-
Other compensation	-	-	-	-

(1) Start of the term of office as Chairman of the Supervisory Board, on June 1, 2017. Compensation paid in 2019 for the period from June 1, 2018 to May 31, 2019 and, in 2020, for the period from June 1, 2019 to May 31, 2020.
(2) Chairman of the Supervisory Board until May 31, 2017, Vice-Chairman of the Supervisory Board since June 1, 2017.
(3) End of term of office as a member of the Supervisory Board on May 30, 2018. With respect to 2020, Claudine Bienaimé and Michel Cicurel received euro 10,000 as expert on the Audit Committee and euro 35,000 as expert on the Compensation Committee, respectively.
(4) Start of term of office as a member of the Supervisory Board on May 29, 2019.
(5) End of term of office as a member of the Supervisory Board on May 29, 2019.
(6) Appointment as member of the Supervisory Board representing employees on June 20, 2017.
(7) Appointment as member of the Supervisory Board representing employees on October 16, 2020.

/ Table 4 (AMF Nomenclature) stock options granted during the financial year to each executive corporate officer by the issuer and by any Groupe company

None, no stock options were granted in 2020.

/ 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 2020	Average exercise price (in euros)	Year granted
Management Board				
Arthur Sadoun, Chairman		No exercise		
Jean-Michel Etienne		No exercise		
Anne-Gabrielle Heilbronner		No exercise		
Steve King		No exercise		

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

	Description of plan	Grant date	Vesting date	Number of performance shares awarded Position at December 31, 2020	
				Maximum annual number	**O/w subject to performance condition**
Management Board					
Arthur Sadoun, Chairman	LTIP 2019-2021 Directoire	June 14, 2019	June 14, 2022	20,000	20,000
Jean-Michel Etienne	LTIP 2019-2021 Directoire	June 14, 2019	June 14, 2022	13,333	13,333
Anne-Gabrielle Heilbronner	LTIP 2019-2021 Directoire	June 14, 2019	June 14, 2022	6,667	6,667
Steve King	LTIP 2019-2021 Directoire	June 14, 2019	June 14, 2022	16,667	16,667

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

None, no performance shares became available in 2020.

/ Table 8 (AMF nomenclature) history of options granted over the last ten years

Date of authorization by the Extraordinary General Shareholders' Meeting (EGM)	2013 Co-investment plan (LionLead2) June 1, 2010 (24th resolution)
Date of the Board of Directors or Management Board's Meeting	04/30/2013
Total number of stock options granted	5,949,305(1)
of which corporate officers:	198,687
• *Jean-Yves Naouri (options canceled)*	*69,301*
• *Jean-Michel Etienne (of which 27,916 options exercisable)*	*55,832*
• *Kevin Roberts (options exercised)*	*73,554*
Start date for exercise of the options	04/30/2016(2) 04/30/2017(3)
Expiry date	04/30/2023
Subscription or purchase price (in euros)	52.76
Total adjusted number of stock options granted as at 12/31/2020	5,949,305(1)
Total number of shares subscribed or purchased as at 12/31/2020	(825,531)
Total number of canceled stock options as at 12/31/2020	(4,045,563)
Number of outstanding stock options as at 12/31/2020	1,078,211

(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 non-French employees.

/ 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, 2020, by the issuer and by any company included in the scope of option allocation to their ten respective employees, whose number of options thus granted is the highest (overall information).	-	-	-
Stock options held from the issuer and the aforementioned companies, exercised between January 1, and December 31, 2020, 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	0	52.76
Total		**0**	**52.76**

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/ Table 10 (AMF nomenclature) history of free share allocations

	Sapient Plan 2016[(2)]	LIonLead3 International[(3)]	LTIP 2017[(4)]	Sapient Plan 2017[(5)]	LTIP 2018[(6)]	Sapient Plan 2018[(7)]
Date of authorization by the Extraordinary General Shareholders' Meeting (EGM)	**n/a[(1)]**	**05/28/2014**	**05/25/2016**	**n/a[(1)]**	**05/25/2016**	**n/a[(1)]**
Date of Management Board meeting	04/15/2016	06/16/2016	05/18/2017	06/15/2017	04/17/2018	04/17/2018
Total number of free shares awarded	442,604	3,254,823	678,450	528,000	746,800	516,372
Total number of free shares awarded to corporate officers	-	-	-	-	-	-
Arthur Sadoun	-	-	-	-	-	-
Jean-Michel Etienne	-	-	-	-	-	-
Anne-Gabrielle Heilbronner	-	-	-	-	-	-
Steve King	-	-	-	-	-	-
Vesting date	04/15/2017 04/15/2020	06/17/2020	05/19/2020	06/16/2018 06/16/2021	04/17/2021	04/17/2019 04/17/2022
End of retention period	n/a	n/a	n/a	n/a	n/a	n/a
Total number of shares vested as of 12/31/2020	(343,154)	(567,120)	(271,825)	(315,600)	-	(103,178)
Total number of free shares canceled or lapsed at 12/31/2020	(99,450)	(2,687,703)	(406,625)	(176,280)	(440,150)	(185,841)
Number of free shares outstanding at 12/31/2020	-	-	-	36,120	306,650	227,353

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

(2) The Sapient Plan 2016 consists of two different plans. One plan is conditional only upon continued employment and gives rise to the delivery of one-quarter of the shares awarded on the dates of the first four anniversaries of the plan (i.e. in April 2017, 2018, 2019 and 2020). The second plan is subject, in addition to the continued presence condition, to performance conditions based on Publicis Sapient's operating margin and revenue growth budgets, such that the total number of shares delivered depended on the level of achievement of targets for the years 2016, 2017 and 2018. The shares ultimately awarded based on the level of attainment of these performance targets were deliverable at the end of a three-year period, i.e. in April 2019.

(3) The acquisition of shares under the LionLead3 International plan is subject to performance criteria measured at the end of a three-year period (2016-2018), i.e. the achievement of an operating margin target set in the annual budget, as well as the achievement of an organic growth rate and an operating margin rate compared to a benchmark group of competitors. In addition, the number of shares to be delivered at the end of the four-year vesting period could be increased depending on the level of the Publicis Groupe SA share price after the end of the last year of the plan compared to the price at the time of grant. The vesting of shares at the end of the four-year vesting period, i.e. in June 2020, was also subject to a continued presence condition. This includes all deliveries of shares carried out under the LionLead3 plan in 2020, including deliveries in October 2020.

(4) The vesting of shares under the LTIP 2017 is subject to presence and performance conditions. The performance conditions of the plan are based on the achievement of an organic growth rate and an operating margin rate compared to a group of competitors, such that the number of shares delivered at the end of the three-year vesting period, i.e. in May 2020, depended on the level of achievement of these objectives for the year 2017.

(5) The Sapient Plan 2017 consists of two different plans. One plan is conditional only upon continued employment and gives rise to the delivery of one-quarter of the shares awarded on the dates of the first four anniversaries of the plan (i.e. in June 2018, 2019, 2020 and 2021). The second plan is subject, in addition to the continued presence condition, to performance conditions based on Publicis Sapient's operating margin and revenue growth budgets, such that the total number of shares delivered depended on the level of achievement of targets for the years 2017, 2018 and 2019. The shares ultimately awarded in accordance with the level of attainment of these performance targets were delivered at the end of a three-year period, i.e. in June 2020.

(6) The vesting of shares under the LTIP 2018 is subject to presence and performance conditions. The performance conditions of the plan are based on the achievement of an organic growth rate and an operating margin rate compared to a group of competitors, such that the number of shares to be delivered at the end of the three-year vesting period, i.e. in April 2021, will depend on the level of achievement of these objectives for the year 2018.

(7) The Sapient Plan 2018 consists of two different plans. One plan is conditional only upon continued employment and gives rise to the delivery of one-quarter of the shares awarded on the dates of the first four anniversaries of the plan (i.e. April 2019, 2020, 2021 and 2022). The second plan is subject, in addition to the continued presence condition, to performance conditions based on Publicis Sapient's operating margin and revenue growth budgets, such that the total number of shares delivered will depend on the level of achievement of targets for the years 2018, 2019 and 2020. The shares ultimately awarded in accordance with the level of attainment of these performance targets will be deliverable at the end of a three-year period, i.e. in April 2021.

(vested and/or unvested plans in 2020)

Sprint to the Future[8]	LTIP 2019[9]	2019 Special Plan [10]	Sapient Plan 2019 [11]	LTIP 2019-2021 [12]	Epsilon Replacement Plan [13]	Special Retention Plan[14]	Sapient Plan 2020 [14]	Epsilon LTI 2020 [16]
5/25/2016	**5/30/2018**	**n/a [1]**	**n/a [1]**	**5/30/2018**	**n/a[1]**	**5/30/2018**	**n/a[1]**	**n/a[1]**
05/18/2018	05/28/2019	05/28/2019	05/28/2019	06/14/2019	07/15/2019	11/15/2019	05/19/2020	07/20/2020
1,079,596	335,950	262,700	585,499	170,000	628,681	765,110	585,503	1,264,420
306,156	-	-	-	170,000	-	-	-	-
96,681	-	-	-	*60,000*	-	-	-	-
64,454	-	-	-	*40,000*	-	-	-	-
64,454	-	-	-	*20,000*	-	-	-	-
80,567	-	-	-	*50,000*	-	-	-	-
6/1/2021	5/28/2022	5/28/2022	5/28/2020 5/28/2023	6/14/2022	03/31/2022	03/31/2023	5/19/2024	03/31/2023
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
-	-	-	(54,715)	-	(126,445)	-	-	-
(1,031,256)	(186,725)	(34,300)	(149,148)	-	(165,265)	(255,040)	(40,226)	(32,700)
48,340	149,225	228,400	381,636	170,000	336,971	510,070	545,277	1,231,720

(8) The Sprint to the Future Plan is a one-off award of performance share covering the 2018-2020 period and offered to 20 key Groupe managers. The condition for achieving the organic Groupe revenue growth target (2018-2020 average) cannot be satisfied given the performance levels already recorded for 2018 and 2019. Unless otherwise stated, failure to satisfy this condition results in a loss of all entitlement to shares awarded at the outset of the plan.

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

(10) The Special Plan is a retention plan conditional only upon continued employment and introduced for certain employees with a direct impact on growth.

(11) The Sapient Plan 2019 consists of two different plans. One plan is conditional upon continued employment only and gives rise to the delivery of one-quarter of the shares awarded on the dates of the first four anniversaries of the plan (i.e. in May 2020, 2021, 2022 and 2023). The second plan is subject, in addition to the continued presence condition, to performance conditions based on Publicis Sapient's operating margin and revenue growth budgets, such that the total number of shares delivered will depend on the level of achievement of targets for the years 2019, 2020 and 2021. The shares ultimately awarded in accordance with the level of attainment of these performance targets will be deliverable at the end of a three-year period, i.e. in May 2022.

(12) The LTIP 2019-2021 plan is specifically for the benefit of the members of the Management Board. The acquisition of Publicis Groupe shares under this plan is subject to performance criteria that are measured following a three-year period (2019-2021), such that the total number of shares delivered will depend on the level of achievement of financial performance objectives, namely achieving a certain rate of organic growth and an operating margin compared to a peer group of companies competing with Publicis Groupe. Some of the shares allocated are also subject to a condition based on a CSR (Corporate Social Responsibility) criterion. The number of shares actually awarded is determined in accordance with the level of attainment of these performance targets. In addition, the vesting of shares is also subject to the fulfillment of a condition of continued presence during the three-year vesting period., i.e. in June 2022.

(13) Awards consisting of replacements for awards made by the ADS group in 2019 that had lapsed as a result of Epsilon's acquisition by Publicis Groupe. The shares granted are subject to a presence condition for 20% and a performance condition for 80% (based on the annual operating margin and net revenue budgets of the Epsilon entities). Shares vest in tranches over the three years of the plan (i.e. in March 2020, 2021 and 2022).

(14) Retention plan offered to 10 Groupe managers. The shares are subject to individualized performance conditions for 2020 to 2022. The cancellation of the Special Retention Plan was presented to the Management Board on December 16, 2020. The awards of the Special Retention Plan will be replaced by new LTIPs from 2021.

(15) The Sapient Plan 2020 consists of two different plans. One plan is conditional only upon continued employment and gives rise to the delivery of one-quarter of the shares awarded on the dates of the first four anniversaries of the plan (i.e. in May 2021, 2022, 2023 and 2024). The second plan is subject, in addition to the continued presence condition, to performance conditions based on Publicis Sapient's operating margin and revenue growth budgets, such that the total number of shares delivered will depend on the level of achievement of targets for the years 2020, 2021 and 2022. The shares ultimately awarded in accordance with the level of attainment of these performance targets will be deliverable at the end of a three-year period, i.e. in May 2023.

(16) The shares granted are subject to a presence condition for 20% and a performance condition for 80% (based on the 2020 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).

/ Table 11 (AMF nomenclature) Other information concerning the executive corporate officers

Executive corporate officers	Employment contract	Supplementary pension plan	Indemnities or benefits due or payable on cessation or change in functions	Indemnities under a non-compete clause
Management Board				
Arthur Sadoun, Chairman	No	No	Yes(1)	Yes(1)
First appointment: June 1, 2017 Expiry of term of office: September 14, 2022				
Jean-Michel Etienne, until December 31, 2020	Yes	No	Yes(2)	No
First appointment: July 1, 2010 Expiry of term of office: December 31, 2020				
Anne-Gabrielle Heilbronner	Yes	No	Yes(3)	Yes(3)
First appointment: September 15, 2014 Expiry of term of office: September 14, 2022				
Steve King	Yes	Yes	Yes(4)	Yes(4)
First appointment: June 1, 2017 Expiry of term of office: September 14, 2022				
Michel-Alain Proch, from January 15, 2021	Yes	No	Yes(5)	Yes(5)
First appointment: January 15, 2021 Expiry of term of office: September 14, 2022				

(1) See Section 3.2.1.5 "Compensation policy for the Chairman of the Management Board".
(2) See Section 3.2.1.4 "Compensation policy for members of the Management Board" of the 2019 Universal Registration Document.
(3) See Section 3.2.1.6 "Compensation policy for Anne-Gabrielle Heilbronner".
(4) See Section 3.2.1.7 "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, 2020, no members of the Management Board and the Supervisory Board owned more than 1% of the Company's shares, with the exception of Élisabeth Badinter and her children (6.74%), and Maurice Lévy, who owns directly or indirectly 4,764,706 shares, *i.e.* 1.92% of the Company's capital, including 2,509,602 shares owned through a company belonging to Maurice Lévy and his family.

As of December 31, 2020, the members of the Management Board and the Supervisory Board (with the exception of Élisabeth Badinter and her children) directly and indirectly owned 6,881,207 shares, *i.e.* 2.78% of the share capital of the Company, including 1.92% controlled by Maurice Lévy.

As of December 31, 2020, the members of the Management Board also owned 90,947 stock options, all of which are exercisable. The weighted average exercise price of the options is euro 52.76 per share with these options expiring in 2023 (see note 31 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, 2020 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, 2020

Corporate officer	Number of Publicis Groupe SA shares	Voting rights in Publicis Groupe SA[1]	Number of shares that may be acquired through the exercise of share subscription options	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	133,545	187,340		35,491	35,491	52.76
Jean-Michel Etienne	151,934	247,398		27,916	27,916	52.76
Anne-Gabrielle Heilbronner	29,970	36,834				
Steve King	44,188	44,188		27,540	27,540	52.76
Total Management Board	**359,637**	**515,760**		**90,947**	**90,947**	**52.76**
Member of the Supervisory Board						
Maurice Lévy[3]	4,764,706	9,233,952				
Élisabeth Badinter[4]	16,700,967	33,401,934				
Simon Badinter[5]	1,279	1,788				
Jean Charest	1,400	2,700				
Sophie Dulac	1,749,460	2,473,420				
Thomas H. Glocer	500	600				
Marie-Josée Kravis	2,914	2,914				
André Kudelski	500	500				
Enrico Letta	500	500				
Suzan LeVine	520	520				
Antonella Mei-Pochtler	500	500				
Cherie Nursalim	520	1,020				
Pierre Pénicaud[6]	-	-				
Patricia Velay-Borrini[6]	50	-				
Total Supervisory Board	**23,223,816**	**45,120,448**				

(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 2,255,104 shares, and indirectly owns 2,509,602 shares of the Company through a family-owned company, representing a total of 9,233,952 voting rights.
(4) Élisabeth Badinter fully owns 5,834,820 shares (representing 2.35% of the share capital and 4.71% of voting rights) and is the beneficial owner of 10,866,147 shares, with her children having the bare ownership of the underlying shares (representing 4.39% of the share capital and 8.77% of voting rights).
(5) Excluding the 3,622,049 bare owner shares held by Simon Badinter.
(6) Mr. Pierre Pénicaud and Ms. 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 2020 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)
Maurice Lévy	Chairman of the Supervisory Board	Shares	Payment of the dividend in shares	1	2,334,951.60
		Shares	Conversion[(1)]	1	2,625,634.24
		Shares	Disposal[(1)]	2	3,923,318.66
Arthur Sadoun	Chairman of the Management Board	Shares	Payment of the dividend in shares	1	87,566.80
Jean-Michel Etienne	Member of the Management Board	Shares	Payment of the dividend in shares	1	104,713.26
Anne-Gabrielle Heilbronner	Member of the Management Board	Shares	Payment of the dividend in shares	1	23,334.84
Emmanuel André	Member of the Management Committee	Shares	Acquisition of free shares	1	0
		Shares	Disposal	1	11,612.30
Justin Billingsley	Member of the Management Committee	Shares	Acquisition of free shares	2	0
		Shares	Disposal	2	188,615.22
		Shares	Payment of the dividend in shares	1	11,007.00
Gerry Boyle	Member of the Management Committee	Shares	Acquisition of free shares	2	0
		Shares	Disposal	2	79,269.56
Andrew Bruce	Member of the Management Committee	Shares	Acquisition of free shares	2	0
		Shares	Disposal	2	128,874.58
Nick Colucci	Member of the Management Committee	Shares	Acquisition of free shares	2	0
		Shares	Disposal	2	238,719.67

(1) Transactions carried out by Mora & F SA, a person closely related to Maurice Lévy.

Name and surname	Position	Description of the financial instrument	Type of transaction	Number of transactions	Amount of the transactions (in euros)
Tim Jones	Member of the Management Committee	Shares	Acquisition of free shares	2	0
		Shares	Disposal	2	226,848.64
Bryan Kennedy	Member of the Management Committee	Shares	Acquisition of free shares	1	0
		Shares	Disposal	1	61,707.97
Loris Nold	Member of the Management Committee	Shares	Acquisition of free shares	2	0
		Shares	Disposal	1	472,015.88
		Shares	Payment of the dividend in shares	2	18,907.58
David Penski	Member of the Management Committee	Shares	Acquisition of free shares	2	0
		Shares	Disposal	3	356,196.88
Carla Serrano	Member of the Management Committee	Shares	Acquisition of free shares	1	0
		Shares	Disposal	1	23,501.96
Nigel Vaz	Member of the Management Committee	Shares	Acquisition of free shares	7	0
		Shares	Disposal	9	594,797.81
Alexandra von Plato	Member of the Management Committee	Shares	Acquisition of free shares	2	0
		Shares	Disposal	2	74,943.22
Véronique Weill	Member of the Management Committee	Shares	Acquisition of free shares	1	0
Jaroslaw Ziebinski	Member of the Management Committee	Shares	Acquisition of free shares	2	0

3.3 RELATED-PARTY TRANSACTIONS

The following explanations summarize all transactions since 2018 between Publicis Groupe and related parties.

3.3.1 Terms and conditions of financial transactions carried out with related parties

In the second half of 2018, Publicis Groupe started a process to dispose of all the activities of Proximedia. Present in France, Belgium, the Netherlands and Spain, Proximedia assists micro-companies, SMEs, retailers and craftspeople with their digital communication. This process, conducted with the help of an independent bank, resulted in more than 60 potential candidates being approached. On December 19, 2018, the Groupe companies holding Proximedia's activities received a firm acquisition offer for all the companies forming Proximedia and the Spanish activity. In return, the companies in question signed an exclusivity agreement with Ycor SCA to negotiate the final terms and conditions of this operation. Maurice Lévy, Chairman of the Publicis Groupe Supervisory Board, holds interests in Ycor SCA. Some 10 investors, out of the 60 approached, showed an interest in the full or partial takeover of Proximedia. Ycor SCA's offer, covering the entire scope, was the highest offer financially and was also the most compelling in terms of development prospects for the companies sold and support of the teams. The disposal was completed on April 30, 2019 (see Section 6.6 – notes 3.3 and 7 to the consolidated financial statements in this document).

3.3.2 Related-party transactions

During 2020, the following transactions were carried out by Publicis Groupe with related parties:

	Revenue from related parties	Expenses for related parties
Joint-venture between MSL France and Les Échos Solutions(2)	2	-
Burell Communication Groupe(4)	2	-
Weborama(5)		6

During the previous two financial years, the following transactions were carried out by Publicis Groupe with related parties:

	Revenue (expenses) from related parties	
	2019 financial year	2018 Financial year
Joint-venture between MSL France and Les Échos Solutions(2)	12	9
Burell Communication Groupe(4)	(2)	-

The outstanding amounts with related parties in the balance sheet as at December 31, 2020 were as follows (in millions of euros):

	Receivables/loans vis-à-vis related parties	Liabilities vis-à-vis related parties
OnPoint Consulting, Inc.(1)	14	1
Joint-venture between MSL France and Les Échos Solutions(2)	1	-
Zag Limited(3)	5	-
Burrell Communication Groupe(4)	-	1

(1) Entity wholly owned by Publicis Groupe.
(2)Entity 50% owned by Publicis Groupe, to organize the "Viva Technology" event.
(3)Entity 36.75% owned by Publicis Groupe.
(4)Entity 49% owned by Publicis Groupe.
(5)Entity indirectly held by YCOR SCA, in which Maurice Lévy, Chairman of the Supervisory Board of Publicis Groupe, has interests.

3.4 STATUTORY AUDITORS' SPECIAL REPORT ON RELATED-PARTY AGREEMENTS

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 General Shareholders' Meeting of Publicis Groupe,

In our capacity as statutory auditors of your Company, we hereby present to you our report on related party agreements.

We are required to inform you, on the basis of the information provided to us, of the terms and conditions of those agreements indicated to us, or that we may have identified in the performance of our engagement, as well as the reasons justifying why they benefit the Company. We are not required to give our opinion as to whether they are beneficial or appropriate or to ascertain the existence of other agreements. It is your responsibility, in accordance with Article R. 225-58 of the French Commercial Code (*Code de commerce*), to assess the relevance of these agreements prior to their approval.

We are also required, where applicable, to inform you in accordance with Article R. 225-58 of the French Commercial Code (*Code de commerce*) of the continuation of the implementation, during the year ended December 31, 2020, of the agreements previously approved by the General Shareholders' 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 General Shareholders' Meeting

We hereby inform you that we have not been notified of any agreements authorized and entered into during the year ended December 31, 2020 to be submitted to the General Shareholders' Meeting for approval in accordance with Article L. 225-86 of the French Commercial Code (*Code de commerce*).

Agreements previously approved by the General Shareholders' Meeting

We hereby inform you that we have not been notified of any agreements previously approved by the General Shareholders' Meeting, whose implementation continued during the year ended December 31, 2020.

Paris-La Défense, April 7, 2021

The Statutory Auditors

French original signed by

MAZARS		ERNST & YOUNG et Autres	
Olivier Lenel	Ariane Mignon	Nicolas Pfeuty	Valérie Desclève

CHAPTER

4

CORPORATE SOCIAL RESPONSIBILITY – NON-FINANCIAL PERFORMANCE

The declaration of non-financial performance (DNFP) meets the French and European legal obligations, and the voluntary commitments of Publicis Groupe in terms of reporting on Corporate Social Responsibility (CSR) in accordance with international guidelines that the Groupe has been following for several years, notably the GRI.

This Chapter is the core of the Groupe's non-financial reporting and includes a number of quantitative and qualitative indicators presented under the "comply or explain" rule. Examples of various actions carried out and initiatives implemented in the agencies to address social, cultural, ethical and environmental issues are given. More examples are featured on the Groupe's corporate website www.publicisgroupe.com (CSR Section). A CSR Smart data table is also available on the corporate website (CSR Section).

The DNFP is made up of a number of factors included in this document, denoted as follows:

- background information on segment trends or the general outlook, as well as on the business model and value-creation components, are presented in the introduction with a summary of key financial figures and the main non-financial indicators;
- the Groupe's strategy and activities are presented in more detail in Chapter 1;
- the risk factors are presented in order of priority in Chapter 2. Non-financial risks are addressed in the form of CSR issues in this Chapter. Already at the heart of the major CSR challenges, in 2020, the health and well-being of employees have logically been raised to the rank of top priority as illustrated by the CSR materiality table in the introduction to this document. Human rights and environmental risks are presented in Section 4.4.2, with the aim of complying with duty of care requirements;
- the Groupe's governance is presented in Chapter 3;
- the consolidated financial statements are in Chapter 5;
- a specific DNFP cross-referencing table can be found in Chapter 10.

Methods and processes in place for CSR reporting, as well as governance of these issues, are explained in Section 4.8. In accordance with French and European regulations, the Bureau Véritas verification report of external audit can be found at the end of this Chapter.

Materiality of CSR challenges in 2020

In view of this atypical year of 2020, and the pre-eminence of certain subjects, the Groupe carried out a rapid consultation of its stakeholders. The aim was to measure changes in the expectations of our stakeholders. One hundred people were interviewed in the United States, France, the United Kingdom and India: employees, clients, investors and management were approached. The matrix was presented to the Strategy and Risk Committee and then approved by the Supervisory Board (see Section 3.1.4.9 of this document). This work is managed by the Groupe's CSR Department and conducted with Salterbaxter, a subsidiary of the Groupe, specializing in CSR, under a contract using recognized materiality analysis methodologies. In addition, the external firm Materiality Reporting is involved in an annual critical review of non-financial reporting, and for verification and certification with regard to the GRI Standards.

The year was marked by the absolute priority given to the health and well-being of employees (physical and mental health) in a tense environment concerning issues of diversity, equality and inclusion; responsible marketing and data protection remain strong expectations for our business lines, in addition to a focus on the value chain, looking at how suppliers manage human rights. Environmental concerns related to climate change remain a priority, so that the Groupe can reduce its own impacts, reduce the impacts of its services, and take more action in the fight against climate change. The CSR materiality matrix is presented in the introductory Chapter of this document.

Dialog with stakeholders is also conducted on a continual basis by local agencies, whether it involves dialog with employees or discussions with clients on these major issues.

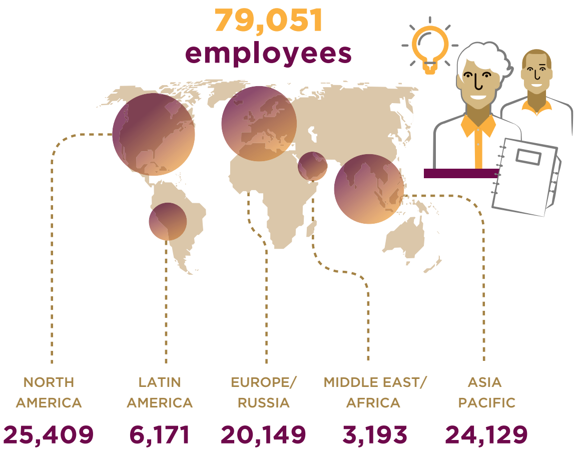
Questions regarding this non-financial reporting may be addressed to the Groupe CSR Department: csr@publicisgroupe.com

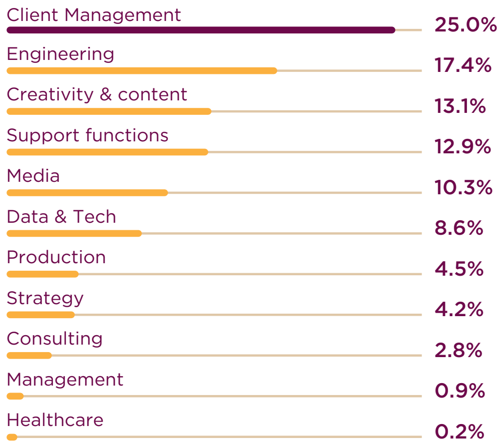
4.1 TALENT

2020 was a complex year for the Groupe's employees, who quickly switched to working from home when their countries or regions were faced with restrictions or recommendations that encouraged working from home as much as possible. They have shown adaptability and responded effectively to their clients' expectations.

4.1.1 Key figures

/ Breakdown by region and main job category and function





a) Total headcount in 2020: **79,051 employees.**

The net variation of employees is broken down as follows:

- arrivals: 20,207 in 2020;
- departures: 24,391 in 2020. These departures are the result of the constant adaptation of the workforce with regard to the reorganization of the Groupe according to the country model, and secondly, to the adjustment of the workforce in view of the decline in activity caused by the global health crisis. Publicis Groupe is a company whose entities and agencies carry out regular adjustments and which always prioritizes internal solutions;
- turnover 2020: 17.5%.

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.

b) The Groupe's employment **contracts** are drawn up in compliance with the local legal and regulatory framework, for both permanent contracts and temporary contracts. Depending on the local context and the temporary needs of certain projects, freelance service contracts are drawn up for independent workers, although the use of freelancers in 2020 was strictly limited in order to allow temporarily unoccupied Groupe employees to help other teams.

Employee contracts are broken down as follows:

- permanent contracts: 93.9% of total workforce; 92.9% of women and 94.9% of men are employed under a permanent contract;
- temporary contracts: 6.1% of total workforce; 7.1% of women and 5.1% of men are employed under a temporary, fixed-term contract.

  Work is organized around project management requirements and is tailored to meet client needs and the expectations of the employees themselves. Working hours are governed locally by laws and regulations. An international internal project on "The Future of Work" was launched in the second half of the year with the consultation of all employees in all countries on the new forms of work to be reinvented, in order to draw lessons from this unusual 2020 year (see Section 4.1.3).

  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 (*e.g.* Thanksgiving, etc.). At the height of the epidemic and lockdowns, 95% of the Groupe's workforce switched to work from home. 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 1.77%[(1)].

4.1.2 Diversity, Equality and Inclusion (DE&I)

Diversity and inclusion were at the heart of the Groupe's top management priorities in 2020. With the widespread mobilization around the *Black Lives Matter* movement, a specific program was set up in the American agencies (see Section 4.1.2.1). Inspired by this model of action, other countries (United Kingdom, Latin America, France, etc.) have also addressed this issue in order to implement new actions, depending on each national context. The Groupe's culture is based on the motto *Viva la Difference*, based on respect for each and every individual, both internally (the diversity of our employees) and externally (the diverse cultural contexts in which the teams work with our clients). This respect for difference is at the heart of the Company's culture.

The Groupe's Diversity, Equality & Inclusion policy sets out the main founding principles behind which local actions are aligned. The Groupe policy is regularly updated and communicated to employees who are involved in the actions implemented. They are also shared with clients with whom we may conduct joint initiatives.

/ The Groupe's gender diversity – at December 31, 2020

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

	% Women in the workforce[(1)]	% Female members of an agency Executive Committee[(2)]	% Women agency CEOs[(3)]	% Women Heads of creative teams[(4)]	% Women Heads of technology teams[(5)]	% Women Heads of data teams[(6)]	% Women Heads of Media teams[(7)]	% Women among key executives[(8)]
Total Publicis Groupe	**50.1**	**43.6**	**33.5**	**27.1**	**13.2**	**27.5**	**43.1**	**40.4**
Africa & Middle East	49.8	28.6	15.9	18.8	25.0	0	33.3	N/A
Latin America	52.1	52.4	36.1	13.3	16.7	50	36.4	N/A
North America	53.4	44.9	35.2	44.2	15.8	26.7	45.0	N/A
Asia Pacific	42.6	41.8	42.4	30.2	13.3	28.6	39.5	N/A
Europe	54.4	43.0	30.5	23.1	8.9	20.8	50.0	N/A

Description of the Groupe %:
(1) Breakdown of women by region.
(2) Agency Management Committees: calculated at agency or entity management level and by region.
(3) Agency CEOs: calculated at CEO level of each agency or entity and by region.
(4) Heads of Creative teams: calculated at the management level of creative teams of agencies or entities with this function, and by region.
(5) Heads of Technological teams: calculated at the management level of technological teams of agencies or entities with this function, and by region.
(6) Heads of Data teams: calculated at the management level of data teams of agencies or entities with this function, and by region.
(7) Heads of Media teams: calculated at the management level of Media teams of agencies or entities with this function, and by region.
(8) % Women among the key Groupe managers (Management Board + Management Committee + Country/Region Management Committees).
This consolidated indicator is applicable only at the Groupe level.

- The Supervisory Board of Publicis Groupe, chaired by Maurice Lévy, includes six women (50% women) out of 12 members, plus two members representing employees (one woman, one man). (See Section 3.1 of this document).
- The Management Board, chaired by Arthur Sadoun, has three men and one woman (25% women), unchanged compared to 2019.
- The Management Committee, chaired by Arthur Sadoun, has 21 members at December 31, 2020, including seven women (33.5% women), unchanged compared to 2019.

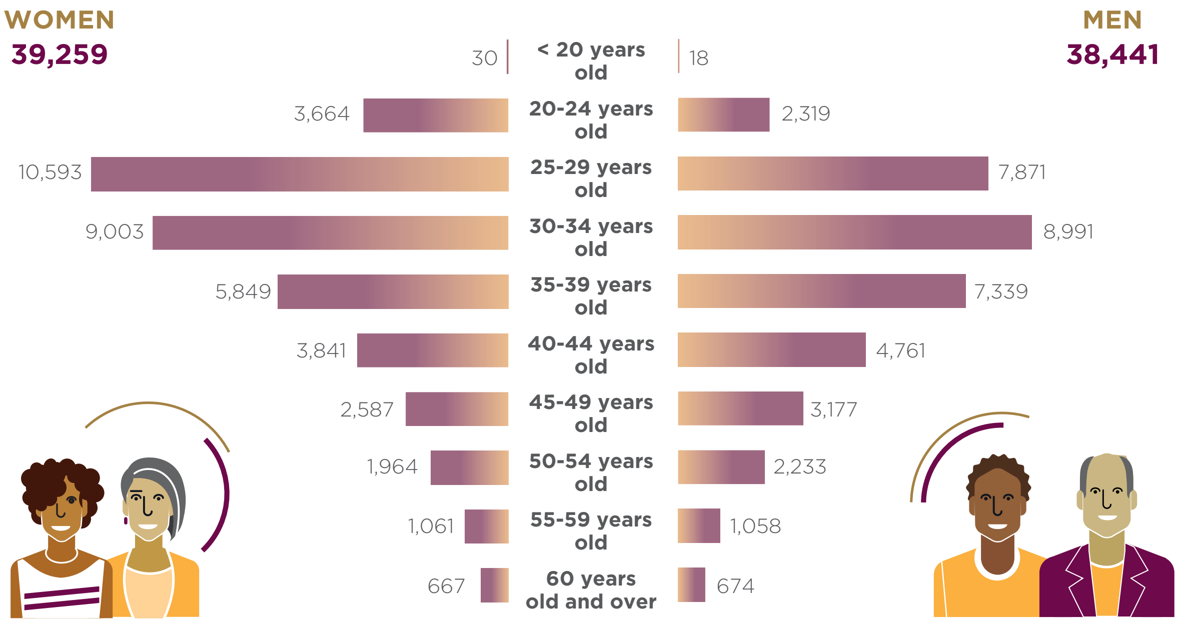
(1) Definition: the absenteeism rate is equal to the total number of lost days, for absences other than paid leave or maternity/paternity leave, divided by the number of business days in the year.

- The Groupe's 2020 target of 40% women among key managers set by the Groupe in recent years was achieved with 40.4% (Groupe Management Committee and Country and Region Executive Committees).
- Age pyramid: calculated in 2020 with over 98% of the headcount; this shows a good gender balance at Groupe level (50.1% women and 49.9% men). The simplified breakdown is as follows:

	Women	Men
<30 years old	36.4%	26.6%
30-50	54.2%	63.1%
51 years old and over	9.4%	10.3%
Total	**100%**	**100%**

- Average age of employees: 36 years old (36 for men – 35 for women).

AGE PYRAMID



The Diversity, Equality and Inclusion policy is based on five pillars:

a) The "Zero Tolerance" principle

This principle is intangible. It has always been applied in the fight against all forms of discrimination, on whatever grounds (gender, age, background, sexual orientation, religion, etc.). It is more valid than ever and must be respected by all, employees and managers alike. This "Zero Tolerance" principle also applies to sexual harassment and inappropriate conduct. It is described as such in the Janus Code of Ethics (excerpts of which are accessible on the Groupe's corporate site at: www. publicisgroupe.com). A centralized whistleblowing mechanism is operational: ethicsconcerns@publicisgroupe.com. Reported concerns are managed by the Secretary General and systematically followed up, with complete confidentiality and protection for whistleblowers (see details in Section 4.4.4 of this document). Furthermore, several countries – United States, France, United Kingdom, etc. have strengthened their local whistleblowing and psychological support systems, notably with the introduction of an external hotline in the event of harassment or professional or personal psychological distress, or with an external reporting platform.

b) *Viva la Difference*: Strengthening an inclusive culture

During the virtual seminar bringing together all Groupe employees in December 2020, *Viva la Difference* was widely reaffirmed as the motto at the heart of the Groupe's business and strategy, so that this difference is also embodied in the services offered to clients. This alignment between the Company's internal culture and the business approach consolidates the core values on which the Groupe has relied for decades , brings meaning to the business lines, and illustrates our intention to see our activities contribute to the construction of a more inclusive world.

The Groupe has a proactive approach to diversity in its workforce – further strengthened in 2020 (see Section 4.1.2.1 for country examples). Among all of the criteria to be taken into account and on which vigilance must continue to be exercised, 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 level, only gender and age data can be consolidated and published.

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 to ensure that best practices all converge towards an inclusive culture.

c) Groupe commitments

The Chairman of the Management Board, Arthur Sadoun, deals directly and personally with the issues of diversity and inclusion. He was heavily involved in the preparation of the US action plan and in the global internal communication that followed, inviting other countries to take a similar approach (see paragraph 4.1.2.1: examples from the United States and the United Kingdom). Publicis Groupe regularly reaffirms its commitments to gender equality, through equality for all as a factor of inclusion. The Groupe is a signatory of the Women's Empowerment Principles (WEPs) of UN Women, a United Nations agency: these seven key principles promote women's rights as fundamental human rights and encourage equality in all its forms. The Groupe is also a stakeholder in CEO action for Diversity and Inclusion in the United States, which requested that hundreds of CEO signatories share their best practices and data concerning trends in female employment in their organizations. Publicis Groupe is one of the 20 or so corporate members of the Unstereotype Alliance which is placed under the aegis of UN Women and whose mission is to fight against gender stereotypes in communication campaigns. The Groupe has had a partnership with Catalyst for several years now and the agencies have built local partnerships with committed organizations. Publicis Groupe also joined OneInThreeWomen, an international initiative, mobilizing companies around domestic violence against women, so that they can set up assistance systems or facilitate access to assistance for victims.

In order to improve the impact of measures taken, the internal DE&I Working Group was set up under the responsibility of the Secretary General and is comprised of a dozen of the Groupe's DE&I experts. Its roadmap is to scale up a number of fundamental actions across the whole Groupe within 12 to 24 months.

d) Internal affinity networks or BRGs (Business or Employee Resources Groups)

The affinity networks turn the Groupe's new Power of One organizational structure into a reality. These groups unite 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, two affinity groups are active on the international stage: VivaWomen! (women) and *Égalité* (LGBTQ). BRGs also play a role at the external level, in that: they take part in different events and actions aiming to change behavior and practices. In 2020, many activities have gone virtual.

VivaWomen! – Present in more than 30 cities worldwide, VivaWomen! brings together motivated women and men volunteers to take action to promote gender equality and support women in the Groupe, regardless of their position or function within the Company. Coordinated by the Groupe's CSR Department, it is present from Los Angeles to Shanghai, *via* Mumbai, Madrid, Paris, London, New York, Chicago and Sydney, Cotonou and Dubai. VivaWomen! USA has created two sub-groups; VivaParents, to more closely support future parents, and VivaTech, focused on women in the technological and digital sectors. The area of focus of VivaWomen! is two-fold: Career Development (with leadership training, coaching, etc.) and Work-Life Integration (with practical workshops on "motherhood and work," "time management," with regular testimonials from women or men role models, etc.). In every city, priorities are adjusted to meet the expectations of local teams and the names of networks can be more specific (such as Leo Burnett and Publicis Sapient's Women's Leadership Network). In 2020, experience sharing played a positive role, especially during periods of lockdown without school when all parents of young children were confronted with the complexities of managing family and professional life. VivaWomen! works alongside women's networks in the Groupe's clients and other companies to carry out joint awareness raising and mobilization actions. Lastly, in accordance with its initial positioning, VivaWomen! commits to causes that defend the rights of women and girls.

Égalité – Launched in the United States, this network brings together employees from agencies mobilized in the defense of LGBTQ rights (Lesbian, Gay, Bisexual, Transgender and Queer communities), and is backed by the Groupe's CSR Department. All agencies have now joined this network, which is present in various major cities from Boston to Atlanta *via* London and Paris. Ten US agencies obtained a performance score of 100/100 in the Human Rights Campaign Corporate Equality Index, renewed each year. This award was the result of an initiative launched in 2006. The focus of these evaluations is the policies in place and the activities to promote inclusion carried out in the agencies. *Égalité* is now present in ten cities around the world.

e) Focus on the Women's Forum for the Economy and Society

Its mission

Created in 2005 and based in Paris, the Women's Forum for the Economy and Society is a subsidiary of Publicis Groupe. In the context of the Covid-19 pandemic, it fully played its key role as a global platform with the ambition of bringing the voice, vision and added value of women not only to equality issues but also to other issues concerning humanity as a whole, and to defend the rights of women and girls as well as human rights.

In 2020, the Women's Forum launched its first Barometer, carried out with IPSOS, which is based on two axes: firstly, the analysis of relevant data from international databases and, secondly, *via* a questionnaire sent to a representative sample of 3,500 respondents in the G7 countries, on the assessment of public awareness of gender disparities. The results presented at the Women's Forum Virtual Global Meeting in November 2020, showed that, even if stereotypes remain too entrenched everywhere, 91% of the population questioned in the G7 countries call for an end to gender inequalities.

The Daring Circles

Since 2018, the Women's Forum has Daring Circles, bringing together around 50 partners: companies, international institutions, NGOs and experts. Grouped around five unique and innovative cross-sector working groups, the goal is to implement solutions where women are disproportionately affected and where their leadership is crucial: Women4AI, Women4Business, Women4Climateaction, Women4Health, Women4STEM. These action-oriented coalitions aim to develop concrete solutions on the climate, technology for the common good, access to health and economic empowerment. Collaborative working groups, Daring Circles work on targeted opportunities for pioneering solutions for inclusion and equality.

Role of international influence

The Women's Forum has been a force for international proposals recognized by the G7 and G20 since 2018. In 2019, following the G7 Summit in Biarritz under the French Presidency, the Director General of the Women's Forum was entrusted by the French government with the task of proposing a national mobilization plan in favor of jobs in the STEM fields and to better support women in key roles with critical responsibilities. The recommendations of the Women's Forum were presented in February 2020 in the report "Women at the heart of the economy".

In the context of the global crisis linked to the Covid-19 pandemic, the Women's Forum launched a Call to action for an Inclusive Recovery, aimed at G7 leaders and focused on seven key themes where the contribution of women is essential for sustainable growth: Entrepreneurship, *Métiers d'Avenir*, Tech4Good, Work-Life Balance, Governance, Climate, Health. These proposals are concrete, pragmatic and easily achievable. In line with the Women's Empowerment Principles (WEPs) of the United Nations, they aim to contribute to the UN Sustainable Development Objectives and enable women to hold key positions in which they will drive a real "SHE-Covery", an inclusive recovery.

4.1.2.1 Diversity and inclusion policies in specific countries

a) Diversity policy in the United States

2020 was marked by a strong mobilization around the "Black Lives Matter" movement. More than 2,000 employees took part in a "Brave Space" sharing session in the days following the murders of George Floyd, Ahmaud Arbery and Breonna Taylor and many others. 300 volunteer employees were trained to run these sessions in all entities. On June 17, all of the Groupe's agencies took a "pause" and together reflected on the priorities for combating racism and strengthening the levers of inclusion: 18,500 employees from the United States and Canada took part and attended one or more of the 13 sessions and the three different learning tracks. A group of around 100 employees then worked on the action plan presented by Arthur Sadoun, Chairman of the Management Board, in early July 2020. This plan is based on seven points and is monitored by the US Executive Committee:

1. publish and monitor data on the ethnic origins of employees, while respecting regulations and data protection provisions;
2. implement targeted actions for Groupe employees of African-American origin in terms of professional development and leadership;
3. set up a recruitment and engagement program involving these employees already in the Groupe;
4. work on an inclusive culture of allies (allyship) and train all employees in the "Disrupting Everyday Bias" program;
5. allocate USD 45 million over the next three years to provide broader support for programs combating racism and inequality;
6. launch a work-study program *via* the Marcel platform to recruit disadvantaged young people who are far removed from the Groupe's profession;
7. set up a Diversity Progress Council bringing together people from outside the Groupe (clients, academics, etc.) with employees, including young talent, to take stock every six months.

The Talent Engagement & Inclusion (TE&I) Brain Trust bringing together 16 diversity managers across the United States provides monthly updates on the progress of programs and activities within the agencies, and also works on the development of policies and practices by sharing experiences.

The Talent Engagement & Inclusion (TE&I) Council meets quarterly, in the presence of the Groupe's Secretary General, or with the Groupe's CSR Department. The monthly newsletter TE&I Quarterly reports on activities on Marcel, along with the Inclusion Activated podcasts. The TE&I Council plays a

4

supporting role for agencies' Talent or Human Resources teams in terms of recruitment or retention, with particular focus on the various internal options that enable Groupe employees to develop by way of attractive career paths.

The Talent Engagement & Inclusion Core team, which coordinates all actions, has refocused its efforts around four priorities: internal culture and employee communities, support for Talent, work carried out for clients, responsibility – supporting figures, rolling out the 6Ps model: Process, Practices, Policies, Platform, Products (and services) and Partnerships. This team supports local D&I managers by providing various tools and programs such as: Unconscious Bias, Inclusive recruiting, Managing inclusion, Straight talk, and others.

The teams focused on several programs such as:

- "3% Conference & Movement", which aims to increase the role of women in creative management roles in agencies and in the creative industry;
- "Adcolor" and other communications sector talks, which recognize young talent and reward companies active in these areas;
- "Out & Equal Workplace Summit": each year, the Groupe sends a delegation of 20 people to this summit, whose mission upon their return, is to share to a wide audience what they have learned from this inspiring and dynamic conference;
- "Black Enterprise Women of Power Summit", to which the Groupe sends a delegation of some 60 African-American women.

For the 11th consecutive year, the Groupe's proprietary program, the MCTP (MultiCultural Talent Pipeline) took place, this time virtually, over three days: it welcomed 357 young people proposed by Universities or Schools with which the Groupe works, and introduced them to 88 representatives of the Groupe's clients, in the presence of 40 leaders of the Groupe's agencies. The agencies then welcomed 30 interns into their teams during the year.

Publicis Groupe is a member of the "CEO action for Diversity & Inclusion", an American initiative bringing together several hundred CEOs and executives of international companies, determined to change behavior in their companies. The Groupe's agencies participate in the Alliance for Inclusive Multicultural Marketing (AIMM) to welcome and support more interns representing diversity. In the same vein, the MAIP alumni network (Multicultural Advertising Intern Program) initiated by the American inter-professional organization (4As, American Association of Advertising Agencies), makes it possible to welcome interns from minorities or underprivileged neighborhoods during the summer, and then recruit them.

BRGs (Business or Employees Resource Groups) are present in 21 American cities and rely on volunteers. The aim of these affinity communities is to act together: VivaWomen! (women), *Égalité* (LGBT), VivaWomen! of Color (Women of Color), PublicisParents (parents), VivaTech! (women in Tech), MOCA (Men of Color Alliance), GenNext (Young Talent), Publicis Connects (for HR managers and facilitating internal mobility), Cross Boundary (international mobility), *Sages* (for people over 50), PubVets (Military veterans), and the 12th BRG, Conscious Mind (Well-Being and Health), was created this year.

b) Diversity policy in India

With more than 15,000 employees in India, the Groupe has a significant presence there.

Activities related to the Diversity, Equality and Inclusion program aim to sustainably change practices in terms of recruitment and promotion of women, and in favor of persons belonging to minorities.

Thematic workshops are held throughout the year for executives, managers and those in charge of strategy. The role of diversity and inclusion managers is to be vigilant and nurture this internal culture. Within the context of the induction program organized to welcome new employees into the Company, all female and male recruits take part in an "Unconscious bias" session designed to anchor the culture of diversity. Publicis Sapient has set itself a roadmap in which the place of women is central, as are minorities, who need to be better represented.

The VivaWomen! internal network is active in favor of women, in order to highlight role models in leadership positions, by encouraging people to speak at professional events. Monthly meetings with inspiring guests are an opportunity to reflect on professional development, and to share experiences on the combination of personal and family life, and professional ambitions. The 2020 Howathon involved more than 200 people in a hackathon-type event on coding, where each team is led by a woman.

The activities of the internal PRIDE network (Potential Realized in Diverse Experience) enabling people concerned by LGBTQI issues (Lesbian, Gay, Bisexual, Transgender, Queer, Intersex) to have a dedicated space to discuss personal situations, watch films and discuss these sensitive topics and be in touch with this community. With regard to people with disabilities, the agency launched the PwD (People with Disability) program to promote inclusion in the workplace. The Care Givers association has intervened on several occasions to help employees who have to deal with the care of elderly parents and family complications while pursuing their professional goals. Finally, the Groupe has strengthened its approach to diversity with its local suppliers to regularly employ women-led companies or companies with disabled employees.

c) Diversity policy in France

In France, the Groupe is continuing its long-standing partnerships (for example: *Nos quartiers ont des talents*, *Baissez les barrières*, *Jeunesse et entreprises*, *C'Possible*, *Prométhée Éducation*, etc.) by providing them with long-term support.

The Groupe has extended its action with the *C'Possible* association; a vocational high school class was accompanied by Publicis Media employees to introduce them to the communication profession. These actions are initiated in the context of the National Youth Day (JNDJ), the aim being to put young high school students from precarious backgrounds in touch with the world of business and, more generally, the diverse spheres of civil society (*e.g.* culture).

With regard to the allocation of the apprenticeship tax, diversity is still a key priority for the Groupe (training, job profiles, etc.), which continues to back several pilot high schools for young people from disadvantaged districts (*Article 1*, *Jeunesse et Entreprises*, etc.). In 2020, France welcomed 115 young people on professional training contracts and 478 interns.

The Groupe remains committed to combating youth unemployment and supporting the employability and integration of young people with various partners, such as within All4Youth (previously The Alliance for YOUth) under the aegis of Nestlé, now rolled out in several countries. Arthur Sadoun, Chairman of the Management Board, made a personal commitment during two events: the launch of "Ally" (artificial intelligence developed by Facebook, Nestlé and Publicis Groupe) with a panel of young people questioning leaders; and "#TheStartupMindset" live event, continuing the dialog between young people and the CEOs of the Alliance. Agathe Bousquet, Chairman of Publicis Groupe in France, represented the Company at regional level for the "#BeFutureReady" event in October 2020 (workshops between young employees of Alliance member companies, on digitization and sustainable development); and a second round of discussions with members of the European Commission and the European Parliament. The objectives remain ambitious: to create 300,000 opportunities for young people across Europe, the Middle East and North Africa, by 2025.

Within the agencies, a community dedicated to equal opportunities and the inclusion of diversities of social and ethnic origin was created in June 2020, under the guidance of the newly created Diversity and Inclusion Department. Composed of volunteers, it has developed an action plan ("Make it happen") to defend and promote equal opportunities within the Groupe, business lines and society. This plan's first actions have already been put in place, with the help of the Troupers agency, to integrate more diversity into castings, and with the launch of Publicis Track at the end of the year, a program designed to offer internships in agencies to young BTS (Associate Degree) scholarship students.

With regard to professional gender equality, 12 Groupe entities in France with over 50 employees published their gender equality index. Our operations overall scored 95/100. This Index is monitored by the France Executive Committee. These elements serve as a diagnostic under the professional equality agreement signed in 2020, which also provides, among other things, for the granting of financial assistance on the birth of a child and until his or her third birthday, as well as the introduction of full compensation for paternity leave. Lastly, Publicis France signed the "#StOpE" (Stop Everyday Sexism in Businesses) charter in December 2020 to confirm, with 120 partner companies, its commitment against harassment and discrimination.

The Groupe's agencies are active in terms of career development, promotion and effective compensation. They participate in the activities of the internal VivaWomen! network enabling women to speak regularly on issues of leadership, mentoring and personal development; the *Égalité* network (LGBTQ) continues to grow with actions in favor of the defense of rights, education and communities.

Disability

The integration of disabled employees in agencies remains a priority (no global Groupe indicator due to legislation in different countries), either through the recruitment of people with disabilities, or support, in terms of adapting and reorganizing workstations, for employees with disabilities. The Disability team worked on the following topics:

- the steering of an internal network of 14 disability ambassadors;
- the organization of Disability Week, offering various testimonials from many employees, a daily challenge "Handi Birds" to teach people about the different forms of disability, as well as a talk/debate with Mathieu Thomas, French Parabadminton team player and sixth-best player in his category worldwide;
- participation in several recruitment events dedicated to students with disabilities: *Sciences Po Accessible*, *Open Forum ESSEC and JobDating Pépites*.

The validated and final rate for 2020 will be available in mid-June 2021, and is expected to show a very slight improvement (1.74% in 2020 *versus* 1.59% in 2019).

The Groupe is keen to make its work and documents, particularly corporate publications, e-accessible, and to encourage video subtitling. Agencies routinely offer to make their clients' content e-accessible.

d) Diversity policy in the United Kingdom

In July 2020, Publicis Groupe UK published its "Embrace Change" action plan in favor of Diversity, Equality and Inclusion, developed following an internal day dedicated to reflection in workshops and experience sharing, echoing the "Black Lives Matter" movement. To respond to the urgency of social inequalities, the teams have made the fight against discrimination of people from minorities a priority. At the same time, recurring actions continued, such as the legal teams' training of managers and employees – women and men – on unconscious bias and with programs adapted to younger generations.

This "Embrace Change" plan is based on three objectives:

- inspire, to attract more minority candidates to our sector and agencies;
- promote access, by removing any barriers;
- progress, by creating an inclusive culture that allows employees from minorities to develop and occupy more positions with responsibilities.

The Groupe joined the "BITC Race at Work" Charter (Business in the Community), which also makes it possible to monitor developments in the sector. This led to the creation of two specific positions filled in 2020 to lead the Diversity & Inclusion actions. Internally, the Publicis Groupe UK Behavioral Charter was introduced, built on the motto *Viva La Difference*, with a new alert policy to better monitor any incidents. The United Kingdom also has a Diversity Council, made up of people from outside the Groupe such as clients and social inclusion experts, who will meet twice a year to monitor the progress of the action plan.

Although in 2020 British regulations suspended the obligation to publish Gender Pay Gap Reporting, the eight agencies concerned continued their evaluation work, under the responsibility of Annette King, Chairman of Publicis Groupe United Kingdom, herself a role model to motivate other women to take on responsibilities.

Two new affinity groups joined “VivaWomen!” UK (supporting women) and “Equality” UK (for LGBTQI people); “Embrace” brings together employees from ethnic minorities and their allies, and “enABLE”, is dedicated to disabled employees and their allies. These initiatives are managed by employees for the benefit of other employees and are part of an inclusive internal culture, based on the sharing of testimonials and recognition of the wealth of different backgrounds.

e) Diversity policy in South Africa

The fight against inequality is central to the agency’s approach, and support for South Africans of color is an essential lever. In 2020, the agencies in South Africa increased their efforts for young people through programs for different age groups: for the youngest, to equip parents to improve children’s early learning and learning during the periods of strict lockdown, by distributing 2,500 educational kits; to increase the capacity of schools by paying for an additional teacher in order to welcome 25 more children; for creative high school students, with the awarding of around 50 scholarships allowing them to either access a one-year program in the agency, alternating theory and practice, or to follow an intensive digital training course. These projects have an immediate impact on combating inequality. 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.

The agencies are “BBBEE – level 1” certified (Broad-Based Black Economic Empowerment), following a voluntary evaluation process carried out by external auditors. This is the highest certification level and underscores the ambition of the agencies to take a business approach that has a positive inclusive impact on both employees and clients, and an impact on society through the resultant transformations. This is a long-term investment, in that it is not a straightforward compliance exercise, but a strategic approach. A proactive and long-term action plan has been put in place, focusing on management, recruitment and training, as well as a procurement policy that targets supplier companies that have historically been disadvantaged. In 2020, a particular focus was placed on suppliers headed by women or South Africans of color. All these actions are aimed at continuing the fight against apartheid and rebuilding a more egalitarian society.

f) Diversity policy in Australia and New Zealand

The agencies started or strengthened their partnership with the NGOs Diversity Council Australia, Diversity Works New Zealand, and Pride in Diversity, which made it possible to set up significant training sessions on unconscious bias, taken by all employees, to which were added specific sessions for 200 managers in the Australia and New Zealand region. Publicis Belong is the name of the Diversity and Inclusion team, which is assisted by sub-groups of employee volunteers rolling out various actions. Among those that are successfully in place in 2020 is VivaWomen!, which initiated a series of four virtual international sessions on “The Confidence Playbook”, aimed at all women in the Groupe, beyond just Australia; *Égalité*, with several events that allowed the whole community to feel united during the periods of Working from Home, or the RAP Team. This group of very committed volunteers is involved in many actions in favor of aboriginal culture, with the Aboriginal and Torres Strait Islander organizations returning to the roots of Australian culture as part of the national program Reconciliation Australia. On this occasion, discovery and education activities were conducted in the Sydney agencies, inviting employees to bring their families and children.

4.1.2.2 Attracting and recruiting talent with different profiles

The Groupe’s key job profiles – Creation, Media, Data, Technology – are under great strain in most countries. The Groupe’s agencies operate on several levels at the same time. It is not enough just to recruit staff, the Groupe needs to encourage its talent to stay! 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. Relations between agencies and schools and universities are organized around:

1. employment forums, almost exclusively virtual in 2020: Job Fairs or Careers Fairs enable several agencies to act as one, promoting a well-rounded vision of the diversity of Groupe occupations;
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. Most of the Groupe’s agencies take interns (over 2,068 worldwide composed of two-thirds young women and one-third men, but with differences from job to job or country to country), with internships opening the door to employment. Despite the lockdowns, the agencies ensured that they could maintain a capacity for onboarding, *albeit* reduced by the force of events;
3. “open house” or “discovery” days in agencies: organized with the support of local professional organizations, this type of event was switched to a virtual model in 2020, 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.

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.

4.1.2.3 Relationships with academia, schools and universities

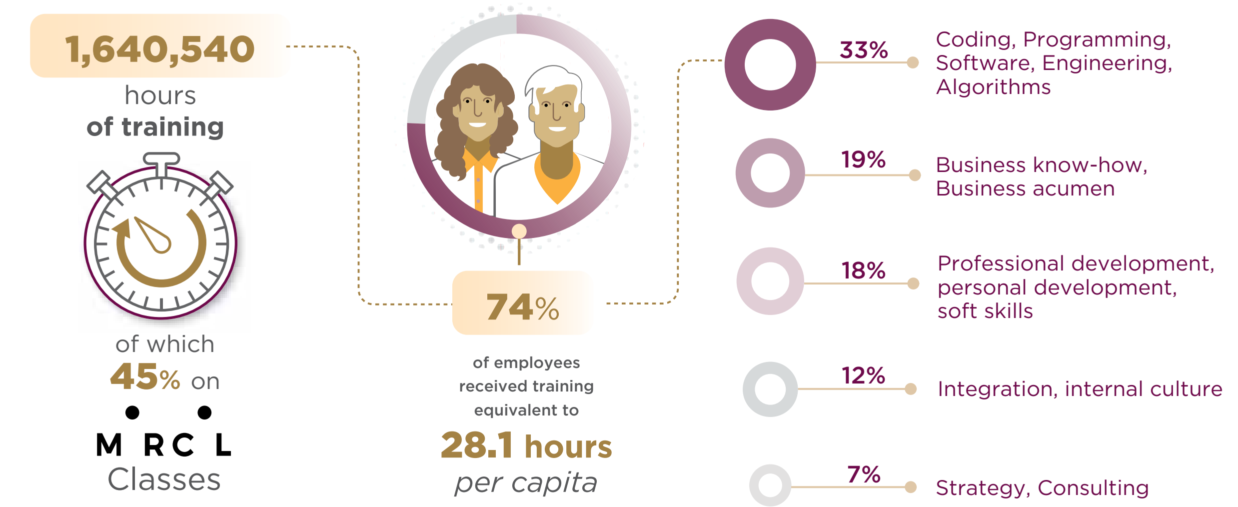
In 2020, many of the face-to-face programs or activities conducted in universities and schools were replaced by virtual sessions. Around 780 programs between the Groupe's agencies and establishments took place. The objective remains to help young people find out about jobs in the industry and show them that they have a place with us. Technologically-oriented collaborations with certain establishments were established for pilot projects. A number of managers act as regular contacts in certain disciplines and domains, and share their experience with future professionals.

The Groupe has forged relationships with various schools, universities (see corporate website, CSR section) and organizations that are highly committed to diversity. Publicis Groupe is a member of All4Youth, created and run by Nestlé, bringing together several companies and aiming to offer new integration opportunities for young people in specific paths, and to work on their employability. The Groupe's agencies are committed to attracting talented young people from underprivileged backgrounds, through targeted support programs.

4.1.3 Development of skills, experience, careers

2020 was marked by the rollout of the Groupe's internal platform, Marcel, around the world. Marcel fulfills several roles, including an essential one for training, with Marcel Classes. The objective is to make training work for all employees and to make it a part of the business's strategic plan so as to move towards a continuous learning culture. Each employee needs to be able to develop professionally and maintain their employability within a rapidly changing ecosystem.

TRAINING & DEVELOPMENT



- **74% of employees benefited** from some form of training or career development in 2020;
- 1,640,540 hours of training were given during the year (*i.e.* 28.1 hours *per capita*, based on the number of employees trained), of which more than 75% composed of e-learning, around half of which took place on Marcel Classes.

Marcel Classes at the heart of the employee training strategy

2020 marks the accelerated rollout of the Marcel internal artificial intelligence platform to more than 80,000 employees. Marcel Classes is a platform for Education Learning On Demand (ELOD) comprising more than **30,000 modules, on 700 different subjects**, giving access to content developed by partners or third-party experts in a very wide range of fields, available in seven languages or self-produced by Groupe entities to meet very specific needs. All modules are accessible to everyone, 24/7. All of the Groupe's major business lines are represented in order to learn, improve, be certified in certain cases, discover business innovations and share best practices. It offers curricula tailored to the needs of employees by business line or level.

Marcel Classes is also an opportunity to learn while being generous. In October 2020, a partnership was set up with LinkedIn and UN Women on the theme "Complete a Course – Give a Course". The aim is to enable employees following certain training sessions to give access to other sessions to people affected by the crisis and who have few resources for professional development. The initial goal was to unlock 5,000 online courses. Thanks to Groupe employees, more than 14,000 online modules were made available to underprivileged people.

Among the Groupe's training programs, LAB 1 for Immersive Leadership Learning LAB (for "Live action Boost"), is intended for high potential and future managers in business and operational functions. This program is a career accelerator, which benefited 232 participants worldwide in virtual mode in 2020. It is based on original approaches to learn to think and work differently and enable these young people to form a network.

The Future of Work

Publicis Groupe will never be a "Zoom company" and the face-to-face work "as before" must evolve; this is how the Chairman of the Management Board, Arthur Sadoun, has framed future changes, in his various internal and external communications during 2020. As a result of the transformations in work organization that took place this year, a vast project on the future of work began in April 2020, inviting all employees to participate. 46% of employees took an active part in the discussions – a high figure reflecting interest in the subject. They responded to a vast internal survey on future work options and their expectations; on the basis of these responses, a workshop bringing together 50 employees from 12 different countries enabled a number of key areas to be identified. Then in June, 10 countries/regions organized focus groups to take into account specific local or cultural issues.

The main conclusions were presented at the Groupe's internal seminar in December 2020, as follows: 90% of employees want the "after" to be different from the "before"; and five aspects were taken into account:

1. **flexibility** in all its dimensions: between office and home, time, moments of life, opportunities;
2. **physical and moral well-being**, in order to link the different environments, and by providing specific content and experiences;
3. **professional and personal development**, to enable everyone to find their place and to consider their future professional challenges *via* the Marcel platform;
4. **connection** with others, with mentoring, in particular;
5. **experience**, with a simple program that provides rapid feedback from each employee, at a personalized pace, and gives individual responses.

Marcel offered 5,518 Gigs and Jobs over the course of the year: Gigs are requests made by a team in need of temporary support on a specific subject. Gigs 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 maybe remove comma after Jobs Marcel publishes advertisements in advance of any external recruitment process in order to promote the internal development of employees.

Internal mobility

The 9th edition of the YouXplore program initially led by Publicis Media, scheduled to take place in 2020, was postponed. Each year, this program enables 250 of the Groupe's young talent to take part in an exchange where they pair up with another employee in person and slip into the role, job and culture of their exchange partner for a few weeks.

920 employees benefited from international mobility in 2020, as international mobility opportunities were limited during the year.

4.1.4 Employee health and well-being

4.1.4.1 Flexibility at the heart of work-life balance

With 95% of employees working at home during this exceptional year, the demand for flexibility is at the heart of future work organization. The Groupe and managements of the countries or regions presented solutions to meet these strong expectations expressed by all employees. Each entity can determine specific conditions (based on workload, role in the team, duration, task to be carried out for the client, performance, etc.) and employee eligibility criteria. The aim is to adapt to many situations so that employees can benefit from them at different stages of their professional and personal life. Many entities also have schemes such as sabbatical leave (eligibility conditions defined locally), thus enabling employees to take a break and return to the Groupe.

Parental leave

3,260 employees benefited from parental leave in 2020 (57% women, 43% men). All employees are eligible for this type of leave, depending on the legal context and, above all, on internal arrangements that are often more advantageous locally.

Agencies have reinforced their policies for maternity leave (number of weeks of paid leave in countries with less favorable regulations) as well as from a managerial point of view, in order to enable future mothers to better manage their return to work (with *ad hoc* meetings before, during and on return to work). 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.

4.1.4.2 Employee well-being

100% of employees (permanent and temporary contracts) have access to various local health support services in the field of healthcare, whether internal or external services or third-party experts.

2020 marks a turning point in the range of services available to all employees, the pandemic having led the Human Resources and Talent Departments to strengthen the service catalog, and the partners have dramatically changed their proposals to adapt to the new context. Mental health and individualized support have played an important role in meeting the needs expressed by employees.

Many agencies organize internal training or awareness-raising campaigns linked to seasonal issues or pathologies or health risks. Everything has been done to take into account the challenges of this unique year, with a large part of the workforce working from home (isolation, personal constraints, etc.). Teams mainly work sitting in front of one or more screens and employees are sedentary during the day, 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). Eye strain and the prevention of risks related to sedentary working (cardiovascular disease) are included in health support plans, which often include a module on nutrition. This health support work is accompanied by ongoing discussion and action to improve working conditions and the way in which tasks are organized. For sports enthusiasts, many agencies facilitate access to nearby sports halls by offering discounts on subscriptions, or put classes online. Some entities are equipped with their own sports halls, like Sapient in India, and have an on-site trainer or coach, or like the Bastille Campus in Paris, have an indoor sports hall. Virtual sessions for all have replaced physical sessions. Finally, for the most energetic, agencies encourage teams to take part in events, however most of these were canceled in 2020 (running, cycling, marathons or half-marathons, team sports):

- in the **United Kingdom**, local management has been involved in a vast mental health support plan since 2019, involving all employees in order to meet their needs. 88 employees were trained as Mental Health First Aiders (with Mental Health First Aid England). A comprehensive program entitled "Headline" was rolled out in the agencies, thanks to 116 Headline Ambassador volunteers trained in a listening role. In 2020, the context led to a significant increase in the offer of physical and mental healthcare services. Simplified access to the Employee Assistance Program (EAP), and to different specialists: yoga, meditation, massage, sports clubs (including running, cycling, etc.), was supplemented with a 24/7 hotline. Two systems have been put in place to help employees suffering from isolation: Four rooms (small format) and Publicis Talk (forum type), in order to break this solitude, and to share informally with colleagues facing the same difficulties. Access to the Headspace application was made free for everyone.

  The UK Executive Committee held regular plenary sessions to answer all employees' questions, and the internal communication plan has always accompanied government health announcements. Two internal surveys were dedicated to employee well-being, and another survey focused on engagement. When the agencies switched to working from home, the 5,000 employees were provided with the appropriate equipment, in line with a culture of flexibility encouraged in recent years. During lockdown periods, special attention was paid to parents of young children – or employees looking after elderly parents, by reducing their working hours and allowing them greater flexibility in personal organization;
- in **India**, the Health & Wellness system relies on various permanent activities: 100% of employees have access to health professionals and doctors both on-site and in virtual format: from gynecologists to physiotherapists and dieticians, the last two already having practices on the premises throughout the year. In 2020, remote consultations were made available to everyone. 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, blood donations, eye tests and dental appointments. Yoga and Zumba workshops throughout the year are still very popular, including virtual ones.

  100% of employees can access a comprehensive social services program *via* an Employee Assistance Program (EAP), which offers easy access to specialist medical consultations, a well-being portal with a 24/7 virtual access to contact doctors, and a type of medical concierge service for short-term solutions or assistance (stress, anxiety, insomnia, etc.). The social welfare scheme continues to improve the coverage of specific healthcare costs due to an *ad hoc* governance system, particularly for employees suffering from chronic diseases (diabetes, HIV, etc.), or those facing major surgery or interventions (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.

With the pandemic, new provisions have been implemented: a free 24/7 phone line to contact doctors to help manage lockdown-related anxiety or stress. Free medical consultations (by phone, apps, video, etc.) have been stepped up. Covid-19 has been included in the social security cover for employees (and members of their families), and a specific offer has been put in place to provide additional affordable family assistance to help employees and their families in the face of upheaval created by the pandemic.

In this unusual year, the management of the entities demonstrated its support by leading and/or participating in various workshops organized during Global Wellness Week, showing that the subject of well-being at work is serious and important;

- in **France**, each agency organizes its own priority action plan; the measures implemented cover a wide range of needs, such as consultations with an ergonomist to help correct problematic seating postures; eye exercises demonstrated by a specialist (orthoptist, etc.) or *via* webinar sessions designed to raise awareness on how to rest the eyes; access to fitness classes (or Yoga, relaxation, meditation, Pilates, etc.); regular sessions with nutritionists or dieticians, and free supplies of fresh fruit, fruit juice, etc.; on-site massages by professionals (physiotherapists, chiropractors, osteopaths, masseurs, foot reflexologists).

  Since the beginning of the health crisis, several actions have been strengthened, with:

  - weekly online sporting meet-ups for everyone and virtual health education sessions),
  - weekly "Smile with Publicis" communication covering family activities,
  - new health and well-being prevention programs, including sleep, in particular,
  - the implementation of a telemedicine service for all employees, with *Médecin Direct*,
  - e-learning courses to better manage working from home, in addition to a comprehensive program on best practices for organizations that use remote working,
  - the establishment of a psychological support unit to help employees who need this.

  Similar approaches adapted to meet employee expectations exist throughout Europe;

- in the **United States**, the 2020 program was 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,
  - flexibility was the second key point of this plan, 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,
  - the extension of social security coverage in order to deal with individual situations during this atypical year.

  At the same time, the four pillars of the protection and prevention regime were strengthened:

  1. the Healthy Living Wellness Program set up and managed by Re:Sources US: it offers employees and their families health coverage and various services; everyone can benefit from personalized monitoring thanks to the Health Coaching, very popular because it has a strong tangible impact. The satisfaction rate is above 90%, and participants confirm the motivational impact of this on-line assistance which has sometimes even changed their lives,
  2. *Teladoc*, the telemedicine service with free 24/7 year-round access to doctors for consultations from mobile phones or by video, whether the employee is at work, at home or on vacation. In 2020, it was extended to all employees,
  3. the Employee Assistance Program (EAP), which has been in place for some years now, offers employees online preventive physical and mental healthcare support that is individually-tailored and confidential. It can be used by employees and their close family members. It offers access to a number of non-healthcare services, such as social or financial services,
  4. Bright Horizons Back Up Care Program, is a system that enables families to better address the challenges of finding a balance between their professional and personal lives, through care facilities (for children or elderly or sick parents) and home-help solutions, at very affordable prices, to cope with unexpected events;

- in **South Africa,** AIDS-HIV prevention and screening sessions are also held every year, and during Wellness Days workshops are open to all employees on the classic themes of well-being at work, with discovery sessions on meditation (mindfulness). With lockdown and working from home, many online programs have been made available to all employees, with particular attention to the stress caused by the pandemic due to the economic uncertainty. Lastly, faced with the difficulties of certain families affected by the sudden cessation of certain activities, putting at risk the sometimes fragile family balance, the Groupe set up a Solidarity Fund, which has provided temporary financial support for 75 employees to help them get through this period.

Disease prevention

With the pandemic, the major health guidelines were determined by the Groupe, with each country then activating its specific action plan according to local constraints. In all countries, agencies set up local and/or national plans for their employees to screen for or fight against certain diseases or health threats (*e.g.* influenza vaccination). Preventative health measures are occasionally subject to specific conditions in countries with collective or occupational agreements. All employees in these countries benefit from these collective or occupational agreements where such agreements exist. Based on the local health situation, agencies decide whether to promote screening campaigns for chronic diseases (cardiovascular diseases, diabetes, cancer, etc.) in addition to traditional and annual schemes.

Health insurance

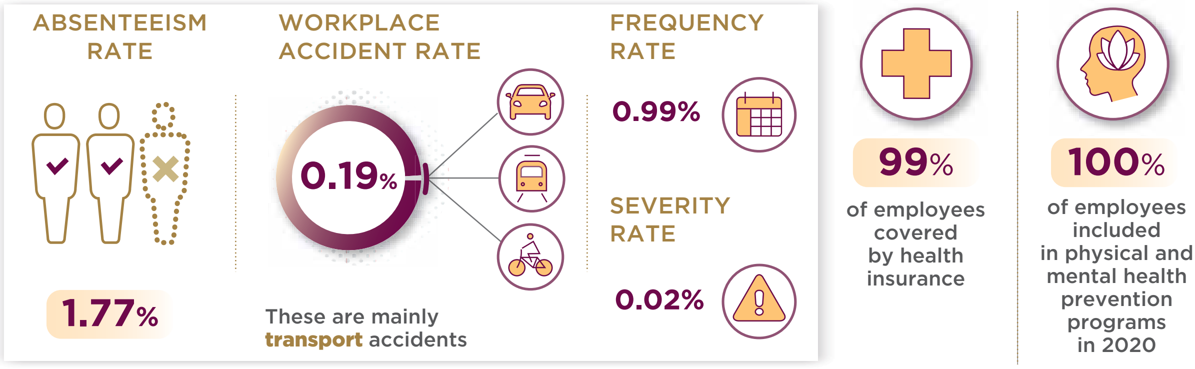
99% of employees (full and part-time permanent and temporary contracts) are covered by medical cover (social security or health insurance), irrespective of local social security provisions (government, government-company-employee or private company-employee contribution plans or self-funded). These covers factor in serious or chronic illnesses to enable employees to be properly cared for, and to receive appropriate follow-up. In several of the Groupe's regional markets, including the United States, Europe and India, employees can benefit from health insurance programs for themselves and their families.

The **workplace accident rate**(1) was 0.19%. The main causes of workplace accidents were related to transportation (home-work commuting and work-related travel).

The accident frequency rate(2) was 0.99%.

The severity rate(3) was 0.02.

HEALTHCARE



Health and Safety

Most employees have sedentary jobs in offices, sitting in front of screens. Agencies apply current local regulations on personal security in the workplace and are responsible for implementing their health support and action plans. **100% of the workforce** in Groupe agencies are covered by these health support plans. In 2020, with a large number of employees at home, all countries have expanded their health support programs to take this atypical situation into account.

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 new 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. There is a similar approach in Europe, where all agencies have safety officers (fire drills or emergency evacuations) who receive training on a yearly basis. Volunteers are trained in basic first aid. In India, Occupational Health and Safety regulations apply, and, as in many countries, small teams of employees are trained

(1) Workplace accident rate: (total number of accidents / total number of employees) x 100. 2020 Coverage rate: 98%.

(2) Calculation of workplace accident frequency rate according to GRI 403-9 standard: (total number of accidents / total number of hours worked) x1,000,000. 2020 Coverage rate: 98%.

(3) Calculation of severity rate according to GRI 403-9 standard: (number of days of work lost x 1,000) / number of hours of worked. 2020 coverage rate: 98%.

every year in all buildings and on all floors to assist others in the event of an emergency or evacuation. Given their size, Publicis Sapient entities in India are ISO45001 certified.

In some cities, as is the case in India or China, new devices monitor air pollution and inform employees so that measures can be taken for those who may be the most vulnerable in terms of health, as well as so that teleworking can be facilitated during peak pollution periods.

In many agencies, offices are protected by external security teams who check people entering and leaving.

"LionAlert" is an internal tool designed to be able to contact employees in case of extreme emergency and ensure that they are safe; LionAlert is activated according to events and needs. LionAlert is overseen by the Groupe's Secretary General.

The "Monitoring unit" set up for Covid-19 has intervened in support of Country and Regional Departments to make specific arrangements for employees country by country, working closely with local management, gradually shifting 95% of teams to remote working. (See Actions taken in the face of the Covid-19 pandemic, at the start of this document).

4.1.5 Listening to and engaging with employees

As indicated in Section 4.1.3 of this document, the major internal project for 2020 was "The Future of Work", and the pandemic made it possible to set up local systems for very regular contact with the teams and to monitor their expectations. All subjects were addressed by country or regional managers during regular calls, and very close attention was paid to employees in difficulty.

Round tables were organized each month, at the level of each country or region – and at the level of the Groupe with the members of the Management Board and the Management Committee. Employees were invited to send all their questions in advance, and to interact live during the sessions. In the United States, for example, these monthly sessions were attended by between 14,000 and 19,000 employees each time.

4.1.5.1 Employee satisfaction survey

In 2020, all Groupe agencies (**100%**) set up systems very locally to measure the morale and well-being of employees on a frequent basis in the form of regular, short surveys, at least three times a year, given the multiple constraints that a large number of them had to face during the year. The systems made it possible to provide appropriate assistance each time, to adjust measures for those in need of help, or to respond to specific situations such as the repatriation of employees on assignment away from their families during the first lockdowns.

4.1.5.2 Individual annual appraisal

76.3% of employees underwent an annual appraisal ("talent review" or "performance review"). The principle of an annual internal performance review for all employees is an internal requirement and is in line with the human resources guidance set out in the Janus Code of Ethics. The Fidello tool is used with two modules: Horizons and Time2Talk, with both having the advantage that they can be used throughout the year. Other tools are also used in the digital agencies, with a mindset of projects and performance monitoring carried out more frequently during the year.

4.1.5.3 The commitment of the younger generations

For several years, the Groupe's major agencies or 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.

4.1.5.4 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 and within its entities. Social dialog takes place at agency level. The average size of the Groupe's agencies worldwide is 100 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 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; the agreement relating to the welfare plan, or the renewal of the remote working charter applicable to all the Groupe's French agencies. As part of the consultations with the representative trade unions at Groupe level, discussions are continuing on all topics falling within the scope of Quality of Life at Work, including aspects relating to mobility, working from home, the right to disconnect and the implementation of a mobility package (negotiations are under way for a sustainable mobility package). All of these decisions are carried out with the Social and Economic Committees (CSEs).

The Groupe continued its commitment to "Zero Tolerance" of any form of harassment or discrimination within the Groupe, through training and awareness-raising programs for managers and HR/Talent teams. In this context, sexual harassment officers have been appointed by the CSEs, and training will continue in 2021.

Some agencies have set up more specific systems dedicated to listening to employees, such as the "Bonnes Oreilles" at Publicis Conseil in France, where volunteer employees who are trained in listening ensure this relationship, or in the United Kingdom and the United States, where the "Safe Conversations" are organized by the agencies' Diversity & Inclusion teams, in particular following serious events such as racist or homophobic attacks, and in support of the "Black Lives Matter"movement. Employees are regularly reminded through messages from the Secretary General and country or regional managers that the Groupe's ethics hotline ethicsconcerns@publicisgroupe.com is available for them to use.

4.1.6 Compensation

4.1.6.1 Compensation and equal pay

Payroll and personnel expenses stood at euro 6,242 million in 2020. Trends are shown in Section 6.6, note 4 of this document.

The Groupe does not have a consolidated indicator for the compensation of all employees: due to the significant disparities between countries, an overall approach is of little relevance. The analysis remains local and takes into account the trends observed in our sectors. Compensation must 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 fairness based on individual and collective performance in order to ensure fair and balanced compensation; 3) where appropriate, strengthen social protection systems. With the finalized global rollout of the Human Resources Information System (HRIS) and the work over recent years on job grading, the Groupe pays close attention to equal pay, with the HR and Talent teams.

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 3.2.2.7.

Publicis Groupe's different stock option plans and free share plans are detailed in this document in Section 6.6, note 31.

The different pensions schemes and other long-term benefits are presented in this document, Section 6.6, note 22.

The participation of employees in share capital through a range of profit-sharing and incentive plans is explained in Sections 6.6 and 8.3.6 of this document.

Gender pay equality: country by country "Job Grading" is now applied in the new Human Resources Information System (HRIS) Groupe tool, allowing for a more uniform understanding of positions and functions. This project is headed up by the Secretary General, with support from the teams in charge of compensation (Compensation & Benefits) and the CTOs of countries. The Groupe is vigilant about gender equality issues. The local management of the agencies is responsible for resolving pay gaps:

- in the United Kingdom, due to the pandemic, the British authorities have exempted companies from public declarations on this matter. However, the eight entities with more than 250 employees maintained their close monitoring of the comparative situation of the Gender Pay Gap Reporting (measuring the pay gap between men and women, not equal pay). The issue is monitored by the UK Executive Committee;
- in France, 12 Groupe entities with over 50 employees published their gender equality index. The entities obtained an overall rating of around 95/100. With the aim of continuous improvement, corrective measures were discussed and negotiated with social partners for the few agencies that are still lagging behind and, where applicable, to envisage scheduling, on an annual or multi-annual basis, specific measures to close any gaps recorded. The Executive Committee in France monitors this index on a monthly basis;
- in Australia, where the law also requires companies to report annually on gender equality, Groupe agencies have circulated reports on the actions put in place to improve the conditions for women in these organizations.

Employee profit-sharing: Despite the optional nature of this system, in France, *via* the employee profit-sharing agreement (in force for three years), the Groupe has continued its economic performance-related employee profit-sharing policy, which is dependent on the Groupe's annual organic growth in France and worldwide. This is one of the Groupe's long-standing commitments to its French employees.

In 2020, the Groupe awarded an exceptional purchasing power bonus (PEPA, known as the "Macron bonus"):

- payment of a bonus of up to euro 540 net in 2020 for all eligible employees (salary less than or equal to euro 4,000 gross per month);
- payment of a support bonus of euro 1,000 net for each "exposed employee", *i.e.* who was not, in full or in part, in partial employment or working from home during the first lockdown, for all employees whose monthly salary is less than or equal to the maximum legal limit authorized (three times the *SMIC* minimum wage).

The compensation of furloughed employees was maintained:

- during the months of March and April 2020, 100% of their net monthly salary without any salary cap conditions;
- during the months of May, June, July, August, September, November and December 2020, 100% of their net monthly salary for all employees whose gross annual salary is euro 30,000 or less (90% above).

Publicis Groupe has not used State aid.

Employee savings scheme: in France, despite the context of the crisis, the Groupe continued to promote employee savings, maintaining its policy of 300% matching by Groupe entities that have introduced a company savings scheme.

/ Summary table of social indicators

Changes in data over more than 10 years are available on the Groupe website, CSR section, CSR Smart data.

Indicators	Unit	2018	2019	2020	Objectives for 2025*
Groupe headcount		75,588	83,235	79 051	
Employees on fixed term or permanent contracts	%	91.9	92.7	93.9	
% Women	%	90.7	91.1	92.9	
Turnover	%	26,5	24	17.5	
% Women	%	50.2	49.8	50.1	
% Men	%	49,8	50.2	49.9	
Average age Women	years	34	34	35	
Average age Men	years	36	36	36	
Average age Women-Men	years	35	35	36	
% Women CEOs of agencies(1)	%	30.8	32.8	33.5	
% Women Heads of the Creative Department(2)	%	18.7	24.2	27.1	
% Women Heads of the Media Department(3)	%	-	-	43.1	
% Women Heads of the Data Department(4)	%	-	25.4	27.5	
% Women Heads of the Technology Department(5)	%	15	15	13.2	
% Women on agency Executive Committees(6)	%	40.2	43.3	43.6	
% Women in key management positions(7)		37	38.3	40.4	**45**
Interns and work-study students			2,837	2,068	
% Women	%		62.5%	64%	
Workforce trained (% of employees)	%	67.6	69.8	74	**100**
% Women	%		50	50.1	
Number of training hours – total	hours	1,350,000	1,112,600	1,640,540	
% using Marcel	%	-	-	45	
Number of training hours per capita (divided by the number of employees trained)	hours	26.5	21.6	28.1	
Number of face-to-face hours	hours	785,000	750,940	-	
Number of hours in e-learning	hours	565,000	361,660	-	

Indicators	Unit	2018	2019	2020	Objectives for 2025*
Training fees (external)	€M	16.2	15.6	10.5	
Employees trained in internal Janus Code of Ethics	%	88	85.5	81	**100**
Number of employees benefiting from parental leave**		2,947	3,094	3,260	
% Women	%	69	60	56	
Employee assessments (% of employees)	%	67.6	67	76.3	**100**
% Women	%		50.5	51	
Employees benefiting from international mobility		-	8,218	920	
Employees benefiting from health cover	%	99	99	99	
Absenteeism rate (% of employees)	%	2.15	2.02	1.77	
Workplace accidents[(a)]	%	0.4	0.33	0.19	
Workplace accident frequency rate[(b)]		2.15	1.80	0.99	
Workplace accident severity rate[(c)]		0.02	0.03	0,02	

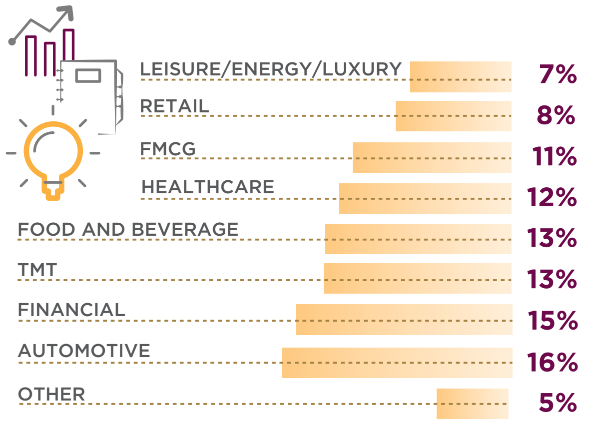
* Only some indicators have targets for 2025.
(1) Agency CEOs: calculated at CEO level of each agency or entity;
(2) Heads of Creative Team: calculated at the management level of Creative teams of agencies or entities with this function;
(3) Heads of Media Team: calculated at the management level of Media teams of agencies or entities with this function;
(4) Heads of Data Team: calculated at the management level of Data teams of agencies or entities with this function;
(5) Heads of Technological Team: calculated at the management level of Tech teams of agencies or entities with this function;
(6) Agency Management Committees: calculated at agency or entity management level;
(7) % Women among the key Groupe managers: Indicators are only applicable at Groupe level.
** Parental leave including maternity leave, paternity leave and parental leave.
(a) Calculation of workplace accident rate: (Number of recordable workplace accidents/total number of employees) X 100;
(b) Calculation of recordable workplace accident frequency rate: (Number of recordable workplace accidents/Number of hours worked) x 1,000,000 (GRI 403-9 Standard);
(c) Calculation of workplace accident severity rate: (Number of days of work lost x 1,000)/Number of hours worked (GRI 403-9 Standard).

4.2 CLIENTS AND PARTNERS

4.2.1 The Groupe's clients

In 2020, based on 3,620 clients representing 91% of the Groupe's total net revenue (see Section 1.3.4 of this document) the breakdown of client business sectors/industries was well balanced between the different sectors

CLIENTS BY SECTOR



The top 30 clients account for 37% of consolidated revenue.

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 during the quarterly 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 implemented, 2) creativity the innovation provided, 3) the competence of the teams, 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 local qualitative approach, there are questionnaires administered by the agencies or by the clients themselves for annual performance reviews based on rational indicators to assess the objectives and results achieved; more than 12,000 clients responded in 2020.

Finally, 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 third-party service, 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 10,000 people are thus interviewed three times a year, covering nearly 330 clients. This external tool also enables agencies to compare themselves with their competitors in their market.

4.2.2 Communication and Responsible Marketing

4.2.2.1 Definition, rules and best practices

Responsible Marketing is based on a few key principles to be applied in the expression of communication: truth, decency, respect, honesty and societal responsibility. This must be translated into the form and the substance of the messages, while preserving a maximum amount of creativity. Groupe agencies participate in the emergence of new forms of transparent and direct communication with the end-consumer, to promote new, more sustainable forms of consumer behavior.

Responsible marketing is based on a set of voluntary rules, which the Groupe follows and based on which it wishes to raise its own professional standards. In this context, the following are examples of some initiatives carried out in this area and monitored by the Groupe over the last few years:

Regarding professional self-regulation, on an international scale, the Groupe works with professionals and all the competent authorities of the ecosystem to advance standards and best practices. 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). It sets the standard in terms of self-regulation and best practice in advertising and marketing. It covers digital communication and mobile apps. The 2018 version reiterates the founding principles: all communication must be legal, decent, honest, truthful and socially responsible. This Code sets out to be neutral in terms of technology and media and so no players are exempt. This Code sets out a clear framework for advertising aimed at children (under 12) and adolescents (between 13 and 18), takes vulnerable people into consideration and incorporates challenges associated with data collection and protection and the right to privacy, as well as subjects linked to climate change and respect for the environment:

- Groupe agencies play an active role in **national and international professional organizations**. Worthy of note is the work carried out with the IAB (Interactive Advertising Bureau) and the MRC (Media Rating Council) on the visibility of digital advertising, and how this can be quantified (viewability). Publicis Media was the first agency to be Gold standard certified in 2018, 2019 and 2020. This work is done in close cooperation with other professional organizations such as the 4As (American Association for Advertising Agencies), particularly the 4A's 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 Global Alliance for Responsible Media in Cannes in 2019, at the behest of clients belonging to the World Federation of Advertisers (WFA). In August 2020, Publicis Groupe was one of the founding members of PRAM (Partnership for Responsible Addressable Media), with the protection of consumers a priority. PRAM is a consortium positioned on inclusion by developing principles and standards to properly address consumers in a constantly changing digital environment. These projects require the Groupe's commitment, in the same way as the work done collectively on Online Behavioral Advertising and Native Advertising, both in the United States and in Europe;

- the **Trustworthy Accountability Groupe** (TAG) is the first cross-industry initiative of its kind dedicated to the fight against criminality in the digital advertising supply chain. Its work focuses on four areas: eradicating illicit trafficking, combating malware, fighting against online piracy and promoting transparency (TAG Anti-Piracy Pledge). The goal is to apply brand safety; that is to say to ensure against brands appearing on inappropriate sites or environments. The TAG Registry was the second part of the "Verified by TAG" program, whose two-fold aim is to combat fraud and crime related to the online advertising sector, and to promote best practice. Publicis Groupe is one of the companies integrated in the TAG Registry. Publicis Media was the first group to be awarded "TAG Platinum" status in 2019 and 2020, having been approved in the following areas: TAG Certified Against Fraud, TAG Certified Against Piracy, TAG Certified Against Malware, and being fully compliant with the TAG Brand Safety Guidelines;
- **Digital Ad Trust:** this French initiative, launched in 2017, has been fully operational for two years now and brings together all ecosystem players, including the Media agencies. The goal of this approach coordinated by IAB France (International Advertising Bureau) is to assess and promote responsible sites based on the quality of their content and the advertising practices used (cookie and browsing preference policies).

Best operational practices

For digital campaigns, whatever the country, creative teams use best practices when choosing, optimizing and/or compressing images, and even select ink-saving fonts. For their part, technical teams find solutions in terms of the languages used *i.e.* Java, JavaScript or C++ so that the website or application built uses less energy but offers users the same service quality. As a result of the Low-Tech Web by Design approach taken by engineers and developers, it is possible to cut energy consumption by a factor of five, in the knowledge that consumption always depends on the final medium (screen type, age of computer, tablet, smartphone, etc.) and the generation of electronic processors that it contains.

Brand Safety: this involves checking in a medium the environment in terms of content, where the advertising is placed due to the involvement of automated processes (programmatic). Within the media agencies, for the past 10 years, the Groupe has adopted dedicated policies and systems. Publicis Groupe Verified is an internal team of the Groupe whose role is to verify, in which environments the advertisements will appear and whether the traffic figures are accurate. This is a question of quality, responsibility and operates as a certification. This team also works with specialized and certified third-party companies that perform the same type of control (see press release of January 13, 2020).

Consideration of all audiences and their individual peculiarities, particularly when these are children or so-called vulnerable audiences, is key since responsible communication is also reflected by the methods chosen. In France, for example, creative agencies such as Publicis Conseil, with Prodigious, have chosen to systematically subtitle films and videos for all mediums. This approach is an extension of the French Advertising initiative – AACC – to promote the universal subtitling of advertising films, www.soustitronsnospublicites.aacc.fr. This more systematic approach is applied by other teams around the world, particularly in Europe.

4.2.2.2 A proprietary tool: A.L.I.C.E (Advertising Limiting Impacts & Carbon Emissions)

For the past three years, the Groupe has been working on a tool whose objective is to help all teams reduce the environmental impact of their activities and achievements for clients. In 2020, Publicis Groupe finalized an *ad hoc* calculation tool, developed and monitored by Bureau Veritas for its calculation methodologies, in order to ensure compliance with the GHG Protocol to apply up-to-date emission factors, and to align with the Groupe's targets for 2030 (see Section 4.5). A.L.I.C.E covers all of the Groupe's major business lines: creation, production, media, events, data and technology. A.L.I.C.E makes it possible to analyze the impacts on a project-by-project basis, in order to identify reduction levers and increase the positive impacts through new, more frugal solutions, selected by the agency and offered to clients. The tool aims to measure and educate, leaving it to the teams to find the best local solutions and to discuss the choices with their clients.

A.L.I.C.E has already reduced the impact of the campaigns and projects assessed during this test year by more than 20%. The selection of less impactful options has made it possible to develop tailor-made offsetting operations for incompressible impacts. A.L.I.C.E thus encourages teams to think about the least impactful solutions very early on, even before analyzing them in the tool. Rollout across the entire Groupe is planned for 2021, with access for all employees *via* the Marcel platform. The objective is to strengthen an internal culture on this subject, and to sharpen everyone's reflexes to reduce all environmental impacts.

4.2.2.3 Actions in agencies – some examples

CSR & Responsible Marketing strategy used by Publicis Groupe in France

Within the France Executive Committee, an Engagement Department was created, as well as a CSR function at country level. A community of 40 CSR ambassadors was created, meeting monthly to share, learn and disseminate common actions within their agency. In 2020, Publicis France became the leading network by number of agencies with the RSE Agences Actives (Active CSR Agencies) label from the AACC in partnership with Afnor (Publicis Conseil, Prodigious, Carré Noir, Leo Burnett, Saatchi & Saatchi, Publicis Consultants, Publicis LMA).

In 2020, France innovated with the creation of the #NIBI program – "No Impact for Big Impact" covering all business lines from the eco-design of creative campaigns to the end of life of events, and eco-video production and carbon impact measurement. #NIBI is based on a number of ambitious targets for 2025, such as 100% of campaigns offered to clients being eco-designed, or 100% eco-produced campaigns with carbon emission assessment and offsetting options, based on the A.L.I.C.E. Groupe calculation tool; in addition, a project on digital pollution was launched in July.

Eco-produced products for clients have been accelerated thanks to processes implemented by Prodigious and the Content Factory – which became a responsible studio in less than nine months. Throughout 2020, numerous training sessions on eco-communication were given to employees and clients, as well as discussions with *Les Chiennes de garde* and the French Advertising Regulatory Authority (ARPP) on combating female stereotypes in advertising. The Positive Library, an internal platform bringing together more than 150 inspiring CSR cases and campaigns, and, Positive by Publicis, a platform for CSR-related content, are accessible to all employees in order to train them in these structuring changes.

Publicis in France also paid particular attention this year to the problem of sexism, and moral and sexual harassment with internal campaigns to promote freedom of speech and the introduction of more prevention and, where necessary, intervention tools ("Bonnes Oreilles", training of managers, dissemination of the AACC harassment guide, external crisis line, etc.).

Solidarity remained at the heart of the agencies' concerns with the health crisis, through *pro bono* campaigns and skills-based sponsorship for more than 40 associations and NGOs in 2020, in addition to partnerships with platforms such as Wenabi, Clapp and AlloVOisins. Publicis Conseil was appointed "most successful agency promoting good" in the Good Report.

Publicis France actively contributes to working groups and events in the sector, the General State of Advertising assessments and debates open to all employees, such as the Positive Talk on the role of advertising in the ecological transition in October 2020 with the various stakeholders: advertisers, legislators, regulatory authorities, inter-professional organizations.

Publicis Health's CSR and Responsible Marketing approach in the United States

Publicis Health has a CSR and DE&I program (Diversity, Equity, Inclusion) aligned with the United Nations Sustainable Development Goals and built around a so-called 360-degree approach. This holistic approach has been implemented through partnerships with NGOs such as the American Heart Association (AHA), National Alliance on Mental Illness (NAMI), the Skin Care Foundation (SCF) or the Multiple Sclerosis Association of America (MSAA). The approach covers a wide range of activities: responsible marketing, *pro bono* general public information campaigns, volunteering, fundraising – and involves key stakeholders: employees, clients, NGOs.

In 2020, the internal program Publicis Health Academy switched to virtual mode, and the intern support program was maintained, despite being in virtual mode, so as not to leave students behind due to the pandemic. In terms of recruitment, the partnership with Year Up allows Publicis Health agencies to welcome diverse profiles and help young people from less privileged backgrounds to access programs that can help them professionally. Publicis Health's affinity groups (BRGs) were very active and participation in conferences such as "AdColor", "Black Enterprise Women of Power", "Out & Equal", "Vanguard" or "3% Conference" were maintained. These activities are very beneficial for the employees concerned and help to enrich an inclusive internal culture.

Publicis Health's strategy is based on a logic of inclusion in the broadest sense, as the agencies have always closely involved patients and their families upstream of their work. The entire medical and paramedical ecosystem is thus consulted. Among doctors and medical experts or healthcare practitioners, the role of Chief Patient Officer is key within the agency, to ensure the direction of the marketing strategy and the choice of messages and arguments. As the health sector is highly regulated, the teams are permanently guided by Compliance Officers.

Salterbaxter's CSR strategy consulting expertise in the United Kingdom

The aim is to find great ideas that can inspire and help to develop the industries or services to be a force for change, while ensuring positive growth, in order to facilitate the inevitable changes to be effected, with tangible and measurable impacts. Sustainability must become the new standard, based on a combination of expertise (scientific, social, etc.) and bold creativity. The agency is not limited to strategy consulting; it works very closely with its clients on action plans and operational aspects, so that the reality of an activity or its products and services is in line with the change or transformation to be made. With offices in London and New York, Salterbaxter is a well-known firm in its field, with a specificity linked to its approach to stakeholders, the way in which it listens to them, carefully takes their expectations into account, and the responses provided. The focus on performance remains a priority and is achieved through agile and ambitious approaches. The agency supports the confrontation of points of view, so that its clients are in direct contact with their stakeholders, even when issues are complicated or positions are very clear-cut. This is how alternative solutions and different perspectives can emerge that will enable rapid and effective progress.

Salterbaxter is the creator of the Innovation Day, the agency's annual day dedicated to supporting social entrepreneurs. For an entire day, around 10 of them are given advice and recommendations by all the teams made available to them, in order to help them achieve more impactful communication. These social entrepreneurs are then monitored throughout the year to ensure that Salterbaxter's contribution has helped them progress.

Lastly, Creativity & Technology for Good illustrates the Groupe philosophy and professional practices that underpin responsible marketing. Examples of campaigns can be found in the CSR section of the Groupe's website.

4.2.2.4 Professional approaches of the various business lines

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.

This principle of responsibility is constantly defended by the Groupe and has made it possible to establish standards banning certain types of formats. The Groupe has always defended people's right to have control over their data. This principle guides technology choices and solutions offered to clients who need to have control over their data, just like end users who need to be able to access, correct or delete their own data, thus aligning themselves with the rules of the GDPR (see Section 4.3.1.1). It is also part of the work of an organization like the IAB (International Advertising Bureau) in which the Groupe participates. In the digital world, the Groupe's agencies attach particular importance to the fact that digital advertising must not be intrusive, regardless of the channel used.

The Groupe is very active in many countries. This includes the United Kingdom, where the Groupe's participation in the industry initiative "actions not words" in favor of the fight against racism and inequalities, or France, with the active participation of the Groupe in the General Meeting on communication, inviting the entire industry to get involved in the ecological and social transition.

4.2.3 Ethical principles applying to all Groupe agencies

The ethical principles applying to all Groupe agencies involve two main aspects. On the one hand, compliance with the internal Code of Ethics, Janus, which applies to all employees, and which sets out a clear framework for managers on how to operate in a number of areas (see Section 3.1.5) whatever the agency's business. On the other, there are ethical principles that apply to specific businesses or activities. One classic example of this is compliance issues in health agencies. Communication in this sector is regulated in many countries. This means that the teams in our agencies receive training in the local regulatory framework, as well training from their clients who may have more specific communication frameworks.

For all output, whatever the client's business sector, the compliance review carried out with legal managers is part of the internal validation process. Compliance teams on both the agency side and the client-side work closely upstream of campaigns.

4.2.3.1 Lobbying practices

Some assignments may involve lobbying and strategies to influence decision makers on behalf of clients. Lobbying teams must comply with transparency criteria in relation to their clients, in such a way that their work, the objectives targeted, and the actions carried out are done so with integrity, in accordance with best practices in this area and in keeping with the Groupe's internal procedures. In accordance with legal obligations and best practices, the teams involved are clearly identified, both in terms of the Transparency Register of the European Parliament and the European Commission, or on a country-wide basis, listed in the digital repertoire of representatives of interests managed by the High Authority for the Transparency of Public Life in France (HATVP), and in the United States where the rules of the Lobbying Disclosure Act apply or where this relates to the FARA (Foreign Agent Registration Act), with registration in compliance with the subjects and organizations concerned.

Publicis Groupe did not do any lobbying on its own behalf in 2020.

4.2.3.2 Confidentiality

Respect for the confidentiality of client data and projects is a fundamental value and 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 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 trademarks or copyright or database rights, provide input in the very early stages of a project, in all countries. Data protection specialists are involved in all projects to ensure that these issues are properly understood. (See also Section 4.3.1).

4.2.4 Technological innovations and partnerships

As the preferred partners of major digital platforms, Publicis Groupe has also formed technological partnerships with numerous businesses whether established companies or promising start-ups. The aim is to better understand the technical possibilities and work together to find new, intelligent solutions, and to meet client and consumer expectations.

On the basis of their expertise, Groupe entities have also developed different analysis and research methodologies, in particular for consumer behavior and sociological developments, and have developed software tools and specific systems to assist in serving clients.

Relationships with start-ups

VivaTech (created by Publicis Groupe and Les Échos group).

In just four years, it has become the number one Start-up and Tech event in Europe and is recognized worldwide as a powerful catalyst for business transformation. 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. In 2019, VivaTech reached 231 million people worldwide, attracting 124,000 on-site visitors including more than 13,000 start-ups, 3,000 venture capital companies and 2,500 journalists from 124 countries. The health situation did not allow the physical event to take place in 2020; however, VivaTech continued its mission by supporting the development of start-ups. The challenges of collaboration between start-ups and large groups were maintained, allowing several hundred start-ups to contact potential clients and partners in June 2020.

Since September 2020, the virtual VivaTech Tour, through a series of meetings in more than 30 global digital capitals, from Shanghai to New York, *via* London and Paris, has highlighted more than 100 start-ups around the world. From 2021, VivaTech will be enriched with a digital platform to become a hybrid event, which will bring together an even wider community of innovators.

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). Technical partners and academics have joined forces for projects to co-develop innovative solutions.

Since 2012, Publicis Groupe has been a partner of the Iris Capital fund. This fund supports 40 or so companies with an overall revenue totaling euro 1.4 billion and a total headcount of 7,300 people. Iris Capital focuses on firms with strong potential to radically transform their sector, specializing in Industry 5.0, the Internet of Things, Cyber Security, 5G networks, as well as Artificial Intelligence, Big data and the Cloud.

4.2.5 Responsible procurement

In 2020, the Groupe Procurement Department completed a structuring project on the management and control of the Groupe's purchasing risks, based on the following dimensions in addition to financial elements: the sector of activity, the country where this supplier operates, CSR, social and environmental issues, thus completing the scope of compliance review (due diligence) which is now based on the following four pillars:

1. **data protection:** under the European GDPR (General Data Protection Regulation) directive, suppliers are now obliged to comply with the Groupe's DPA (Data Processing Addendum). Critical reviews are carried out by the Global Data Privacy Office (GDPO) on data protection and the processes put in place;
2. **security of IT systems:** Groupe Security Office (GSO) teams conduct a technical review combined with tests (due diligence) on the security of suppliers' systems in order to verify their compliance and security. They validate the continuity plans proposed by suppliers;
3. **anti-bribery and corruption:** the Groupe's legal teams apply the risk assessment grid, in order to assess whether suppliers are in compliance with local laws and the Groupe standards set out in the anti-corruption policy, and with which they must comply without exception;
4. **CSR, social and environmental impacts:** the Groupe has defined its objectives for 2030, validated by the SBTi (Science Based Targets initiative), based on the 1.5 °C scenario; suppliers are asked about their actions and objectives in terms of reducing environmental impacts in order to reach the trajectory set by the Paris Agreement. Social and societal issues and issues related to human rights or ethics are also reviewed.

In terms of subcontracting, the agencies endeavor to anticipate as best they can their clients' major constraints, notably concerning the time needed to carry out certain projects during peak activity periods. In all countries, the Groupe ensures that all suppliers are treated fairly and paid promptly. All employees negotiating with suppliers must respect the rules of the Janus Code of Ethics and act in a professional and rigorous manner, free from any conflicts of interest.

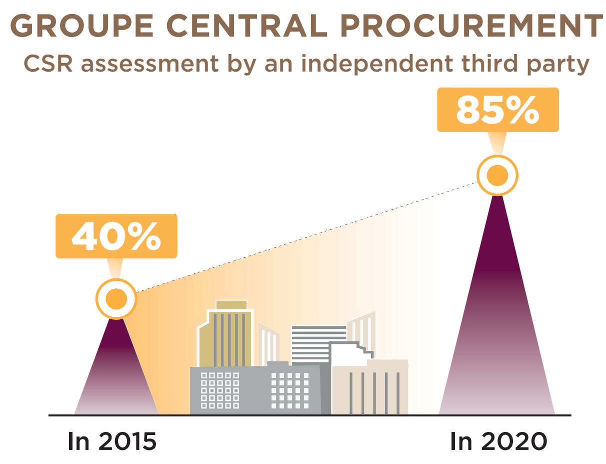
The policy **CSR for Business Guidelines** is explicit and demanding on the three aspects related to the application of the law on the duty of care: human rights and fundamental freedoms, health and safety of people, environmental impacts.

This policy is included as an appendix to all calls for tenders and is part of the contractual clauses signed between Publicis Groupe and its suppliers. This document is publicly available in CSR Smart data and is communicated to suppliers when contracts are renewed. Non-compliance with any one of these 12 guidelines is a non-selection criterion. For certain activities, such as security and cleaning, which are carried out by 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 in the United Kingdom, or 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.

CSR assessment: this is structured as follows:

- third-party CSR assessment (EcoVadis, Refinitiv, Sedex or other): since 2015, the Groupe's Procurement Department introduced systematic CSR assessment for all 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 were undertaken for 40% of the volume of purchases from strategic suppliers. In 2020, they covered 85% of central suppliers assessed; the objective is to conduct assessments for 100% of central purchasing volumes;
- CSR self-assessment *via* PASS (Publicis Groupe Platform for Providers' Assessment for a Sustainable Supply-chain). This proprietary Groupe platform was created for SMEs that are less familiar with the process of third-party CSR assessment; It allows the Groupe's local and agency buyers to ask local suppliers to carry out a free self-assessment, with which they must comply. This self-assessment is then validated on the basis of documentary compliance criteria by the CSR Department. This transparent self-assessment based on around 50 key questions makes it possible to validate whether the supplier meets the criteria and priorities set by the Groupe. More than 100 suppliers (China, India, Vietnam, Hong Kong, United States, France, United Kingdom, Germany, etc.) were assessed on PASS in 2020, each of whom received individualized support during this year of ramp-up of the platform;
- complementary sectoral CSR self-assessment *via* PASS: 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 PASS are enabled for these suppliers.



The CSR assessment is worth 20% of the final rating awarded to tender responses submitted by suppliers.

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.

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 where the Groupe operates, the Groupe encourages so-called diverse suppliers (led by an ethnic minority, women, LGBT people, disabled people, etc.) to participate in tenders, as well as suppliers from the social and solidarity economy or social entrepreneurs. This proactive approach is conducted in many countries such as the United States or Canada (companies run by minorities), the United Kingdom or India (companies managed by women or with disabled employees) or in South Africa. In France, the Groupe works with companies in the Social and Solidarity Economy, or sheltered-workshop organizations and companies (ESAT and EA). In 2020, the Groupe continued its project to increase the share of purchases made from this type of supplier, and implemented a new, more comprehensive system to improve efficiency, which will be fully operational in 2021.

The Groupe has made specific commitments on the inclusion of suppliers headed by women, as part of the Women's Forum and Women & Business Daring Circle, in partnership with WEConnect International, and UN Women through the "We Empower" program in the G7 countries.

In the United States, the Groupe has been active for several decades in a number of areas:

- direct management of a portfolio of suppliers which are "Diverse Supplier" certified, with which relationships of trust have existed for many years. This is the case of Leo Burnett in Chicago, which has been working for decades with a portfolio of around 500 accredited diverse suppliers of which 52% are women-owned, 21% minority-owned, and 25% very small enterprises;
- calling on an expert partner specializing in Supplier Diversity, providing access to a greater number of certified, qualified suppliers in relation to the needs of the agencies, and accessible in the cities where the Groupe operates;
- partnerships with dedicated organizations such as the NMSDC (National Minority Supplier Diversity Council) or the WBENC (Women Business Enterprise National Council) for their support programs for suppliers in the process of certification.

4.3 CITIZEN-CONSUMERS AND SOCIETY

4.3.1 Consumer protection measures

Since its creation, the Groupe has always refused to participate in partisan campaigns (no political campaigns), a stance that is quite rare in the communications sector. This rule, which applies to 100% of the Groupe's employees, is included in Janus (accessible on the Groupe's website, CSR section). Janus, the Groupe's Code of Ethics, sets the key principles and behaviors applicable to all employees when performing their job, such as respect for others, confidentiality and avoiding conflicts of interest.

Publicis Groupe conducts business-to-business communications operations. The Groupe's direct challenges are linked to systems made available to Groupe clients (for their brand name/trademark, products, services, etc.).

With regard to data protection, Groupe experts take part in different multiparty working groups at both the national and international levels to examine best practices, existing and future standards and the challenges of the latest and forthcoming regulatory developments. The shared goal is to improve the transparency of the new modes of communication and interaction with end-users. The Groupe is indeed firmly committed to the ideas of trust; free will and free choice of citizen-consumers (see Section 4.3.2 below).

In terms of inter-professional activities, 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 its important areas of focus concerns the non-intrusive nature of advertising and the technical standards to be respected, notably regarding data protection.

Regarding education Publicis Groupe has, for 10 years now, participated in "MediaSmart", a European program (*PubMalin* in France, www.pubmalin.fr) designed to help primary school teachers teach 8-11 years old critical thinking skills relative to advertising, as part of a joint initiative with media representatives, teachers, consumer associations and regulatory authorities. The Groupe also participates in the MediaSmart Plus program aimed at high-school students and their teachers.

4.3.1.1 Role of the Global Data Privacy Office (GDPO)

Governance, organization and mission

The GDPO (Global Data Privacy Office) is a team of experienced professionals, experts in Data protection issues, working under the supervision of the Chief Data Protection Officer, whose role is to constantly check and improve the Privacy program, a data protection program. The GDPO reports to the Secretary General. The Groupe's policy is publicly available on the Groupe's website, in the CSR section.

The GDPO manages the data protection compliance program, advises agencies in their projects for clients and assists them in their risk analysis. The GDPO represents the Groupe in various professional bodies or joint initiatives, such as the IAB EU's Transparency & Consent Framework, and the IAB, US CCPA Framework. From an operational point of view, the GDPO draws on its Global Data Privacy Operations Team (GDPOps), including Privacy Leads and Data Privacy Stewards in the various countries, in order to lead the compliance program. The GDPO and GDPOps teams work closely with the GSO, the Global Security Office (see below).

The data protection policy is based on the principle of Privacy-by-Design and must constantly ensure that the teams apply best practices and act in compliance with applicable laws, whether it is for example the European GDPR (General Data Protection Regulation) or the California Framework (CCPA). This very early stage approach facilitates cooperation with all teams from the earliest stages of a project, so that data protection is well integrated into systems and solutions, and in close contact with client-side teams. The following principles are applied: a) ensure that each applicant can exercise their rights; b) review data protection policies and procedures; c) carry out regular assessments during the operation of the project to identify any problems and intervene if necessary.

The field of data protection requires expertise, and Publicis Groupe also makes all employees accountable, considering that everyone should understand and apply the basic principles, and thus ensure their obligations in relation to their role in the project. Every year all employees are required to follow a refresher training on the fundamentals of the provisions of the laws relating to data protection and security.

Data protection issues are centralized and each employee can directly contact the GDPO and its teams: privacyofficer@publicisgroupe.com.

With suppliers and subcontractors

Suppliers are subject to an initial review (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. A Data Processing Addendum (DPA) is systematically distributed to suppliers, partners and publishers. The various GDPO, GDPOps and GSO teams work together for these initial reviews and for those that will follow during the duration of the contract, so that the supplier is in compliance with the Groupe's standards. This work is carried out in cooperation with the Purchasing Department (see Section 4.2.5 of this document).

4.3.1.2 Role of the Groupe Security Office (GSO)

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 by international standards such as CISSP, CISA, CISM, CRISC etc. The GSO is responsible for policies, guidelines and standards applied everywhere. The entire program is based on a logic of continuous improvement, with an ongoing assessment of security risks and monitoring of the application of Groupe rules. The work of the GSO is managed and monitored by the Groupe's top management.

The GSO oversees a number of programs such as compliance, risk management, security or vulnerability testing, technical reviews, service continuity plans and educating employees about these risks. Particular attention is paid to training all teams using different methods (blogs, articles, videos, etc.) in six languages (French, English, Spanish, Chinese, Portuguese, German) to build a culture of security across the entire Groupe. All employees must complete a mandatory module on data and information security each year, in addition to on-demand training such as code security or best practices for creating a highly secure application. The GSO team organizes a quarterly communication recalling best security practices, including regular warnings about dishonest practices.

A team is dedicated to monitoring cybercrime risks (ransom malware, phishing, etc.), and the SOC – Security Office Center – is operational 24/7 and ready to intervene to protect infrastructures, systems, information and data and, if necessary, activate business continuity and disaster recovery plans.

Security issues are centralized and each employee can contact the GSO and its teams directly at: askgso@publicisgroupe.com.

In 2020, the GSO teams were heavily involved in the rapid deployment of working from home, ensuring smooth continuity of systems and services, and remained mobilized in the face of cyberattacks.

Certifications and compliance

Throughout the year, the GSO program is subject to multiple independent external audits conducted by third parties, for obvious compliance reasons, but also at the request of our clients and partners, in order to maintain the best levels of assurance and continue to improve systems from year to year. GSO teams work closely with agency project teams to ensure compliance with client expectations. This means following external certifications such as ISO 27001 or ISO 22301, as well as more specific standards such as Payment Card Industry Data Security Standard (PCIDSS) or Health Insurance Portability Accounting Act (HIPAA) or Service Organization Control (SOC) Trust Criteria. The Groupe's Information Securities Policies are aligned with ISO 27001 standards and several Groupe entities in India and the United Kingdom are ISO 27001 certified. The GSO monitors these certifications; it works closely with the GDPO and GDPOps teams. (see previous paragraph).

For example: the Publicis Sapient sites in India – Gurgaon, Noida and Bangalore – are ISO 27001 certified; Epsilon also has ISO-27001 certified entities, particularly for business continuity and recovery plans.

With suppliers and subcontractors

One of the key principles is to extend internal security requirements to suppliers and partners. The GSO manages the Risk Management program for security issues, in cooperation with the Procurement Department (see Section 4.2.5 of this document). This involves carrying out formal security risk assessments and reviewing various administrative, technical and physical security controls that go beyond the principles set out in the general policy publicly available in the CSR section of the Groupe's website. These due diligences also take place during the term of the contract with the relevant suppliers.

4.3.2 Responsible consumption

Social and environmental justice issues were at the heart of citizens' aspirations during the challenging health situation of this last year that has put a harsh spotlight on the imbalances in society. More than ever, the expectations of citizen-consumers highlight a desire for more responsible, sustainable and affordable consumption. The issue of price remains central in a context of economic and social crisis.

During 2020, the strategic planning and research teams were very attentive to consumers, and shared a great deal of research and social listening work with their clients.

It is important to Groupe agencies that citizen-consumers are always able to exercise their free will and make informed choices, thanks to transparent communication. Agencies aim to act both as supporters and facilitators of behavioral change, and support their clients with their complex transformation projects.

4.3.3 Commitments given by the Groupe, agencies and employees to local communities: Create & Impact 2020

For over 15 years now, 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 2020 is the combination of all Groupe commitments having a societal impact, representing an **estimated total of euro 45 million** in 2020. In 2020, despite the crisis, employees were very active, in particular by helping caregivers (a Publicis Sapient team produced visors for caregivers), or numerous associations such as those providing food aid to underprivileged people, for which the number of beneficiaries has surged with the crisis in all major cities.

The nature of the contributions made by agencies has moved towards conducting an increasing number of charitable activities involving more volunteer employees but with a lower financial value than the *pro bono* campaigns. All activities carried out within the context of Create & Impact have a direct impact on populations, on local and neighboring communities, and on regional economic, social and environmental development since there is a strong proximity between the agencies and the causes they support. All of the activities included in Create & Impact have been monitored for the last four years, in line with United Nations SDGs, in order to better assess their direct impact (see the CSR section of the Groupe's website).

Groupe agencies took part in **420 projects** in 2020.

The value of these contributions has been stable over the last few years, for two reasons. Some entities have limited their commitments, reducing the number of organizations to which aid is given and the total value of that aid, and the number of projects supported by volunteering or skills-based sponsorship is growing, but their financial value is more modest.

The **255 pro bono campaigns** were carried out free of charge by the Groupe's various agencies, in addition to all the skills-based sponsorship provided. Agencies concentrate on a limited number of causes. The teams are very proud of the actual efficacy of the campaigns, and of the awards that they have won in recognition of their creative freedom.

The **165 volunteer initiatives** involved making one or more teams available for a limited period of time to provide operational support for specific initiatives run by non-profit organizations in the name of general interest causes. In some countries, this may also be regarded as skills-based sponsorship.

You will find a presentation of select projects in the CSR, social aspects, section of our website.

Donations and charity work: emergency aid is ongoing. To a greater or lesser extent, natural disasters and tragic accidents can prompt spontaneous acts of generosity that bring employees and management together. Under these extraordinary circumstances, local presence is a key factor for success. This is why the Groupe gives priority to a decentralized approach and local initiatives.

Outside of exceptional circumstances, the Groupe regularly provides financial support to some charities. The identification of these charities may be made by the Chair of the Supervisory Board, up to an amount fixed by the Supervisory Board.

Common Ground: in 2016, Publicis Groupe, together with five other communications groups, committed to back the Secretary General of the United Nations by lending their expertise to promote the Sustainable Development Goals (SDGs) of the United Nations. As part of this unique industry approach, Publicis

Groupe has continued to work on SDG no. 2: Zero Hunger. Since 2016, more than 260 projects have received support from the teams, either *via pro bono*, volunteering or charity work.

4.3.4 Stakeholder relations

Stakeholders other than employees, clients and citizen-consumers (society) previously detailed in Sections 4.1, 4.2 and 4.3 are cited here. Stakeholders are invited to send comments or questions to the Groupe's CSR Department at csr@publicisgroupe.com.

4.3.4.1 Shareholder relations

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.

4.3.4.2 Investor relations

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: Investor Relations' section.

4.3.4.3 Media relations

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.

In a totally separate manner, the Groupe Communication Department supports the Company's official corporate publication schedule. Agency communication focus 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.).

4.3.4.4 Relations 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. In 2020, a special effort was made to organizations fighting against social and racial inequities. The climate emergency has favored more regular discussions with environmental or biodiversity (fauna and flora) protection associations so as to reach agreements to cooperate with certain clients and industrial or service companies (see Section 4.3.3).

4.3.4.5 Relations with regulatory authorities, self-regulated authorities and inter-professional organizations

In the majority of countries where the Groupe operates, regular cooperation takes place with the different industry regulatory bodies and/or industry self-regulation is organized, through professional networks, and work carried out within the industry on common issues. The challenges related to the protection of personal data are a perfect example of this: long-term collaboration is not only required with the advertising industry, but also with all the other stakeholders involved (see Section 4.4.2).

4.3.4.6 Relations with governments and local authorities

Publicis Groupe is a responsible taxpayer that complies with its tax obligations (payment of taxes). This means that we:

- comply with the tax laws applicable in each country;
- prepare and file tax returns in an accurate and timely manner and retain all necessary documentation to support the tax filing;
- understand how and where value is created and ensure that transfer pricing reflects this;
- employ appropriately qualified and trained tax professionals with the right levels of tax expertise and understanding of the business.

The Groupe's fiscal policy is based on these four principles:

1. compliance: the Groupe always acts in compliance with applicable laws and international rules; Publicis Groupe does not practice tax evasion and does not use any practices contrary to regulations;

2. transparency: the Groupe complies with all relevant legal disclosure and approval requirements and all information is clearly presented to the tax authorities. Openness and honesty are paramount in all dealings with the tax authorities;
3. tax risk management strategy: to the extent the Groupe undertakes tax planning, it takes place where there is a business purpose or commercial rationale. The Groupe manages tax risks on the back of an analysis of the risks;
4. accountability & governance: the Groupe ensures that, as a business, it has the mechanisms in place to adhere to the above principles. The tax strategy is monitored by the Finance Department, in tandem with senior management (see Section 6.6, notes 1 and 9 in this document).

4.4 BUSINESS ETHICS

Since its creation, Publicis Groupe has focused on operating in accordance with high standards of ethics and ensures that this requirement is shared by all employees and managers.

4.4.1 Ethical principles in the conduct of business

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 3.1.5 of this document). 81% of the Groupe's workforce has **received training** in the **Janus Code and its contents**. The majority of new employees, follow an induction program comprising a presentation of the Groupe and its businesses and a presentation on Janus and its key principles. This includes elements related to team and manager standards of behavior, and the operating rules to be respected in terms of fair trade. One of these elements is the "Zero Tolerance" principle in terms of discrimination, harassment, and violence at work, rules regarding conflicts of interest, fraud, prevention and combating of corruption, data protection, key points of the HR policy, and a reminder of the major principles adhered to by the Groupe, such as the United Nations Global Compact.

In terms of business, one of the Groupe's historical principles is its refusal to take part in partisan communications campaigns of any kind. The Groupe refuses to work for political parties, sects or ideological propaganda organizations. Several Janus excerpts are available on the Groupe's website, in the CSR section.

4.4.2 Duty of Care Plan

In accordance with article L. 225-102-4 of the French Commercial Code, Publicis Groupe has drafted and implemented a Duty of Care plan comprising reasonable 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, within the meaning of article L. 233-16 of the French Commercial Code, as well as the activities of sub-contractors or suppliers with which it has an established business relationship.

Every year since 2003, the Groupe has recommitted to the 10 principles of the United Nations Global Compact – principles which apply to the Groupe's employees and those of its subsidiaries, as well as to its suppliers. These principles are based on:

- the Universal Declaration of Human Rights, endorsing its article 1: all human beings are born free and equal in dignity and rights. This fundamental principle is incorporated into the Diversity, Inclusion and Anti-discrimination policy;
- the International Labor Organization (ILO) Declaration on fundamental principles and rights at work – with scrupulous concern for freedom of expression, freedom of association, and combating child and forced labor. These principles are incorporated into Talent and Human Resources, Health and Safety at work and data protection policies;
- the Rio Declaration on Environment and Development, always aiming, since 2009, to reduce the impacts of the Groupe and its subsidiaries on the environment, and offsetting irreducible impacts. The Consume less and better environmental 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.

The principles of the United Nations Global Compact are incorporated into several sections of the Janus Code of Ethics, in particular, HR & General Policies, CSR Framework and CSR Guidelines for Business (previously CSR Procurement Guidelines).

4.4.2.1 Governance and scope

A dedicated Steering Committee on Duty of Care was set up in 2017, comprising members of the Internal Audit and Risk Management Department, as well as the CSR, Procurement, Human Resources and Legal Departments. Reporting to the Groupe's Secretary General, this Committee is tasked with introducing, and 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. This plan comprises reasonable duty of care measures for the identification of risks and prevention of serious infringements in the areas of human rights, fundamental freedoms, health, personal safety and the environment, resulting from the Company's activities and those of the companies it directly, or indirectly, controls, within the meaning of article L. 223-16 of the French Commercial Code, as well as the activities of sub-contractors or suppliers with which it has an established business relationship, where these activities relate to that relationship.

The findings of its work are presented to the Supervisory Board's Strategy and Risk Committee.

Internal Audit covers labor-related issues during its regular reviews (HR procedures, employee protection and information, whistleblowing system, etc.).

4.4.2.2 Systems in place for the application and monitoring of the Duty of Care Plan

The Groupe's Duty of Care Plan is forwarded to all subsidiaries. It is incorporated into the Groupe's Janus Code of Ethics. Agency CEOs are responsible for implementing local measures and the indicators are monitored at Groupe level.

Measures are implemented with the involvement of Shared Service Centers (Re:Sources). Procedures for the regular assessment of subsidiaries, subcontractors or suppliers with which the Company has an established business relationship, are regularly put in place.

All other aspects relating to the Groupe's employees are monitored by agency and country Talent and Human Resources teams *via* the indicators mentioned, supplemented, where necessary.

Aspects relating to the Groupe's suppliers are monitored by the Groupe's Procurement Department, in conjunction with the Groupe's CSR Department. The document CSR for Business Guidelines presents 12 key topics with increased requirements on several criteria. This document (accessible on the Groupe's website) is a mandatory appendix to any contract signed between the Groupe and a supplier. Publicis Groupe uses the EcoVadis platform and invites its suppliers to be assessed on this platform; other assessments by neutral and independent third parties, dating back less than 12 months, are recognized by the Procurement Department. For local suppliers, mainly small and medium-sized companies, they must now carry out a CSR self-assessment on the Groupe's proprietary P.A.S.S. platform. (see Section 4.2.6 Responsible Procurement).

The whistleblowing system, (Whistleblowing, see Section 4.4.4 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, designed to receive and handle internal or external claims.

4.4.2.3 Risks monitored as part of the Duty of Care Plan

In 2020, the specific mapping of risks and serious breaches related to the duty of care was updated by the Internal Audit and Risk Department. It was presented to the Strategy and Risk Committee of the Supervisory Board. Despite the exceptional context of the year, no risk of serious harm to the three pillars of the Duty of Care Plan was identified. The Groupe's intellectual services activities do not expose the Company to serious risks such as those related to manufacturing activities. However, two types of risks emerged as the main concerns. The first relates to mental health, a risk that has increased in the context of the Covid-19 pandemic, teams have been very active in providing employees with the solutions best able to assist them. The second concerns potential risks related to the management of personal data, whether of employees or clients, in a context of increased cyberattacks. In view of the strengthened controls, the risks of exposure were very limited and well prepared. The guidelines of the Global Data Protection Office (GDPO) in terms of data protection were closely monitored by the operational teams, and the Global Security Office (GSO) has strengthened its controls at all levels.

4.4.2.4 Human rights and fundamental freedoms

Human rights and fundamental freedoms must never be violated. They must be protected and respected whether in relation to employees, clients and partners, or suppliers. Publicis Groupe has put systems in place to prevent serious violations of human rights and fundamental freedoms:

- on the abolition of child labor; Publicis Groupe only hires adult employees. Short-term job shadowing (lasting a maximum of one to three weeks) may, however, be offered to minors as part of their school career or professional apprenticeship, subject to obtaining authorization from parents and in agreement with the educational institution;
- on the elimination of all forms of forced labor or modern slavery, and the fight against discrimination; the Groupe applies a Zero Tolerance policy with regard to forced labor or modern slavery, and discrimination in all its forms, against both women and men. 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 by the Groupe with regard to employees, both women and men. The only possible restrictions are associated with confidentiality and the safety of people, data and property, and legal requirements;
- on combating physical, sexual or moral harassment; the Groupe has a Zero Tolerance policy with regard to all forms of harassment. Behaviors or actions that may be contrary to our policy result in disciplinary measures for employees that include termination of their employment contract or potential legal action.

  In 2018, Publicis Groupe signed up to the Women Empowerment Principles (WEP), seven fundamental principles listed by the United Nations to act tangibly to promote women's rights worldwide and at all levels. This commitment, along with the United Nations Global Compact, requires signatories to be transparent in their actions and results. The Groupe has also chosen to follow the United Nations' Sustainable Development Goals (SDGs – see Section 4.8) since 2015, concentrating on 10 of these to measure its contribution and positive impacts;
- on the protection of personal data; as these data are specific to each individual, this data must be protected over time and

be protected from any risk of theft, intrusion or falsification. Data protection procedures managed by the Groupe Data Protection Office, and system security procedures managed by the Groupe Security Office have proven to be very effective.

On these five points, the Groupe asks its suppliers to comply with these standards, which are part of the CSR for Business Guidelines and are appended to the contracts signed between the Groupe and its suppliers.

Pro bono campaigns, like volunteering (see Section 4.3.1) 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.

Action plan and key indicators

The main elements of the action plan are presented in Section 4.3.3:

- specific team training in ethical principles on human rights and fundamental freedoms;
- training of teams on data protection and IT system security;
- *pro bono* campaigns and volunteering initiatives, in numbers;
- suppliers assessed on their commitments and actions in favor of human rights and fundamental freedoms.

4.4.2.5 Personal health and safety

Publicis Groupe is a people business: the Company's women and men are our main asset. Almost all the Groupe's operations require employees to work in front of screens and, as with all service activities led by client satisfaction, projects may sometimes be carried out under strict time constraints. The policies applied, and the action plans implemented during the year are overseen and monitored by local human resources managers and Talent Officers. The Groupe is particularly concerned about the following issues:

- stress prevention and mental health: the agencies are responsible for taking measures to prevent psychosocial risks (RPS) whether relating to work organization or team management. The Groupe acknowledges that it is necessary to compensate for times when the workload is very heavy. The agencies put *ad hoc* support systems in place to support employees who feel that they are experiencing difficulties, whether using internal medical services, where these exist, or with the help of external healthcare partners. With the pandemic, several systems have been strengthened and made accessible to all employees (100%) such as telemedicine, physical and psychological support – with dedicated applications, psychological hotlines, sports sessions adapted to the constraints of lockdowns;
- prevention of MSDs (Musculoskeletal Disorders): employees are encouraged to make their requirements known when it comes to work equipment, so that they can be supplied with the right tools for their job. Agencies must put activities in place to combat sedentary behavior and encourage good posture. Specialist interventions (ergonomists, occupational therapists, etc.) in the workplace and for employees are organized on a regular basis; these sessions were supplemented in 2020 by sports sessions at home, by regular virtual advice to prevent a sedentary lifestyle;
- 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. With the easing of certain local health measures, when employees were able to return to their workplace, the same protocols were implemented everywhere in terms of barrier gestures – mandatory wearing of masks, hydroalcoholic gel available everywhere, physical distance between workstations, reductions of 50% in the number of staff present on site, increased cleaning of premises.

The Groupe has introduced a very strict travel policy, under which countries are classified into three risk categories. Some high-risk countries are simply banned while other countries are only permitted after assessment and verification of travel conditions and, when appropriate, the implementation of additional security measures. All travelers are provided with advance information and advice on the situation in the country to which they are traveling. With the Covid-19 pandemic, most business travel has been limited or drastically reduced, including in areas or countries that allow travel. All measures have been taken since the end of January 2020 enabling employees to quickly switch to working from home with the appropriate equipment (computers equipped with VPN, mobile phones, etc.), and the organization of work has been adapted to ensure continuity of service for Groupe clients in all countries.

A crisis plan has been put in place by the Groupe to ensure that in the event of a major crisis (health, climate or political), all employees, whether at home or abroad, can be traced and assisted where required. The roll-out of LionAlert within the Groupe makes it possible to contact employees and ensure their safety. Lastly, employees work in offices where security personnel is present at entries and exits.

Publicis Groupe expects its suppliers to provide 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.

Action plan and key indicators

The main elements of the action plan are presented in Section 4.1.4.

The key axises are:

- absenteeism rate;
- workplace accident rate;
- social protection and access to prevention activities;
- suppliers assessed on their commitments and actions in favor of the health and safety of people.

4.4.2.6 Environmental impacts

For the last 15 years or so, Publicis Groupe has implemented its "Consume less and better" environmental policy, which is based on seven pillars – each backed by a performance indicator (see Section 4.5 Environment):

1. reduction in transport;
2. reduction in energy consumption and switch to 100% direct-source renewable energy;
3. reduction in the consumption of natural resources and raw materials;
4. reduction in waste volume;
5. reduction in the impact of campaigns and projects carried out for clients: A.L.I.C.E. (Advertising Limiting Impacts & Carbon Emissions). See Section 4.2.2.2;
6. 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 4.2.5;
7. carbon neutrality for the entire Groupe by 2030.

Employees in all entities have come together to reach these targets, to find local solutions enabling them to better manage "unavoidable" impacts.

The Groupe joined the Science Based Targets initiative (SBTi) to raise its requirements and commitment to alignment with the Paris Agreement, based on the 1.5 °C by 2030 scenario (see Section 4.1.5).

A number of collaborative tools in place in agencies mean that more than 95% of Groupe employees can work remotely in the event of severe weather conditions. Audits are carried out throughout the year to analyze the resistance of the IT systems and to confirm the effectiveness of backup security systems to ensure service continuity.

Publicis Groupe expects its suppliers to make a serious commitment to combating climate change and alignment with the objectives of the Paris Agreement.

Action plan and key indicators

The main elements of the action plan are presented in Section 4.5. The key axes are:

- reduction in absolute carbon emissions in line with SBTi targets for 2030;
- carbon neutrality by 2030 (scopes 1+2+3);
- suppliers assessed on their commitments and actions to reduce their environmental impacts and fight against climate change.

4.4.3 Anti-Bribery & Anti-Corruption Plan

The Groupe complies with the provisions of the French law known as "Sapin II", Article 17 II.1°. The Groupe has set up a prevention plan as provided for by law, including the code of conduct (Janus), and the anti-corruption policy, illustrating acts and behaviors relating to corruption or influence peddling that are prohibited. The Groupe is also in compliance with the other anti-corruption laws applicable where we operate. The compliance program is based on seven elements:

1. Anti-Bribery & Anti-Corruption Policy, including a guide on employee behavior in various circumstances;
2. whistleblowing system that can be used if violations of the Groupe's policies are found (Reporting Concerns policy, also known as "Whistleblowing");
3. regular review of risk mapping including risks of exposure for corruption purposes;
4. reviews of third parties (clients, suppliers and partners);
5. accounting procedures and controls to prevent and detect corruption;
6. employee training both online and in person;
7. monitoring the effectiveness and implementation of the Groupe's anti-corruption compliance program.

The Groupe's legal experts play an important role in the application of anti-corruption laws and regulations. They are part of the Shared Service Centers (Re:Sources) and report to the Groupe's Legal Department, which constantly monitors this issue. Their mission is to conduct prevention, to ensure that the processes and procedures are in place and applied, and adapted to the local market. The objective is to have the same high standards in accordance with local regulations and with Groupe ethics rules.

Policy

The Anti-Bribery & Anti-Corruption policy is rolled out at all levels of the organization and is based on the principle of Zero Tolerance of any form of corruption or fraud. All employees must comply with this policy, as well as local laws or regulations. This policy includes:

- the formal prohibition of any form of fraud or corruption, or influence peddling;
- major risks requiring a high degree of vigilance;

- rules relating to gifts or entertainment with third parties, or other forms of lobbying;
- the system for reporting any violation of this policy or applicable anti-corruption laws.

This policy is updated regularly. It can be accessed by the general public in the CSR Smart data section of the Groupe's website. It provides for the principle of Zero Tolerance of any form of corruption or bribery, specifying contexts or at-risk areas and any prohibitions with which Publicis Groupe individual employees and managers must comply. It forms part of the Janus Code of Ethics.

In France, the anti-corruption policy is incorporated into the internal rules and, for this reason, has been the subject of the employee representative consultation procedure provided for in article L. 1321-4 of the French Labor Code.

Training and monitoring

Publicis Groupe has made an online anti-bribery & anti-corruption training program available to all employees, which everyone must complete, in order to assist them in applying the Zero Tolerance principle to any form of corruption. This training also covers how the whistleblowing system works. In 2020, an Anti-corruption Training Refresher program completed the training, reminding employees of the behavior to be adopted with third parties, on the issue of gifts and entertainment, and what to do if an employee witnesses any unethical behavior. The legal teams provide additional training to employees considered to be most exposed to this type of risk, in order to ensure their understanding of compliance rules in terms of combating corruption. Employees must also complete training on Janus, the code of conduct which contains several policies on gifts, conflicts of interest, inappropriate or unethical conduct (whether with suppliers or with clients), competition issues, and unfair practices.

100% of employees joining the Groupe must complete an online training course during their first month in the Company. Every year, all employees receive Refresher training.

Third-party assessment

Publicis Groupe carries out an assessment of its third parties, and carries out a specific anti-corruption review using a risk map (country, business sector, track record, etc.). Publicis Groupe will not work with any third party that presents a risk of corruption or that does not agree to comply with anti-corruption laws and the Groupe's policy in this area.

Suppliers are assessed and verified on this subject before the contract is signed. More details are provided in Section 4.2.5 of this document.

Accounting rules and controls

Janus also includes accounting policies and procedures, as well as a framework applicable to the entire Groupe and all subsidiaries. This system is intended to ensure that the books, accounting documents and records are not used to conceal acts of corruption. Control tests are carried out by dedicated teams, the FMCs (Financial Monitoring Controls teams) which, during their regular reviews, also verify compliance with the Groupe's accounting rules.

Audits and control tests

The Groupe's anti-corruption compliance plan includes ongoing monitoring of the program by the Legal Department, and the Internal Audit teams carry out checks throughout the year.

Audits are carried out by the internal audit teams or by external auditors as part of the certification audits of the financial statements provided for in article L. 823-9 of the French Commercial Code.

The Internal Audit team reports on its anti-corruption work to senior management and a report is presented to the Supervisory Board's Audit Committee (see Sections 2.2.2 and 2.2.3 of this document). The Internal Audit Department also reports on its work to the Legal Department, in order to modify, if necessary, the policies and procedures of the anti-corruption program.

Whistleblowing

Employees, suppliers and third parties can report violations of the anti-corruption policy, by using the ethicsconcerns@publicisgroupe.com centralized whistleblowing system described in the Reporting Concerns policy. All alerts are treated confidentially and anyone who reports a problem is protected from the risk of retaliation. All alerts are dealt with by the Internal Audit Department, reporting to the Secretary General.

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.

4.4.4 Whistleblowing system

Groupe employees may report a problem in terms of violation of the law or company policies on fraud, corruption, harassment, discrimination or any other ethics issue, as stated in the Janus Code of Ethics and the Reporting Concerns or so-called "Whistleblowing" policy. This system is accessible to all employees and third parties. It is updated regularly and is publicly available in the CSR Smart data section of the Groupe's corporate website.

The ethicsconcerns@publicisgroupe.com system makes it possible to respond to all alerts, whether internal or external. All alerts received are dealt with, whether they come from employees, clients, partners, suppliers or any other stakeholders. Investigations are carried out by the Internal Audit Department using the appropriate means in relation to the subject in question and ensuring strict confidentiality. Whistleblower communications are protected by confidentiality and any form of retaliation is prohibited.

In 2020, 56 reports were handled, 32% of which were reported from within the Company. 41% of cases concern HR issues. 100% of reports were processed and went on to be investigated by internal audit with the support of internal legal experts. The Internal Audit Director reports the findings of the investigations carried out to senior management and a report is presented at each meeting of the Supervisory Board's Audit Committee.

4.4.5 Audits and Certifications

Communications industries are subject to different formal frameworks. The Groupe's agencies are sometimes audited by clients on different issues. In the United States, in response to a request from the Association of National Advertisers (ANA) focusing on issues of audience reliability, all the audits conducted at Publicis Media failed to show any anomalies, thus making the media solutions offered to clients even more credible.

The main certifications in place in agencies are:

- ISO certifications; 26.3% of headcount is covered by the various ISO certifications; the majority of these cover agencies in India and the United States;

ISO Certification	Nb. of agencies certified
ISO 9001	15
ISO 14001	13
ISO 27001	42
ISO 17100	2
ISO 20121	3
ISO 45001	2
ISO 18587	2
ISO 37001	11
ISO 22301	18

- professional certifications; in some countries, these are required for certain activities, for example, with the CENP in Brazil or the CAANR in New Zealand;
- technological certifications, which are widespread and cover different types of technical standards.

As well as:

- industry qualifications related to certain tightly controlled business sectors, such as healthcare for Publicis Health agencies, in the United States, France and the United Kingdom: employees are trained in local regulatory frameworks and every campaign undergoes a Compliance review;
- professional accreditations enable checks and audits to be conducted on behalf of clients, as is the case with Publicis Communications in the United States which conducts audits requested by clients on different aspects such as supplier diversity.

4.4.6 Compliance

Compliance matters are monitored by the Groupe's Legal Department under the responsibility of the Secretary General, with the support of the local teams in all countries.

In relation to the GRI guidelines:

- Publicis Groupe, whose core activities involve the provision of intellectual services, has not recorded any incidents involving child labor or forced or compulsory labor, nor incidents relating to the violation of the rights of native populations, nor human rights grievances;
- Publicis Groupe has not experienced any incidents of non-compliance with voluntary rules and codes concerning: impacts on consumer health and safety; information about its products and services; the provision and use of its services;
- Publicis Groupe has had no complaints filed against it for invasion of privacy or loss of client-related data;
- as happens every year, a very small number of agencies (fewer than ten) recorded incidents of non-compliance with regulations and voluntary codes relating to communications, more often than not in the form of notices or notifications issued by regulatory or self-regulated bodies, on each occasion giving rise to immediate modifications;
- Publicis Groupe has not had to fight any legal actions for infringement of anti-trust laws, anti-competitive behavior or monopolistic practices, or corruption.

Regarding article R. 225-105 and supplementary information required by other French legal texts, the environmental impacts are dealt with in the section below. However, some indicators do not apply to Publicis Groupe, given the nature of the service-based and intellectual activities, namely:

- the resources dedicated to preventing environmental risks and pollution. Given the insignificant level of these types of risk, the Groupe does not envisage writing any provisions and guarantees for environmental risks or risks associated with climate change;
- the consideration of noise pollution and other forms of activity-specific pollution;
- measures taken to prevent, reduce or repair air, water and soil pollution (including land use) affecting the environment.

4.5 ENVIRONMENT AND CLIMATE CHANGE

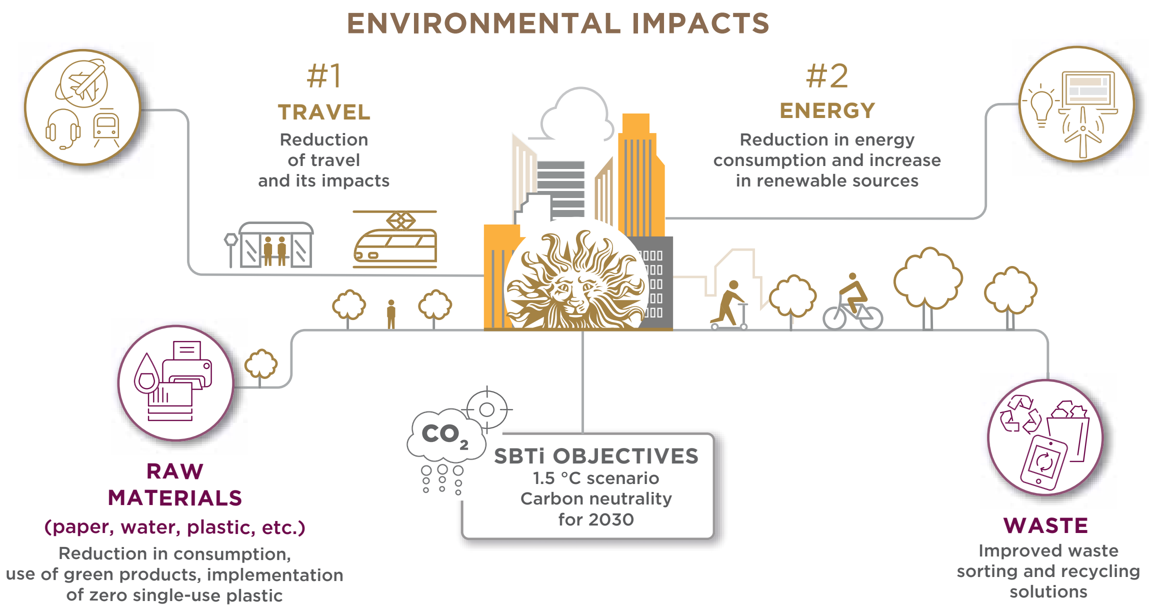
4.5.1 Adapting to climate change

In view of the social challenges faced by the climate emergency, 2020 marks a turning point for Publicis Groupe. After nearly fifteen years of identifying its main environmental impacts, reducing them and achieving its initial objectives for 2020 and then for 2030, the Groupe has increased its ambitions by 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.

The ambition is to achieve carbon neutrality by 2030. This involves the following three actions:

1. **reduction of all agencies' direct impacts by 2030**:
   - by 47% for scopes 1 & 2: primarily energy and business travel by professional car,
   - by 14% for scope 3, by improving the measurement of the impacts of products and services offered to clients, and by working with suppliers on less impactful options;
2. **absolute carbon emissions generated directly from renewable sources by 2030**: with 33.5% renewables in 2020, the plan calls for a steady improvement each year until 2030;
3. **cover 100% of unavoidable impacts through offsetting mechanisms as soon as possible and by 2030**; carbon offsetting being considered as a last resort.

This action plan is overseen and monitored by the CSR Department. It has been adopted by the Management Board and presented to the Supervisory Board which has approved it.



4.5.2 Environmental policy

The "Consume Less and Better" environmental policy has evolved to incorporate all of the Groupe's new objectives in this area. Publicis Groupe has voluntarily chosen to follow the Task Force on Climate-related Financial Disclosure (TCFD) recommendations, and has committed to using a Science Based Target initiative (SBTi) process to verify its new targets for 2030. Publicis Groupe is a signatory of the French Climate Business Pledge, restating the commitment of French business to the Paris Agreement targets, energy transition and the fight against climate change within the context of the 1.5 °C scenario.

The environmental policy is structured around the following seven points:

1. **reduction in transport** (particularly air travel) and its impacts through working from home and the use of teleconferencing tools; encouraging lower-emission modes of transport (such as public transport, Green cabs, electric, hybrid or smaller company cars, etc.) or alternative mobility solutions (bicycles);
2. **reduction in energy consumption and switch to 100% direct-source renewable energy** and improvements in energy efficiency (by seeking to limit the impacts of electricity, heating and air conditioning);
3. **reduction in consumption of natural resources and raw materials** (mainly paper, water, plastics). The global plan launched at the beginning of 2020, to eliminate single-use plastics (Zero Single Use Plastic) from all agencies in order to rapidly comply with the ambitious objectives of the plan voted by the European Parliament, remains a priority;
4. **waste volume reduction:** systematic use of recycling channels, in particular for electronic and IT products (WEEE), and organized management of non-hazardous waste (the Groupe does not have hazardous waste);
5. **reduction in the impact of campaigns and projects carried out for clients:** the Groupe has created an internal impact assessment platform called **A.L.I.C.E.** (Advertising Limiting Impacts & Carbon Emissions), which makes it possible to measure and find less impactful options (see Section 4.2.2.2);
6. **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 4.2.5;
7. **carbon neutrality for the entire Groupe as soon as possible and by 2030**, options to obtain RECs (renewable energy certificates) or VCCs (voluntary carbon credits) to compensate for the irreducible impacts, being those of last resort, or to deal with a local shortfall in the renewable energy market, for example.

The summary table of key data at the end of the Chapter shows the changes under way.

Focus on real estate

Environmental issues are taken into consideration by the Groupe's Real Estate Department right from the early stages of a project, whether in the course of refurbishment work for the agencies or when looking for new premises. The objective is to favor functional spaces that meet energy and environmental performance criteria, bearing in mind that the total surface area of offices has been reduced by 24% over the last three years. Every year, examples of good practice are exchanged by Real Estate managers in different countries so as to anticipate requirements for the future premises:

- building certification (LEED, BREEAM, HQE, Energy Star, etc.); such as in Boston, New York, Chicago, Los Angeles, Gurgaon, Bangalore, Shanghai, Paris and London;
- selection of energy supplier and energy mixes that include renewable energies. A number of agencies have already reached 100% renewable energies;
- energy-saving electrical installations and regulated management of heating and air conditioning;
- monitoring of the consumption of water and other fluids used (air conditioning);
- biosourced materials for interiors and decoration;
- effective (proven) waste sorting and recycling systems.

13 agencies are ISO 14001 certified (United Kingdom, India) representing 13% of the workforce.

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 has installed several beehives on the roofs of four of its buildings in Paris, including the Champs-Élysées, Bastille, Gambetta and Saint Denis. Employees are trained each year to support the care of the beehives. In addition to supporting the French bee-keeping sector, a partnership has been entered into with the Apiflordev association which fights against poverty in Africa. The sale of honey from Paris beehives is now financing the installation of beehives in Senegal, which are crucial for local biodiversity as well as from a social perspective. In Costa Rica, Re:Sources is a model of the volunteer approach with an action plan involving employees in a carbon offsetting program designed to promote local biodiversity by preserving tropical flora and fauna in protected forests. In China, agencies have come together in a program to plant trees in the fight against local deforestation.

Pro bono campaigns and volunteering focused on protecting nature and the planet were carried out for associations that protect the environment and natural resources (namely flora and fauna) in many countries.

4.5.3 Eco-friendly campaign and project design for clients

Eco-friendly design is now at the heart of client campaigns in more and more Groupe agencies. Teams are looking for partnerships to make projects more sustainable using new approaches such as the circular economy or sharing economy. Eco-friendly design and assessment approaches have been trialed and the results are convincing. These voluntary initiatives make it possible to associate clients, suppliers and partners. The proprietary A.L.I.C.E. platform on the environmental impacts of campaigns was constructed using them (see Section 4.2.2).

In the same way as Publicis Conseil in France with its #NIBI program ("No Impact for Big Impact"), a number of agencies have now put in place processes designed to assess eco-friendly design options during the early stages of a project. If these parameters are duly considered, campaigns or digital solutions that consume less energy or raw materials, or that involve less travel or waste, can be achieved.

Employees remain very involved in internal initiatives related to the life of the Company, in particular eco-gestures on a daily basis, in order to limit environmental impacts, the two most significant of which are due to travel and transportation, and energy use.

At the same time, agencies are involved in local initiatives, such as Publicis Groupe UK, co-founder of the AdGreen coalition, which made available a carbon footprint calculator for production, or in France around carbon footprint measurement tools.

The impact of Covid-19 and the periods of strict lockdown were an opportunity to innovate, by profoundly revising the way in which communication campaigns were produced.

Providing employees with information and training on environmental issues

Employees are regularly informed locally in each agency of the progress made in the life of the agency. In most cases, this is the result of joint actions between the general services teams and volunteers within the agency, mobilized 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, etc.). As eco-actions are becoming more widespread, individual behaviors are changing and helping to reduce negative impacts.

4.5.4 Consumption and impacts

The negative impacts of the Groupe that are taken into consideration when calculating greenhouse gas emissions come, in order of importance, from:

1. travel estimated at 288,965,000 km (calculation: business trips + employee commutes). Due to the multiple travel restrictions, 2020 has shown a sharp decrease in business flights and a general shift towards collaborative remote work tools (video & voice). Commuting journeys have also been greatly reduced.

   For its company car fleet, the Groupe has adopted European objectives, *i.e.* CO_2 emissions lower than 95 g/km by 2021. Finally, individual habits are starting to shift significantly with requests for hybrid and even electric vehicles;
2. energy consumption is estimated at 125,655,000 kWh. **Renewable energy** accounts for 33.5% of total consumption (based on the certifications given by electricity suppliers). As the actual consumption of the Epsilon entities now represents 20% of the Groupe's total consumption, the data has been recalculated for 2019 to allow a reliable comparison between 2020 and 2019. Electricity consumption was significantly reduced in some entities due to the number of teams working from home. Efforts continue to improve energy efficiency and best practices (switch-off policy for computers and machines such as printers, as well as night and weekend lighting):
   a. **data centers:** work to optimize and rationalize servers is ongoing, as well as the consolidation of applications, including digital products and services created for clients. This work is being conducted with the Groupe's partners so that the results can be uniformly monitored. Efforts have been ongoing in all countries since 2016. Energy savings of 10% to 12% are made annually on server consumption in North America and Europe. An ambitious multi-year plan has enabled the number of machines to be reduced and all employees to be equipped with a range of powerful virtual tools with higher energy savings,
   b. **energy audits:** pursuant to the application of 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). In 2017, savings of 15% were recorded on electricity and heating at the head office in Paris. In the United Kingdom, the energy efficiency plan has been successful in London, with renewable energy targets set;
3. **fixed assets** (buildings, office materials such as IT equipment and servers, etc.). The Groupe seeks to use Green IT solutions in order to be able to work on more energy-saving computers and use more virtuous software packages and programs;
4. **paper consumption:** 257 metric tons were consumed, of which 68% were certified or standard-compliant paper (FSC, PEFC or other labels), as were consumables (ink cartridges, office supplies, etc.). For several years now, the "zero paper" policy has been encouraged everywhere. The rollout of applications such as "Follow Me" makes it possible to select printers according to the type of document to be printed and to use a badge to launch the printing, reducing paper consumption by 50% in just a few weeks;

5. **water consumption** is estimated at 506,374 m^3 – approximately 6.4 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 in which the Groupe's agencies are located. The aim is to reduce water consumption in all agencies;
6. the volume of **non-hazardous waste recycled is estimated at 891 metric tons**. Most of this waste is paper and cardboard. It is recycled with traceability (some agencies have traceability in place for 100% of these volumes). 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. Electronic waste is treated in WEEE recycling systems, under materials recycling contracts:
   a. concerning the **circular economy**, for more than a decade now agencies have been voluntarily committed to promoting documents from recycled paper, plastic, fabric and other materials for paper publications or regular and one-time events, by working with suppliers who guarantee these recycled raw materials,
   b. the issue of **food waste** has been monitored for a number of years now. In all agencies, employees must reduce waste day-to-day and support sharing initiatives to tackle food insecurity. For example, in the late afternoon, employees can go to the cafeteria (or kitchen or coffee room) to collect untouched food left over from meetings. In France, Sodexo, which is the Groupe's partner, including for the Champs-Élysées and Bastille sites, is extremely proactive both in its own production chain (from upstream to downstream) and in its communication campaigns designed to raise the awareness of its employees and clients on food waste issues in corporate canteens. In 2020, the canteens were opened for a few weeks depending on changes in health constraints and the number of people authorized in the establishments.

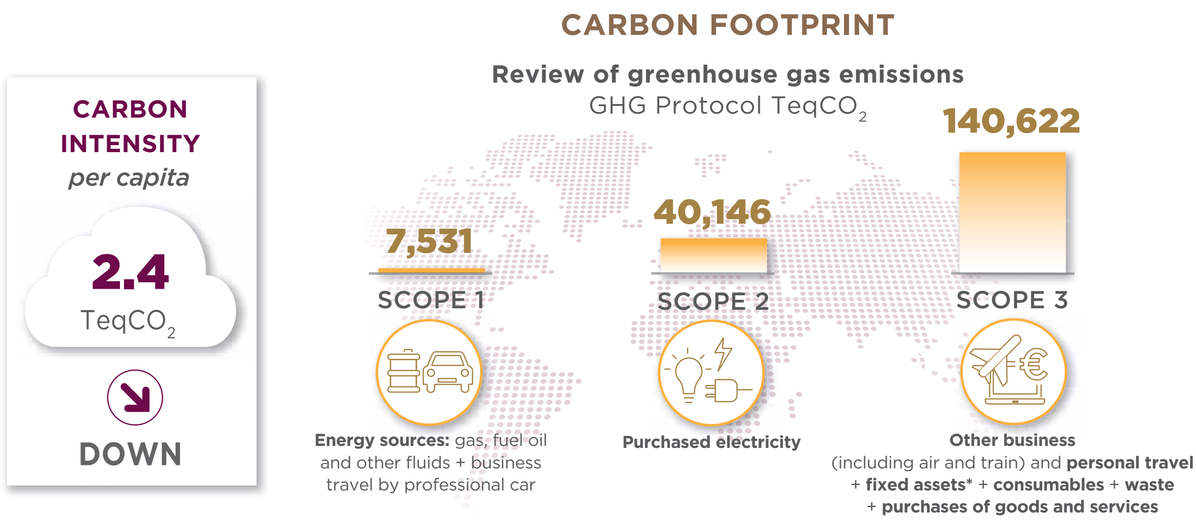
   The Groupe defends responsible, fair and sustainable food that is mindful of animal welfare, as evidenced by several projects carried out with various clients (see www.publicisgroupe.com, CSR section).

4.5.5 Review of greenhouse gas (GHG) emissions

For the 12th edition, the greenhouse gas 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).

2020 data take into account new emission factors updated in January from the Base Carbone® database managed by the French Environment & Energy Management Agency (ADEME, accessible at www.basecarbone.fr); these emission factors are required by the French Ministry for the Ecological and Inclusive Transition for the GHG emissions assessment.

The total of scopes 1 +2 +3 in 2020 was 188,299 TeqCO_2, *i.e.* a carbon intensity of 2.4 TeqCO_2 *per capita*, *i.e.* a reduction in carbon intensity *per capita* by 60% since 2009. These data are published as "location-based" (uncertainty rate: 20%).



* buildings, IT and office equipment

Other actions taken by the Groupe to reduce and offset GHG emissions

By joining SBTi in 2020, Publicis Groupe has made a number of commitments for 2030. The very first of these concerns the direct reduction of all impacts on the three scopes (absolute): 47% for Scopes 1 & 2, and 14% for Scope 3 (on the main items representing 75% of Scope 3).

In the meantime, the Groupe has chosen to use the options available on the market to reduce its direct and unavoidable impacts of Scopes 1 and 2, and thus participate in the financing of the energy and ecological transition.

In terms of renewable energies, the Groupe purchased RECs (Renewable Energy Certificates) to reduce the amount of energy consumed from non-renewable sources in its four largest countries in terms of headcount: United States, India, United Kingdom, France. The Groupe has chosen to commit to a multi-year offset program in India, the Gandhi program, by purchasing Voluntary Carbon Credits (CCVs), covering the residual impacts of Scope 1 & 2. This program finances the deployment of wind farms in three Indian regions: Gujarat, Karnataka, Maharashtra, with a strong social impact, around the education of children and the economic empowerment of women. This program was supplemented by the purchase of CCVs in the forestry project *Madre de Dios* in Peru, to protect primary forest and its biodiversity.

These various commitments enable Publicis Groupe to post **carbon neutrality for Scopes 1 and 2 in 2020**, in accordance with the requirements of the Paris Agreement.

Publicis Groupe is supported in these projects by the external firm EcoAct, in order to validate the robustness of the projects selected and to monitor their evolution over time. All projects in which the Groupe is committed are subject to external certification (Gold Standard for the Global Goals, or VCS – Verified Carbon Standards, or CCBA – Climate, Community & Biodiversity Alliance).

/ Summary table of environmental indicators

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

Indicators	Unit	2018	2019	2020	Objectives By 2030[1]
Groupe headcount		75,588	83,235	79,051	
Scope 1	TeqCO_2	5,586	9,895	7,351	**-47%**
Scope 2	TeqCO_2	60744	56,018	40,146	**-47%**
Scope 3	TeqCO_2	217,418	250,236	140,622	**-14%**
Scope 1+2+3	TeqCO_2	283,748	316,149	188,299	
Carbon intensity *per capita*	TeqCO_2	3.78	3.45	2.4	
Electricity consumption	MWh	147,407	158,522	125,655	-
Energy intensity *per capita*	MWh	1.95	1.9	1.6	-
Renewables as a percentage of total consumption	%	33.5	31.3*	33.5	**100**
Water consumption	m^3	724,401	727,200	506,374	
Water per capita	m^3	9.7	8.8	6.4	
Total volume of waste recycled	metric tons	3,810	2,211	891	
Recycled waste per capita	metric tons	0.04	0.02	0.01	
Paper consumption	metric tons	703	610	257	
Of which paper per capita	metric tons	0.009	0.007	0.003	
Total kilometers traveled (business trips and commuting between home and work)	thousand km	1,138,298	990,000	288,965	
Travel per capita	thousand km	15.2	11.9	3.65	
Business trips Commute	thousand km	636,087	507,780	112,535	
Daily commute	thousand km	502,210	482,220	176,430	

* Publicis Groupe with Epsilon was recalculated for 2019 on the basis of actual energy consumption in 2020.
(1) SBTi validation in March 2021. 1.5° scenario used for the three scopes. Detailed data available on CSR Smart data.

4.6 SUSTAINABLE DEVELOPMENT GOALS

The Groupe measures its contribution against 10 of the United Nations' Sustainable Development Goals (in solid color) that are aligned with the Company's strategy.

SDG	Among the targets monitored	Actions implemented and mechanisms	Change in indicators
SDG 2 – Zero hunger	• Fight against food waste • Improving nutrition and promoting sustainable agriculture	Mobilization of employees in favor of SDG 2, as part of Common Ground, and to cooperate with clients, partners or suppliers for a stronger impact. See www.publicisgroupeonetable.com	Skills support for 280 projects since 2016.
SDG 3 – Good health and well-being	• Provide medical protection to employees • Ensure the well-being of teams at their workplace in the agency	All Groupe agencies have organized a local protection and support plan for mental health, to help employees during this pandemic year. Enhanced healthcare coverage and free access to new services.	100% of employees have access to healthcare actions and support.
SDG 4 – Quality education	• Facilitate equitable access to training • Ensure the employability of employees • Improve the level of skills and expertise	The Groupe has mobilized to support the "Black Lives Matter" movement, leading local action plans to respond to each context. The objective is to recruit more diversified profiles in terms of origins and career paths, and to better retain talent in the Company. Global rollout of the Marcel platform, with Marcel Classes accessible 24/7 in 13 languages.	74% of employees trained. More than 1,600,000 hours of programs took place (28.1 hours per *capita*).
SDG 5 – Gender equality	• Proactive approach to promote team diversity • Commitment to gender equality • Continue the fight against all forms of discrimination	Continuation of internal programs to promote gender balance and diversity. Reaffirmation of the "Zero Tolerance" policy with regard to all forms of discrimination, sexual harassment and inappropriate behavior. Widespread unconscious bias training. Challenges for certain roles: *Head of Creation*, *Head of data*, and *Head of Tech*, less than 30%. Equal pay monitoring using the internal HRIS system.	40.4% women in key leadership positions (2020 target achieved). 2025 target: 45% women in key leadership positions.
SDG 8 – Decent work and economic growth	• Participate in the creation of direct jobs • Ensure real equality of opportunity	The Groupe directly employs **79,051 employees** worldwide, representing a personnel expense of euro 6,242 million. The principle of equal opportunities (or Rooney Rule) has been strengthened in the diversity action plans (recruitment, promotion, succession, etc.). 11th year of the MCTP *(Multicultural Talent Pipeline)*	Sustained equal opportunity efforts to recruit and promote more diverse profiles.
SDG 10 – Reduced inequalities	• Combat forced labor, child labor and human trafficking, by involving suppliers	Signatory of the United Nations Global Compact since 2003, and signatory in 2018 of the seven WEPs (UN Women). Reaffirmation of a commitment to the fight against forced labor, child labor, human trafficking and modern slavery. Duty of Care Plan undertaken to improve the monitoring of suppliers on these issues. Strengthen CSR monitoring of local suppliers with the use of P.A.S.S.	85% of strategic suppliers assessed by an expert third party. +100 local suppliers self-assessed via P.A.S.S.
SDG 12 – Responsible consumption and production	• Contribute to raising awareness of sustainable development issues • Change behavior towards more sustainable consumption	Supporting our clients in their sustainable development projects is an integral part of the service offering, in order to inform and encourage changes in the behavior of consumers, client-citizens who are increasingly attentive to these issues. Internal employee awareness of best practices and eco-gestures to reduce all our direct impacts.	Launch of the A.L.I.C.E. platform with a dozen clients. 2030 objectives validated by SBTi (Sc. 1.5 °C).

SDG	Among the targets monitored	Actions implemented and mechanisms	Change in indicators
SDG 13 – Measures to combat climate change	• Reduce consumption and direct impacts • Help to preserve natural resources	The Groupe's environmental policy "Consume less and better", in place for the last 12 years, has led to a reduction of 60% in carbon intensity *per capita*. By joining SBTi (Science Based Targets Initiative), the Groupe has defined its objectives for 2030, following the 1.5 °C scenario, and to achieve carbon neutrality for all three scopes as soon as possible before 2030.	Objectives for 2030: reduction of 47% in Scope 1 & 2, and 14% for Scope 3. 100% renewable energy before 2030.
SDG 16 – Peace, justice and strong institutions	• Promote the rule of law • Fight against corruption	The Groupe is a defender of human rights and fundamental individual freedoms. Among the Groupe's ethical principles, the fight against corruption, fraud and conflicts of interest have always been central, as has the "Zero Tolerance" principle with regard to all forms of discrimination, harassment or violence. Training teams in legal changes is key. The Duty of Care Plan extends CSR monitoring to Groupe and agency suppliers.	2020 Women's *Forum report* "Women at the heart of the economy"
SDG 17 – Partnerships to achieve the SDGs	• Continue cooperation with the various organizations by putting our skills at their service • Promote projects with positive impacts	Within Common Ground *bringing together* the six major global communication groups that put their skills at the service of six SDGs. Publicis Groupe has set up a dedicated program around SDG 2 (*"Zero hunger"*), entitled *"One Table"*. The Groupe participates in various multi-company initiatives such as Daring Circles *from the* Women's *Forum acting* in favor of the SDGs.	420 *pro bono campaigns* and volunteering supporting the SDGs.

4.7 ASSESSMENTS AND NON-FINANCIAL PERFORMANCE

Publicis Groupe's non-financial performance has improved year on year, illustrating the progress accomplished in the different registers. The reporting structure, processes and results are audited by Bureau Veritas' external auditors.

The entire approach is also monitored by financial analysts, management companies and investors within the context of their ESG analysis, as well as by current and prospective Groupe clients (CSR questionnaires, site audits, etc.) and by various sustainable development players whose assessments may be published (public organizations, ratings agencies, students and teachers, etc.).

Publicis Groupe is represented in several indices, including: FTSE4Good, Euronext Vigeo Eiris, Ethibel Sustainability Index Excellence Europe, ECPI Index and is assessed annually in specific areas by RobecoSAM (DJSI), MSCI, Sustainalytics, Standard Ethics, ISS-Oekom, CDP, Trucost, EcoVadis, Equileap, Ethics & Boards, to name a few (details at https://publicisgroupe-csr-smart-data.com/en/).

4.8 CSR REPORTING METHODOLOGY

Scope and process

CSR reporting is based on social, societal and environmental indicators collected within the Groupe's 720 entities and, since 2009, with a rate of coverage of the Groupe's workforce of 99% (the exclusions being entities acquired within the last six months). Epsilon was integrated on July 1, 2019, all Epsilon entities are fully consolidated in the 2020 scope. The scope of CSR and non-financial reporting is aligned with that of financial reporting, which includes all subsidiaries owned at more than 50% by the Groupe. Three indicators are subject to lower coverage rates, and exclusions are due to the lack of data on these topics from our subsidiaries:

- absenteeism: coverage rate of 98% of headcount;
- water: coverage rate of 95% of headcount;
- waste: coverage rate of 90% of headcount.

2020 CSR reporting focuses on the period from January 1 to December 31, 2020 and is carried out annually.

Quantitative, social, societal and environmental data is collected in accordance with financial reporting 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.

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 (CTOs or Human Resources Directors), who sign off on the content shared.

Both of these tools are linked in order to ensure consistency and run materiality tests. The definitions and calculation methods are aligned with the GRI and are presented in the CSR Smart data section.

The scope of impacts includes the Company and all its subsidiaries (100%), as well as some third-parties associated with digital activities for clients (*e.g.* servers) and those relating to employee personal travel, and integrates a part of the supply chain and some suppliers (those assessed by EcoVadis).

CSR governance and reporting process

CSR is under the responsibility of the Secretary General, who sits on the Management Board. CSR issues are reviewed by the Management Board and monitored by the Strategy and Risk Committee, so that members of the Supervisory Board can be updated with changes in progress. Certain topics related to talent and diversity are regularly addressed during the meetings of the Supervisory Board, and appear on the agenda of the monthly meetings of the Management Board.

A summary of key indicators is presented to the General Shareholders' Meeting annually.

The CSR Department coordinates an internal CSR Steering Committee that brings together the Groupe's main corporate functions (finances, HR, audit, legal, procurement, risk management, etc.). The CSR Steering Committee plays a role in the detailed work done on integrated reporting. The CSR Department works in project mode with various teams worldwide. Using a dual approach: "push" to help with the roll out of internal initiatives and to push forward certain issues, and "pull", with the comprehensive steering of non-financial reporting.

The Internal Control and Internal Audit teams verify, during the course of their work carried out throughout the year, that the agencies correctly implement the CSR reporting processes and have access to historical tracking of data and information.

CSR reporting is done within each Groupe entity (720 in 2020) 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, titled 2020 CSR Guidelines, is updated annually; it defines the required collection and validation processes at the different levels, as well as the content and definitions of the various indicators (over 90 quantitative and qualitative indicators). This manual was distributed to a cross-functional working group of roughly 100 people and 1,000 contributors during preparatory webinars held from October 2020 to January 2021. In the course of its data checking and verification process (of each indicator per agency), the CSR Department at HQ was in direct contact with all the local teams during the final consolidation phase.

All of the quantitative data and qualitative information is checked and analyzed by the Groupe CSR Department, who compiles the consolidated reporting for the whole Groupe. Bureau Veritas auditors have completed 110 on-site audits in agencies, but conducted remotely: United States, Colombia, Costa Rica, Germany, United Kingdom, France, South Africa, India and China, as well as five new countries: Australia, Italy, Russia, Mexico and Canada, *i.e.* 14 countries representing 52.68% of the total workforce. The whole CSR report is checked by the external auditors (see Opinion in Section 4.9) in accordance with regulatory requirements: they check the consolidated quantitative and qualitative data, processes and explanations and hence the consistency of the whole financial year by conducting random checks in all Groupe entities.

Guidelines

Non-financial reporting was prepared in accordance with article L. 225-102-1 of the French Commercial Code and with reference to articles L. 205-101-1, R. 225-105 and R. 225-105-1 on corporate social and environmental transparency obligations and auditing methods. This reporting includes information arising from more recent laws on energy transition and green growth, or on the fight against food waste, as well as on modernizing social dialog and safeguarding career paths. This also integrates the law regarding Duty of Care and the Sapin 2 Law (anti-corruption), as well as the European General Data Protection Regulation (GDPR).

The other guidelines that the Groupe voluntarily follows are:

- GRI standards; (Global Reporting Initiative), the GRI being the main structure followed by the Groupe since 2009. Publicis Groupe follows the GRI's sustainable development reporting by applying its 10 principles (GRI 101). The 2020 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/;
- the 10 Principles of the UN Global Compact, to which Publicis Groupe has been a signatory since 2003, now supplemented by the UN Women's seven Women's Empowerment Principles (WEPs);
- the 17 United Nations Sustainable Goals (SDGs). The Groupe has chosen to report on 10 of the 17 SDGs (see Section 4.8);
- the ISO 26000 guidelines, which the Groupe has followed since 2011 in order to better accommodate the views of stakeholders;
- the American SASB (Sustainability Accounting Standards Board) guidelines, drafted in 2014 for the technology and communications sector;
- the OECD guidelines for multinational enterprises (Recommendations for responsible business conduct in a global context) are also used as a reference;
- 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);
- the Carbon Disclosure Project (CDP) endorsed by the Groupe on a voluntary basis since 2009 in order to contribute to the general effort to achieve transparency concerning the reduction in greenhouse gas emissions. Environmental data are published using the location-based rule for scope 2;
- the Task Force on Climate-related Financial Disclosure (TCFD) which defines environmental governance and disclosure rules in order to reduce greenhouse gas emissions;
- the Science Based Targets initiative (SBTi), which validates companies' objectives in terms of reducing environmental impacts and carbon emissions, an approach which is in line with the Paris Agreement 1.5 °C scenario.

The cross-reference table with all of the guidelines used can be accessed by the general public, and the CSR indicators, grouped together according to the GRI grid, or the SDGs, are shown in the CSR Smart data: https://publicisgroupe-csr-smart-data.com/en/.

4.9 VERIFICATION REPORT ON THE DECLARATION OF NON-FINANCIAL PERFORMANCE

The declaration of non-financial performance examined relates to the financial year ended December 31, 2020.

Request, Responsibilities and Independence

Following the request made to us by Publicis Groupe and pursuant to the provisions of article L. 225-102-1 of the French Commercial Code, we have verified the declaration of non-financial performance (DNFP) relating to the financial year ended December 31, 2020 published in the Universal Registration Document of Publicis Groupe, as an independent third party accredited by the Cofrac under no. 3-1341 (list of locations and scope available on www.cofrac.fr).

It is the responsibility of the Management Board of Publicis Groupe to prepare and publish a DNFP with reference to articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code. The DNFP was prepared in accordance with Publicis Groupe's reporting procedures, hereinafter referred to as "the reporting procedures". The DNFP will be available on the Company's website together with a summary of the "reporting procedures".

It is our responsibility to audit the DNFP so that we can formulate a reasoned opinion regarding:

- compliance of the DNFP with the provisions of article R. 225-105 of the French Commercial Code;
- the true nature of the information provided in accordance with paragraph 3° of I and II of article R. 225-105.

We conducted the DNFP audit work in an impartial and independent manner, in accordance with the professional practices of the independent third party, based notably on the principles of AA1000 and in application of the Code of Ethics applied by all parties involved in Bureau Veritas' work.

Nature and scope of the audit work

In order to issue a reasoned opinion on the compliance of the DNFP and a reasoned opinion on the fairness of the information provided, we performed our audit work in accordance with articles A. 225-1 to A. 225-4 of the French Commercial Code and with our internal methodology, for the verification of the DNFP, in particular:

- we have taken note of the scope of consolidation to be considered for the preparation of the DNFP, as specified in article L. 233-16 of the French Commercial Code. We checked that the DNFP covers all the companies included in the scope of consolidation specified in the DNFP;
- we have gathered the information required for an understanding of the Company's activities, the context in which the Company operates, and the social and environmental consequences of its activities and the effects of these activities on respect for human rights and the fight against corruption and tax evasion.

We have read the content of the DNFP and verified that it incorporates the elements of article R. 225-105 of the French Commercial Code:

- presentation of the Company's business model,
- the description of the main risks related to the Company's activity, for each category of information mentioned in III of article L. 225-102-1, including, where relevant and proportionate, the risks created by its business relationships, products or services, as well as the policies applied by the Company, where applicable, the due diligence procedures implemented to prevent, identify and mitigate the occurrence of the risks identified,
- the outcome of these policies, including key performance indicators.

In detail, our audit work was as follows:

- we examined the Company's system for reviewing the consequences of its activities as listed in III of article L. 225-102-1, identifying and prioritizing the related risks;
- we ensured that the DNFP covers all the categories of information provided for in this article or includes a clear and reasoned explanation of the reasons justifying the absence of a policy concerning one or more of these risks;
- we verified that the DNFP presents, where relevant with regard to the main risks or policies presented, the information provided for in II of article R. 225-105;

- we ensured that the Company has put in place collection processes aimed at ensuring the comprehensiveness and consistency of the information mentioned in the DNFP. We examined the "reporting procedures" with regard to their relevance, reliability, understandability, completeness and neutrality and, where applicable, taking into account good professional practices derived from industry guidelines;
- we identified the persons within the Company who are in charge of all or part of the reporting process and we conducted interviews with some of these persons;
- we inquired about the existence of internal control and risk management procedures set up by the Company;
- we assessed, on a sample basis, the implementation of the "reporting procedures", in particular the processes for collecting, compiling, processing and auditing information;
- for the quantitative data[1] that we considered to be the most important, we:
- selected a sample of contributing entities within the scope of consolidation, based on their activity, their contribution to the Company's consolidated data, their location and the results of work carried out in previous years,
- performed remote audits, audits conducted by local auditors, of 66 agencies[2],
- this sample was supplemented by the verification, conducted off-site from the Company's head office, of the same data for 44 agencies,
- the sample thus formed for our audit work represents 52.68% of the total workforce for all the agencies selected for remote and head office audits,
- carried out detailed tests on a sample basis checking the correct application of "reporting procedures", reconciling data with supporting documents, checking calculations and the consistency of results;
- we completed our work by carrying out consistency checks, accompanied by requests that the agencies send evidence in the event of any inconsistency identified, on a panel of additional indicators[3], which were verified for 25 agencies;
- we also tested the robustness of the data verification process carried out by the team in charge of consolidation, in particular by performing sample checks on the verification of various data, by ensuring the proper application of the verification process in place and the traceability of these internal verifications, and the action taken if any discrepancies were identified;
- performed an analytical review of the data and verified, on a sample basis, the calculations and compilation of this information at the head office and entity levels;
- for the qualitative information that we considered most important, we consulted documentary sources and conducted interviews with the people in charge of writing them;
- we examined the consistency of the information mentioned in the DNFP;

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(1) **Social information:** total workforce – diversity: % of women on an agency Executive Committee, % of women agency CEOs, % of women directors of creative teams,% of women directors of technology teams, % of women directors of media teams, % of employees assessed, number of employees trained during the year, number of hours of e-learning training; and qualitative information on well-being at work.
Environmental information: electricity consumption, renewables as a percentage of total consumption, recyclable waste (recycled IT equipment, recycled foodstuffs, recycled paper, recycled cartridges), distance traveled by employees on their daily commute.
Societal information: number of employees trained on Janus, number of employees participating in *pro bono* campaigns, financial value of *pro bono* campaigns, financial value of media space donations, financial value of volunteering projects; and qualitative information on responsible marketing.

(2) **Germany** (Publicis Media Duesseldorf – PS DE Shared Capabilities – Metadesign – Publicis Pixelpark Hamburg – Saatchi & Saatchi Duesseldorf); **Canada** (PS CA Shared Capabilities – Publicis Canada – Starcom Toronto – Leo Burnett Canada); **China** (Zenith China – Starcom China – China HQ – P&G One China – RE:Sources China BS); **Costa Rica** (Re:Sources Costa Rica BS – Prodigious Costa Rica); **United States** (PS US Shared Capabilities – Epsilon Auto – SC USA Division – Marketing Services US – Digitas Agencies – NVMED – CRM – Publicis Health Media – Spark Communications – Digitas Health – Epsilon CRM – PS HQ US – PS US GS Public Sector – Publicis New York agency – Martin Retail Group – Moxie); **France** (Prodigious France – Publicis Media France – Publicis Conseil – Soft Computing – PS FR Shared Capabilities – ETO – Publicis Luxe – Re:Sources France BS); **India** (PS IN Shared Capabilities – Re:Sources India Gurgaon Sapient IT – PS HQ India – Performics. Convonix – Digitas Mumbai – VivaKi Nerve Centre – India Hanmer MSL – Re:Sources India Gurgaon Sapient BS – LB Bombay – Epsilon Practices (seven entities); **United Kingdom** (PS GB Shared Capabilities – Starcom UK – Publicis Life Brands UK – BBH Partners – S&S UK – Spark Foundry – Zenith International – Publicis • Poke – PS HQ UK – Leo Burnett London – Prodigious UK TFG).

(3) **Social information:** total permanent contract workforce broken down by gender; total fixed-term contract workforce broken down by gender; number of trainees broken down by gender; number of employees benefiting from parental leave; number of employees with medical coverage; absenteeism rate; frequency rate and severity rate of workplace accidents.
Environmental information: type and number of certifications; greenhouse gas emissions assessment.
Societal information: client satisfaction surveys.

- our work was carried out between October 12, 2020 and the signing of our report over a period of approximately 14 weeks. The assignment was carried out by a team of 10 auditors supervised by a project manager. A dozen interviews were conducted and at least two interviews per agency with the people in charge of reporting at each of the agencies audited.

Observations on reporting procedures or the content of certain information

Without calling into question the conclusions below, we make the following observations:

- we noted disparities in the traceability of certain indicators at agency level: training on the Janus Code of Ethics and, to a lesser extent, the assessment of employees; actions should be continued to standardize their collection within the agencies;
- we noted the difficulty of agencies in applying the definitions of the number of employees trained and the number of hours of e-learning training, whether or not training from the Marcel platform is taken into account in the reporting of these two indicators, which undermines the reliability of these data. An effort should be made to improve compliance with instructions and therefore the accuracy of their collection;
- we recorded and verified the adjustments made for the year 2019 for information on electricity consumption and the share of renewable energy.

Conclusion on DNFP compliance and fairness of data

On the basis of our work, we have not identified any significant anomaly likely to call into question the compliance of the declaration with the provisions of article R. 225-105 and the fairness of the information provided.

Reasonable assurance report on published data

Following the request made to us by Publicis Groupe and in our capacity as an independent third party, we believe that the work performed enables us to express reasonable assurance on the non-financial information relating to the financial year ended December 31, 2020 published in the management report of Publicis Groupe.

Conclusion

In our opinion, the information selected by the Company has, in all material respects, been prepared in accordance with the guidelines.

Puteaux (France), March 25, 2021
For Bureau Veritas

Laurent Mallet – Agency Manager

CHAPITRE

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COMMENTS ON THE FINANCIAL YEAR

The following developments are the main elements of the management report mentioned in 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 discussion 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

In 2020, the global economy suffered a completely unprecedented shock: the Covid-19 pandemic, which caused the voluntary shutdown of economies to combat the spread of the virus. It looks as though the economic effects of this pandemic will continue to be felt in 2021. Indeed, a second epidemic wave, which appeared in late autumn, has sometimes required strict lockdown measures, in particular in the United Kingdom and Germany. The announcement of the discovery of two vaccines has raised hopes to envisage an end to the health crisis, but that will take at least six months, because of the time required for mass vaccination and the achievement of herd immunity. The global GDP contraction in 2020 will be between -3% and -4% according to current forecasts (-3.2% according to the consensus, -4.4% according to the IMF). The economic outcome for 2020 differs widely by country. It depends on multiple factors: the virulence of the pandemic, the initial health and cultural characteristics, the type of lockdown decided, and the monetary and government support measures for households and businesses. Thus, China is the only major country to have seen an increase in its GDP in 2020 (+2% according to the consensus), while the United Kingdom paid the heaviest price (-11.1%). The US limited the decline in activity (-3.6%) due to less widespread and less stringent lockdowns than in Europe, and particularly strong monetary and government support measures. Germany managed to keep the decline in its GDP to -5.6%, but France (-9.3%) and Italy (-9.1%) are paying a heavy price. As in 2019, the protectionist policy of the USA and the uncertainties of Brexit also contributed to the weakness of activity. After a considerable initial fall, the oil price has gradually recovered to end the year down sharply. European sovereign interest rates remained very low throughout 2020: German and French rates were negative throughout the year.

In the United States, the decline in GDP was relatively small; although it varies greatly depending on whether the forecasts of the IMF (-4.3%), the Fed (-2.4%) or the consensus of Factset economists recorded on January 7, 2020 (-3.6%) are used. Such discrepancies reflect the specific nature of this economic crisis: unlike a "classic" recession, economic activity was stopped voluntarily by the public authorities, to prevent the very rapid spread of the epidemic. In the USA, lockdown measures were taken later and were often less stringent than in Europe, in particular because of the power of local authorities (states, counties and municipalities), but there has been an effective shutdown and then a restart of activity in the most important production centers, such as New York, which was particularly badly affected. The total number of non-agricultural employees in the private sector fell from 152 million in February 2020, to 130 million at the end of April, and then rose to 142 million as of December 31. The US economy held up relatively well thanks to the public support plan decided very quickly in March, and to the measures taken by the central bank, which intervened very early on the markets to prevent the health and economic crisis from being accompanied by a financial crisis. Public measures in the form of direct transfers, guarantees or tax deferrals are estimated at USD 2,900 billion, or 13% of GDP, which is considerable. In total, the counterpart of these support measures is a public deficit which is expected to represent a record 18% of GDP (estimates).

The European economy has been severely affected by the Covid-19 pandemic. The fall in GDP was almost twice the contraction in US GDP. In the euro zone, Italy (the first affected by the health crisis) and France suffered a drop in activity of around 9%. The largest slump in activity was in Spain (-11%). On the other hand, the German economy held up better, as the decline in GDP was limited to -5.6%. Lockdown decisions were made quickly, which caused sometimes impressive downturns in activity in the second quarter. The support measures were equal to the crisis, since, between guarantees, direct aid and payment extensions, the efforts of governments amounted to between 10.7% of GDP in Spain, up to 46% in Germany, which was the most proactive from this point of view. At the same time, the ECB announced exceptional measures, in particular the launch of a new unconventional monetary policy (asset purchases on the market), the PEPP, which was increased to euro 1,850 billion, or nearly 10% of the euro zone's GDP. This very active monetary policy has allowed rates to return to very low levels following the increase observed in March, at the height of the crisis. The resumption of activity from the summer was impressive, but was thwarted by the second wave of the epidemic which occurred during the autumn. New lockdown measures were decided in November and December, particularly in Germany, which seemed to have more difficulties in controlling the epidemic during the winter than during the spring of 2020. The hypothesis of a new contraction of activity in Germany is now plausible. In this context, inflation remained under control, below 1% in the euro zone.

The United Kingdom suffered the largest drop in activity in 2020, at -11.1%. The initial denial by politicians resulted in a delay in lockdown, which was therefore less effective from a health point of view and was costly in economic terms. In addition, it seems that the uncertainty related to the tense negotiations with the European Union on the terms of Brexit have had an adverse economic impact. As everywhere else, the Central Bank has implemented a very expansionary monetary policy, based on the monetization of public debt: the UK Government now has an account opened with the Central Bank, which allows it direct access to financing.

The Japanese economy saw a limited decline in activity of 5.3%. The rigor and effectiveness of the health measures taken made it possible to better control the epidemic in the first half of the year and limit its economic impact. Moreover, its strong dependence on China and the Asian region in general was an asset in offsetting the shock of the spring shutdown.

Only China saw an increase in its GDP in 2020: +2%. It appears that the system in place made it possible to implement particularly strict but effective health measures, since at the end of the year the epidemic seemed to have been totally eradicated. Furthermore, in the second half of the year, the Chinese economy benefited from demand from developed countries, which had to shut down their production facilities for longer. The Chinese trade surplus thus reached a record in 2020 and helped to mitigate the impact of the health crisis, which was mainly visible in the first quarter.

The oil price has kept pace with changes in the economic outlook. Its decline was amplified in the first quarter by the disagreement between Saudi Arabia and Russia on limiting their production. The rebound from mid-March then allowed the oil price to exceed the threshold of USD 50 at the end of the year, but it remained down year-on-year.

In this context, advertising expenditure growth forecasts were updated several times during 2020 in order to take account of the evolving health crisis. In the second quarter, Zenith estimated that advertising spending in 2020 would be down by 9.1%, roughly in line with the trend observed during the previous crisis of 2009. The latest forecasts from Zenith, released in December 2020, showed an expected decrease of 7.5% for the year, better than initially anticipated. Zenith believes that the shock of traditional advertising spending was partially offset by the growth of digital, itself driven by the strong development of e-commerce. In 2020, the share of digital advertising was estimated at 52%, a significant increase compared to 48% in 2019. For the first time, digital spending exceeded all spending on other channels.

This sudden change marks an acceleration of the trends that the digital revolution has generated, both in terms of the relationship between brands and the media and their consumers. In this context, the transformation that the Groupe initiated several years ago has proven to be a real asset.

In 2020, Publicis was able to quickly implement the necessary measures to ensure the safety of its employees and be a strategic partner for its clients in order to reduce the impact of the crisis. Firstly, by preserving the strength of its employees, by emphasizing their safety and psychological well-being, by reinventing the ways of working together, and by accelerating its Diversity, Equality and Inclusion agenda. Secondly, by contributing to the success of its clients in a world dominated by platforms, by providing them with real identities, disruptive creation, smart media and direct channels to their consumers, in order to ensure their growth and that of the Groupe. And thirdly, by continuing to improve its efficiency, taking advantage of its unique structure to maintain the best financial ratios.

In 2020, the Groupe's net revenue was euro 9,712 million, compared to euro 9,800 million in 2019, down 0.9% as reported and 6.3% on an organic basis.

The operating margin stood at euro 1,558 million, down by 6.1%, resulting in an operating margin rate of 16.0%, down 90 basis points compared to 2019. Excluding transaction costs related to Epsilon in 2019, the margin fell by 8.3%.

In 2020, the Groupe's net income stood at euro 576 million compared with euro 841 million in 2019.

Headline net income (as defined in Note 10 of the consolidated financial statements) stood at euro 1,034 million compared with euro 1,188 million in 2019. Diluted headline net income per share amounted to euro 4.27, down 14.9% compared to 2019.

The balance sheet at December 31, 2020 showed net financial debt of euro 833 million compared with debt of euro 2,713 million at December 31, 2019. Average net financial debt stood at euro 3,286 million in 2020; it amounted to euro 2,375 million in 2019.

The dividend that will be proposed to the General Shareholders' Meeting of May 26, 2021 is euro 2.00 per share. As a percentage of diluted headline earnings per share, it represents a payout ratio of 46.8%, above the level observed before the pandemic. Subject to the approval of the General Shareholders' Meeting, payment of the dividend in cash or in shares, at the holder's choice, will be made on July 6, 2021.

5.2 ORGANIC GROWTH

When comparing its annual performances, 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 (translated 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's management 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.

Organic growth is unaudited and is not a measurement of performance under IFRS. It may not be comparable with similarly titled financial data of other companies.

(in millions of euros)	Total
2019 net revenue	**9,800**
Impact of exchange rates	(219)
2019 net revenue at 2020 exchange rates (a)	**9,581**
2020 net revenue before impact of acquisitions(1) (b)	**8,983**
Net revenue from acquisitions(1)	729
2020 net revenue	**9,712**
Organic growth (b - a) / a	**-6.3%**

(1) Net of disposals.

Organic growth was negative at -6.3% in 2020. Growth was impacted by the Covid-19 crisis (see paragraph in Chapter 0) after a good start to the year, particularly in the United States.

Organic growth for each quarter in 2020 was:

- first quarter: -2.9%;
- second quarter: -13.0%;
- third quarter: -5.6%;
- fourth quarter: -3.9%.

5.3 ANALYSIS OF CONSOLIDATED INCOME STATEMENT

It should be noted that, unless otherwise specified, the following comments are based on Income Statement and balance sheet data before application of IFRS 16.

5.3.1 Net revenue

Publicis Groupe's net revenue in 2020 was euro 9,712 million, down by 0.9% compared to euro 9,800 million in 2019. Exchange rate variations had a euro 219 million negative impact. Acquisitions (net of disposals) have a contribution of euro 729 million on net revenue, most of it being related to the acquisition of Epsilon.

As a whole, 2020 was impacted by the effects of the Covid-19 pandemic, which spread from March onwards. Thanks to its transformation, the Groupe recorded a resilient performance, with organic growth of -6.3%, which was notably driven by its activities in the United States (organic growth of -2.0%). The pandemic began to have an impact at the end of the first quarter, which led to a low point in terms of organic growth in the second quarter (-13.0%) following the lockdown measures put in place by governments in different geographical areas. Organic growth was then -5.6% and -3.9% in the third and fourth quarters respectively. The activity continued to be affected by the crisis, although it showed an improvement. Throughout the year, the Groupe's long-standing investments in data and technology, its country organization and its Marcel platform enabled it to contain the decline in revenue related to the crisis, by capturing the shift in client investments to digital channels e-commerce and direct-to-consumer.

Breakdown of 2020 net revenue by geographic region

The following table shows the changes in the breakdown of net revenue in Publicis Groupe's major markets.

	Net revenue		Growth	
(in millions of euros)	2020	2019	Reported	Organic
Europe	2,278	2,630	-13.4%	-12.7%
% of total	23%	27%		
North America	5,997	5,516	+8.7%	-2.4%
% of total	62%	57%		
Asia-Pacific	932	1,006	-7.4%	-6.7%
% of total	10%	10%		
Latin America	230	326	-29.4%	-13.9%
% of total	2%	3%		
Africa and Middle East	275	322	-14.6%	-11.7%
% of total	3%	3%		
Total	**9,712**	**9,800**	**-0,9%**	**-6.3%**

Net revenue in Europe was down 13.4% on a reported basis and 12.7% on an organic basis. At the beginning of the year, all major European countries took drastic measures to mitigate the impact of the Covid-19 crisis, with lockdowns or successive curfews that took place between the second and fourth quarters. Against this backdrop, the United Kingdom posted organic growth of -12.4%. France, at -19.7% on an organic basis, was particularly affected by its outdoor media activities and the Drugstore, which were closed for part of the year. Excluding this impact, organic growth was -12.5% in France and -10.8% in Europe in 2020. Net revenue in Germany was down by 7.7% on an organic basis. Creative and Media performances varies by country, but overall they were resilient and outperformed the Groupe average in the region, while Publicis Sapient was down and Healthcare activities were up over the year.

In North America, reported growth was +8.7% and organic growth was -2.4%. The United States posted a decline in organic growth limited to 2.0%. After a positive first quarter, activities in the United States proved resilient in the second and third quarters of the crisis, to finally end with a slightly positive fourth quarter. Epsilon 2.0 has contributed to the organic growth in the United States from the third quarter and recorded growth of 5.5% in the fourth quarter. Organic growth for Publicis Sapient in the United States was negative over the year as some projects were suspended during the crisis, but returned to a positive level in the fourth quarter. Healthcare had a particularly strong year, with double-digit growth. Organic growth in Canada decreased by 10.9% in 2020.

Asia-Pacific saw its net revenue decline by 7.4% on a reported basis and by 6.7% on an organic basis. China, the first country to be impacted by Covid-19, recorded organic growth of -8.1% in 2020. Growth improved sequentially in the fourth quarter to -4.2%, thanks in particular to slightly positive growth in the Media activity.

In Latin America, the activity was strongly impacted by the health situation in Brazil and Mexico, which resulted in organic growth of -13.9% in the region in 2020. In addition, the change in exchange rates had a strong negative impact in the region. As a result, the Groupe posted a drop in its net income of -29.4%.

Net revenue in the Middle East and Africa was down 14.6% as reported (-11.7% on an organic basis), mainly due to the health situation in certain countries such as Israel and South Africa. The region was also affected by the end of certain Publicis Sapient projects in the United Arab Emirates.

5.3.2 Operating margin and operating income

Operating margin

EBITDA amounted to euro 2,158 million in 2020, compared to euro 2,245 million in 2019, a decrease of 3.9%. The impact of the cost reduction plan announced in April amounted to euro 467 million over the year, on a comparable cost basis and excluding Epsilon acquisition costs. The EBITDA margin rate was 22.2% of net revenue (22.9% in 2019).

Personnel expenses totaled euro 6,242 million at December 31, 2020, up 2.8% from euro 6,073 million in 2019. This increase includes the mechanical impact of the Epsilon consolidation, effective since July 2019, which continued to have an effect in the first half of 2020. It was partially offset by the effects of cost reduction measures taken by the Groupe. As a percentage of net revenue, personnel expenses represented 64.3% over the year, compared to 62.0% in 2019. Fixed personnel expenses amounted to euro 5,457 million, *i.e.* 56.2% of net revenue *versus* 54.6% in 2019. Despite the consolidation of Epsilon in the first half of the year, fixed personnel expenses increased by only euro 104 million over the year, thanks to measures taken by the Groupe such as a hiring freeze, a pause in internal promotions and a reduction in the working week. Moreover, the Groupe decided to limit the use of freelancers. As a result, the cost of freelancers decreased by euro 70 million in 2020, and represented euro 278 million. Restructuring costs amounted to euro 175 million for the year (euro 116 million in 2019), reflecting additional charges related to the cost reduction plan.

Other operating expenses (excluding depreciation and amortization) amounted to euro 2,388 million, compared with euro 2,683 million in 2019. This represents 24.6% of net revenue compared to 27.4% in 2019, suggesting that the cost reduction measures more than offset the negative impact of Epsilon cost structure on this ratio. The Groupe was able to make significant savings on other operating expenses in 2020, thanks to the actions taken as part of the cost reduction plan, and thanks to some expenses that drastically reduced during the lockdowns. This was notably the case with travel restrictions, which mechanically reduced the travel-, recruitment- and seminar-related expenses.

The depreciation and amortization expense for the period amounted to euro 600 million in 2020, up 2.4% in comparison with 2019. The increase is largely due to the consolidation of Epsilon.

The operating margin totaled euro 1,558 million at December 31, 2020, *i.e.* a 6.1% decrease compared to December 31, 2019. This represents a margin rate of 16.0%, down by 90 basis points from 16.9% in 2019. Excluding the Epsilon acquisition costs in 2019, the operating margin declined by 130 basis points. This was due to the decline in the Groupe's organic growth, caused by the Covid-19 crisis, nevertheless partially offset by a 5.4% reduction in the cost base on a comparable basis and at constant exchange rates.

Operating margin rates by major geographic areas reflected the various challenges faced by the different regions in 2020, in the context of the global pandemic. Rates were 10.2% in Europe, 18.6% in North America, 18.2% in Asia-Pacific, 10.4% in Latin America and 5.8% in the Africa/Middle East region.

Operating income

Depreciation and amortization of intangible assets arising on acquisitions totaled euro 339 million in the year, *versus* euro 204 million in 2019. This increase is due to the full-year impact on the amortization of Epsilon intangible assets and brands, as these assets began to be amortized from July 1, 2019. Impairment losses amounted to euro 241 million, of which euro 226 million related to the real estate consolidation plan "All in One", which is leading to a reduction in the number of sites, while allowing better collaboration between the teams. In 2019, impairment loss amounted to euro 209 million (of which euro 127 million linked to the All in One plan). Other net non-current income is positive at euro 5 million at December 31, 2020, compared to an income of euro 21 million in 2019.

Operating income amounted to euro 983 million for the year, compared to euro 1,267 million in 2019.

5.3.3 Other income statement items

Net financial income, made up of net borrowing costs and other financial income and expenses, amounted to euro 198 million in 2020, compared with an expense of euro 91 million last year. The net expense on net financial debt was 103 million euros in 2020, including euro 143 million in interest charges on net debt. In 2019, net financial debt generated a net charge of euro 25 million. Other financial income and expenses amounted to a charge of euro 95 million, including in particular euro 77 million in interest on lease obligations and euro 16 million in costs related to the early unwinding of cross-currency swaps. Other financial income and expenses represented an expense of euro 66 million at December 31, 2019, including euro 70 million in interest on lease liabilities.

The revaluation of earn-out payments amounted to an expense of euro 17 million, compared to a charge of euro 22 million in 2019.

The tax charge was euro 196 million at December 31, 2020, corresponding to an effective tax rate of 24.7% in 2020, compared to euro 305 million in 2019, corresponding to an effective tax rate of 25.0% in 2019.

The share of profit of associates was minus euro 1 million in 2020 compared with minus euro 5 million the previous year. Minority interests in Groupe results were an income of euro 5 million at December 31, 2020, compared to a loss of euro 3 million at December 31, 2019.

In total, Groupe net income was euro 576 million in 2020 compared to euro 841 million in 2019.

5.4 FINANCIAL POSITION AND CASH

5.4.1 Cash flow

Net cash flows from operating activities resulted in a surplus of euro 2,966 million in 2020 compared to a surplus of euro 2,342 million the previous year. Income tax paid totaled euro 293 million in 2020 compared with euro 349 million for the same period the previous year. The change in working capital requirements was positive at euro 1,047 million, compared with euro 394 million in 2019.

Net cash flow from investments includes acquisitions and disposals of tangible and intangible fixed assets, net acquisitions of financial assets and acquisitions and disposals of subsidiaries. Net cash flow from investment activities was a net use of euro 309 million in 2020, following the use of euro 4,260 million in 2019. Net investments in property, plant and equipment and intangible assets amounted to euro 155 million (including investments relating to the "All in One" real estate plan) compared with euro 225 million in 2019. Net investments in the acquisition of subsidiaries amounted to euro 145 million in 2020, compared with euro 4,055 million in 2019 (including mainly the acquisition of Epsilon for USD 4.5 billion).

Financing activities resulted in an outflow of euro 1,988 million in 2020, after a surplus of euro 2,129 million the previous year. The outgoing cash flow is mainly related to the repayment of borrowings in the amount of euro 1,302 million (of which euro 940 million are related to the early repayment of a portion of the loans taken out for the acquisition of Epsilon). This cash flow is also linked to the interest paid in 2020 in the amount of euro 184 million compared to euro 96 million in 2019, in connection with the consolidation of the financial debt on the acquisition of Epsilon over a full year, the drawdown on the RCF line of euro 2 billion in March, as a preventive measure to deal with the potential impact of the pandemic on liquidity, half of which was repaid in June and the other half in September, as well as the cost of the early unwinding of cross-currency swaps for euro 16 million in December 2020. In addition, the level of dividends paid decreased (euro 112 million in 2020 compared to euro 297 million in 2019), following the decision to halve the dividend per share, and the large proportion (more than 60%) of shareholders who have opted for payment in shares.

Overall, the Groupe's cash position net of positive bank balances increased by euro 290 million during the financial year, compared with a euro 215 million increase the previous year.

Including credit lines that can be drawn down quickly, the Groupe's available liquidity stood at euro 6,306 million as at December 31, 2020, compared to euro 6,045 million at December 31, 2019.

Free Cash Flow

The Groupe's free cash flow, before the change in working capital requirements, was down 5.0% to euro 1,190 million on 2019. Financial interest paid mostly include interests on the acquisition debt of Epsilon. Taxes paid were euro 293 million, down compared to euro 349 million in 2019. Net investments in fixed assets were down by euro 70 million. The Groupe has been very selective in its investment policy, favoring IT spending, particularly in the context of remote work initiatives taken in 2020.

The change in working capital requirements was positive at euro 1,047 million, compared with euro 394 million in 2019.

The Groupe has been very rigorous in managing its working capital requirements between the beginning of the crisis and the end of the year. Certain factors had an impact on the end of the year: the business mix, a higher recovery rate, as well as certain elements that had a significant impact on the non-operational working capital requirements such as provisions for restructuring, as well as the increase in provisions for bonuses. In addition, some governments, such as in the United States, have deferred the payment of social security charges to help companies cope with the Covid-19 crisis.

The table below shows the calculation of the Groupe's free cash flow:

(in millions of euros)	2020	2019
Operating margin before depreciation and amortization	**2,158**	**2,245**
Financial interest paid (net)	(113)	11
Refunding of lease commitments and associated interest	(461)	(480)
Taxes paid	(293)	(349)
Other	54	51
Cash flow from operations before changes in WCR	**1,345**	**1,478**
Investments in fixed assets (net)	(155)	(225)
***Free cash flow* before changes in WCR**	**1,190**	**1,253**
Change in working capital requirements	1,047	394
Free Cash Flow	**2,237**	**1,647**

5.4.2 Groupe share capital and debt (long- and short-term)

Consolidated equity attributable to holders of the parent company rose from euro 7,401 million at December 31, 2019 to euro 7,182 million at December 31, 2020.

Net financial debt

(in millions of euros)	12/31/2020	12/31/2019
Financial debt (long- and short-term)	4,509	5,888
Fair value of hedging derivatives on the 2021 and 2024 Eurobonds(1)	-	112
Fair value of hedging derivatives on the 2025, 2028 and 2031 Eurobonds(1)	(65)	87
Fair value of derivatives hedging intra-group loans and borrowings(1)	89	39
Total financial debt including market value of the associated derivatives	**4,533**	**6,126**
Cash and cash equivalents	(3,700)	(3,413)
Net financial debt	**833**	**2,713**
Net debt/equity (including minority interests)	**0.12**	**0.37**

(1) Carried under "Other receivables and other current assets" and/or under "Other creditors and current liabilities" on the consolidated balance sheet.

Net financial debt amounted to euro 833 million at December 31, 2020 compared to euro 2,713 million at December 31, 2019.

The Groupe's average net debt in 2019 was euro 3,286 million, *versus* euro 2,375 million in 2019. The increase in Groupe average net debt reflects mainly the financing linked to the acquisition of Epsilon, for USD 4.5 billion at July 1, 2019.

The Groupe's gross debt was euro 4,533 million as at December 31, 2020, compared with euro 6,126 million as at December 31, 2019. This debt consisted of 79% long-term borrowings (see Note 23 to the consolidated financial statements in Chapter 6 for a detailed maturity schedule of Groupe debt).

The financial liabilities, after taking into account the interest rate swaps on the Eurobond and the medium-term syndicated loan, are essentially made up of fixed-rate borrowings (96% of the gross debt excluding debt related to long-term equity investments and commitments to buy-out minority interests as at December 31, 2020) with an average rate recorded for 2020 of 3.3%.

Debt breakdown by currency (after currency swaps) as at December 31, 2020 was as follows: euro 4,216 million denominated in euros, euro 195 million denominated or swapped in US dollars, and euro 98 million denominated in other currencies.

In December 2005, the Groupe established financial ratio targets meant to direct the Groupe's financial policy on such matters as acquisitions and dividends. These ratios were updated in 2019 to reflect the impact of IFRS 16 applied by the Groupe. The table below presents calculations for these ratios for 2019 and 2020 with the reminder of the optimal ratios as defined above:

	Optimal ratio post-IFRS 16	December 31, 2020	December 31, 2019
(Average net financial debt + average lease liabilities) / operating margin before depreciation and amortization	<2.2	2.6	2.1
(Net financial debt + lease liabilities) / equity	<0.80	0.41	0.71
Interest coverage: operating margin before depreciation and amortization / (cost of net financial debt + interest on lease liabilities)	>7	11	24

5.4.3 Terms of borrowings and financing structure of the Groupe

In order to manage its liquidity risk, Publicis has substantial cash and cash equivalents amounting to euro 3,700 million and confirmed unused credit lines amounting to euro 2,606 million as of December 31, 2020. The main component of these credit lines is a multi-currency syndicated facility in the amount of euro 2,000 million, renegotiated on June 28, 2019, maturing in 2024. In addition, during the financial year 2020, as a preventive measure to deal with the potential impact of the pandemic on liquidity, the Groupe drew down the entire facility in March, half of which was repaid in June and the other half in September.

These immediately available or almost immediately available amounts allow the Groupe to meet the Groupe's general financing requirements, as well as pay its financial debt maturing in less than one year (including minority interest buyout commitments).

They only include standard credit default event clauses (liquidation, cessation of payment, default on the debt itself or on the repayment of another debt above a given threshold) 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. 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 since 2014 have been added to the Groupe to manage financial transactions and the short-term investing of subsidiaries' liquidity. In 2017, one of these two companies, MMS Multi Euro Services DAC, became the lynchpin of the centralization of international cash pooling for the entire Groupe. The other company, MMS Ireland DAC, whose functional currency is the dollar, became the lynchpin of the centralization of cash pooling for most of the Groupe's US entities.

The Groupe's cash resources are, for the most part, centralized in Ireland. Cash resources not centralized in Ireland are, for the most part, held by subsidiaries in countries where funds can be freely transferred and centralized.

On April 16, 2019, S&P gave a rating of BBB+, stable outlook, given the negative implications of the Epsilon acquisition announcement.

On October 16, 2019, S&P downgraded Publicis' rating from BBB+ to BBB with a stable outlook.

On April 17, 2019, Moody's confirmed the Baa2 rating but changed the outlook from neutral to negative.

As regards the ratings of these agencies, there were no new elements during the 2020 financial year.

See also Notes 23 and 29 to the consolidated financial statements (Section 6.6 "Notes to the consolidated financial statements").

5.4.4 Restrictions on the use of capital

As of December 31, 2020, and at the date of the closing of accounts, there were no rating triggers or financial covenants for short-term bank credit lines, syndicated loans, confirmed medium-term bilateral bank credit lines or bond debt likely to restrict the Groupe's liquidity.

There are no legal or economic restrictions likely to limit or significantly restrict any transfers of funds to the parent company in the near future.

5.4.5 Sources of financing

Given its cash position and its confirmed unused credit lines amounting to euro 6,306 million at December 31, 2020, the Groupe has the necessary liquidity to meet its operating requirements and investment plan over the next 12 months.

5.5 PUBLICIS GROUPE SA (PARENT COMPANY OF THE GROUPE)

Publicis Groupe's revenue is entirely comprised of rental income on real estate and fees for services to the Groupe's subsidiaries.

Operating income totaled euro 61 million in 2020, compared with euro 54 million in 2019. It is composed by real estate rent and fees for assistance services contracted by Groupe subsidiaries, totaling euro 25 million (compared with euro 27 million in 2019) and pass-through revenue and other income totaling euro 36 million (compared with euro 27 million in 2019).

Operating expenses for the financial year amounted to euro 58 million in 2020 compared with euro 53 million the previous year.

Financial income amounted to 184 million euros at December 31, 2020 compared to 277 million euros the previous year. This decrease is mainly due to lower dividends received (euro 106 million in 2020, compared to euro 203 million in 2019)

Financial expenses totaled euro 128 million in 2020, compared with euro 104 million the previous year. In 2020, they include interest charges on the entire drawdown of the syndicated credit facility, *i.e.* USD 2.2 billion, from the end of March to the end of June, then USD 1.1 billion until the end of September, and the cost of early unwinding of cross-currency swaps for euro 16 million.

Pre-tax profit was a positive euro 59 million in 2020, compared with a positive euro 174 million the previous year.

After inclusion of a euro 5 million (euro 14 million in 2019) income tax credit resulting from tax consolidation in France, Publicis Groupe, the Groupe's parent company, posted a profit of euro 64 million at December 31, 2020 after euro 188 million at December 31, 2019.

/ Information on client payment terms referred to in article D. 441-6 of the French Commercial Code)

	Invoices issued and not settled on the reporting date that are past due					
	0 days	1 to 30 days	31 to 60 days	61 to 90 days	91 days or more	Total (one day or more)
(A) Late payment tranches						
Number of invoices involved	0					8
Total amount of invoices involved, inc. tax	0	21,032	21,032	21,032	105,162	168,259
Percentage of billings, inc. tax, for the financial year	0	0.03%	0.03%	0.03%	0.17%	0.27%
(B) Invoices not included in (A) relating to bad debts and receivables or not recognized						
Number of invoices not included						0
Amount of invoices not included						0
(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, *i.e.* payment at 60 days for clients outside the Groupe and at 30 days for Groupe clients.					

/ Information on supplier payment terms referred to in article D. 441-6 of the French Commercial Code

	Invoices received and not settled on the reporting date that are past due					
	0 days	**1 to 30 days**	**31 to 60 days**	**61 to 90 days**	**91 days or more**	**Total (one day or more)**
(A) Late payment tranches						
Number of invoices involved	0					2
Total amount of invoices involved, inc. tax	0	0	0	0	42,985	42,985
Percentage of total amount of purchases, inc. tax for the year	0.00%	0.00%	0.00%	0.00%	0.51%	0.51%
(B) Invoices not included in (A) relating to bad debts and receivables or not recognized						
Number of invoices not included						8
Amount of invoices not included						267,331
(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.					

5

Information on acquisitions and disposals by the Company of its own shares

Under the liquidity contract signed with Kepler Cheuvreux, the Company acquired 4,064,184 shares in 2020 at an average price of euro 31.53, and sold 4,278,976 shares at an average price of euro 31.77.

The trading fees and other expenses incurred by the Company during 2020 for transactions performed pursuant to the share buyback program authorized by the 22nd resolution of the General Shareholders' Meeting on May 29, 2019, and then by the 20th resolution of the General Shareholders' Meeting on May 27, 2020, amounted to euro 70,000.

/ Summary table of trading by the Company in Publicis Groupe SA shares in 2020

	Deliveries (free share plans)	Procurement (liquidity contract)		Sales (liquidity contract)	
At December 31, 2020	**Quantities** (in shares)	**Quantities** (in shares)	**Average price** (in euros)	**Quantities** (in shares)	**Average price** (in euros)
Under the 22nd resolution of the General Shareholders' Meeting of 05/29/2019	291,786	450,783	35.63	334,033	35.91
Under the 20th resolution of the General Shareholders' Meeting of 05/27/2020	782,397	3,613,401	31.02	3,944,943	31.42
Total	**1,074,183**	**4,064,184**	**31.53**	**4,278,976**	**31.77**

At December 31, 2020, Publicis Groupe SA held 2,191,259 shares with a par value of euro 0.40, representing 0.88% of its own capital, for an overall cost price of euro 140,630,778 and an average unit price of euro 64.18. These shares are broken down into 68,458 shares held under the liquidity contract and 2,122,801 shares allocated to free share plans or stock options.

Allocation of 2020 net income and setting the dividend

The General Shareholders' Meeting called to approve the 2020 financial statements on May 26, 2021, will be asked to appropriate distributable earnings, which consist of:

- net income for the 2020 financial year amounting to euro 63,769,554.31;
- minus allocation to the statutory reserve euro 293,279.08;
- plus earnings brought forward at December 31, 2020 euro 2,228,793.85;
- *I.e.* total **distributable earnings** **euro 65,705,069.08**;
- To which is added an **amount taken from issue premiums** **euro 429,833,006.92**.

I.e. a total of **euro 495,538,076.00 distributed to shareholders** (based on **a dividend of euro 2** per share and 247,769,038 shares, including treasury shares, as at December 31, 2020).

5.6 DIVIDEND DISTRIBUTION POLICY

Dividend paid for 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
2016	223,642,509	1.85	413.7	65.55	2.82%
2017	227,064,967	2.00	454.1	56.65	3.53%
2018	232,480,960	2.12	492.9	50.08	4.23%
2019	240,437,061	1.15(2)	276.5	40.36	2.85%
2020	**247,769,038**	**2.00(3)**	**495.5**	**40.76**	**4.91%**

(1) Number of dividend-bearing shares after deducting treasury shares, except for the 2020 appropriation, which includes treasury shares existing as at December 31, 2020.
(2) The dividend to be paid in respect of the 2019 financial year was reduced from euro 2.30 to euro 1.15 per share, as part of an exceptional measure related to the Covid-19 pandemic.
(3) Submitted to Shareholders' vote during the General Shareholders' Meeting of May 26, 2021.

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. In order to honor this commitment, the dividend in respect of 2014, 2015 and 2016 was euro 1.20, 1.60 and then 1.85 per share, which represents a payout ratio of 33.0%, 36.4% and 41.5% respectively of diluted earnings per share. 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 undertook to maintain a payout ratio of around 45%. The proposed dividend of euro 2.12 per share for the year 2018 reflects this. Up 6%, it represents 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.

For 2020, the dividend that will be proposed to the General Shareholders' Meeting of May 26, 2021 is euro 2.00 per share. As a percentage of diluted headline earnings per share, it represents a payout ratio of 46.8% above the level observed before the pandemic. Subject to the approval of the General Shareholders' Meeting, payment of the dividend in cash or in shares, at the holder's choice, will be made on July 6, 2021.

5.7 OUTLOOK

The trends described below do not constitute forecasts or profit estimates as defined by 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's transformation has enabled it to cope with the crisis in 2020. It also allows it to be well positioned to help its clients win in a world of platforms and thus to perform well in the industry.

But the crisis did not end with the year 2020, and the uncertainty caused by the virus will continue to dominate daily life.

The current context does not allow the Groupe to provide indications at the moment on annual organic growth for 2021.

Given a relatively high comparison basis, the Groupe anticipates a negative first quarter. The second quarter should return to growth, driven by a favorable base.

As for the operating margin rate, the Groupe anticipates that it could improve by up to 50 basis points in 2021. The Groupe will continue its discipline on costs. This will enable it, combined with its country organization, to adapt to developments in the situation, as was the case in 2020, and thus invest in its talent.

The free cash flow before change in working capital requirements is expected to be around euro 1.2 billion in 2021, thus contributing to the Groupe's deleveraging.

The Groupe will update its indications when there is greater visibility on the development of the health situation in July.

CHAPTER

6

2020 CONSOLIDATED FINANCIAL STATEMENTS

6.1 CONSOLIDATED INCOME STATEMENT

(in millions of euros)	Note	2020	2019
Net revenue[1]		**9,712**	**9,800**
Pass-through revenue		1,076	1,201
Revenue		**10,788**	**11,001**
Personnel costs	4	(6,242)	(6,073)
Other operating costs	5	(2,388)	(2,683)
Operating margin before depreciation and amortization		**2,158**	**2,245**
Depreciation and amortization expense (excluding acquired intangible assets)	6	(600)	(586)
Operating margin		**1,558**	**1,659**
Amortization of intangibles from acquisitions	6	(339)	(204)
Impairment loss	6	(241)	(209)
Non-current income and expenses	7	5	21
Operating income		**983**	**1,267**
Financial expense	8	(185)	(137)
Financial income	8	66	112
Cost of net financial debt	8	**(119)**	**(25)**
Revaluation of earn-out payments	8	(17)	(22)
Other financial income and expenses	8	(79)	(66)
Pre-tax income of consolidated companies		**768**	**1,154**
Income taxes	9	(196)	(305)
Net income of consolidated companies		**572**	**849**
Share of profit of associates	14	(1)	(5)
Net income		**571**	**844**
Of which:			
• Net income attributable to non-controlling interests		(5)	3
• Net income attributable to equity holders of the parent company		576	841

Per share data (in euros) – Net income attributable to equity holders of the parent company	10		
Number of shares		*239,838,347*	*234,293,034*
Earnings per share		2.40	3.59
Number of diluted shares		*241,926,553*	*236,608,597*
Diluted earnings per share		2.38	3.55

(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)	2020	2019
Net income for the period (a)	**571**	**844**
Comprehensive income that will not be reclassified to income statement		
• Actuarial gains (and losses) on defined benefit plans	(20)	(29)
• Deferred taxes on comprehensive income that will not be reclassified to income statement	3	5
Comprehensive income that may be reclassified to income statement		
• Remeasurement of hedging instruments	(89)	(84)
• Consolidation translation adjustments	(633)	78
Total other comprehensive income (b)	**(739)**	**(30)**
Total comprehensive income for the period (a) + (b)	**(168)**	**814**
Of which:		
• Total comprehensive income for the period attributable to non-controlling interests	(7)	3
• Total comprehensive income for the period attributable to equity holders of the parent company	(161)	811

6.3 CONSOLIDATED BALANCE SHEET

(in millions of euros)	Note	December 31, 2020	December 31, 2019
Assets			
Goodwill, net	11	10,858	11,629
Intangible assets, net	12	1,509	1,979
Right-of-use assets related to leases	24	1,645	2,122
Property, plant and equipment, net	13	626	720
Deferred tax assets	9	137	143
Investments in associates	14	24	32
Other financial assets	15	232	218
Non-current assets		**15,031**	**16,843**
Inventories and work-in-progress	16	230	411
Trade receivables	17	9, 508	10,233
Contract assets	26	889	1,002
Other current receivables and current assets	18	803	757
Cash and cash equivalents	19	3,700	3,413
Current assets		**15,130**	**15,816**
Total assets		**30,161**	**32,659**
Equity and liabilities			
Share capital		99	96
Additional paid-in capital and retained earnings, Groupe share		7,083	7,305
Equity attributable to holders of the parent company	20	**7,182**	**7,401**
Non-controlling interests		(22)	(9)
Total equity		**7,160**	**7,392**
Long-term borrowings	23	3,653	4,286
Long-term lease liabilities	24	1,850	2,196
Deferred tax liabilities	9	247	413
Long-term provisions	21	468	426
Non-current liabilities		**6,218**	**7,321**
Trade payables		12,887	13,411
Contract liabilities	26	404	353
Short-term borrowings	23	856	1,602
Short-term lease liabilities	24	292	336
Income taxes payable		296	351
Short-term provisions	21	234	170
Other creditors and current liabilities	25	1,814	1,723
Current liabilities		**16,783**	**17,946**
Total equity and liabilities		**30,161**	**32,659**

6.4 CONSOLIDATED CASH FLOWS STATEMENT

(in millions of euros)	2020	2019
Cash flow from operating activities		
Net income	571	844
Neutralization of non-cash income and expenses:		
Income taxes	196	305
Cost of net financial debt	119	25
Capital losses (gains) on disposal of assets (before tax)	(6)	(20)
Depreciation, amortization and impairment loss	1,180	999
Share-based compensation	55	49
Other non-cash income and expenses	94	88
Share of profit of associates	1	5
Dividends received from associates	2	2
Taxes paid	(293)	(349)
Change in working capital requirements(1)	1,047	394
Net cash flows generated by (used in) operating activities (I)	**2,966**	**2,342**
Cash flow from investing activities		
Purchases of property, plant and equipment and intangible assets	(167)	(232)
Disposals of property, plant and equipment and intangible assets	12	7
Purchases of investments and other financial assets, net	(9)	20
Acquisitions of subsidiaries	(146)	(4,143)
Disposals of subsidiaries	1	88
Net cash flows generated by (used in) investing activities (II)	**(309)**	**(4,260)**
Cash flow from financing activities		
Dividends paid to holders of the parent company	(102)	(285)
Dividends paid to non-controlling interests	(10)	(12)
Proceeds from borrowings	2	3,413
Repayment of borrowings	(1,302)	(485)
Repayment of lease liabilities	(384)	(403)
Interest paid on lease liabilities	(77)	(77)
Interest paid	(184)	(96)
Interest received	71	107
Buyouts of non-controlling interests	(10)	(40)
Net (buybacks)/sales of treasury shares and warrants	8	7
Net cash flows generated by (used in) financing activities (III)	**(1,988)**	**2,129**
Impact of exchange rate fluctuations (IV)	**(379)**	**4**
Change in consolidated cash and cash equivalents (I + II + III + IV)	**290**	**215**
Cash and cash equivalents on January 1	3,413	3,206
Bank overdrafts on January 1	(6)	(14)
Net cash and cash equivalents at beginning of the year (V)	**3,407**	**3,192**
Cash and cash equivalents at closing date	3,700	3,413
Bank overdrafts at closing date	(3)	(6)
Net cash and cash equivalents at end of the year (VI)	**3,697**	**3,407**
Change in consolidated cash and cash equivalents (VI – V)	**290**	**215**
(1) Breakdown of change in working capital requirements		
Change in inventory and work-in-progress	139	(14)
Change in trade receivables and other receivables	(24)	(529)
Change in accounts payable, other payables and provisions	932	937
Change in working capital requirements	**1,047**	**394**

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6.5 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Number of outstanding shares	(in millions of euros)	Share capital	Additional paid-in capital
236,956,827	**January 1, 2020**	**96**	**4,137**
	Net income		
	Other comprehensive income, net of tax		
	Total comprehensive income for the year		
7,035,496	Dividends	3	169
274,325	Share-based compensation, net of tax		
	Effect of acquisitions and commitments to buy-out non-controlling interests		
22,156	Equity warrant exercise		1
1,288,975	(Buybacks)/sales of treasury shares		
245,577,779	**December 31, 2020**	**99**	**4,307**
231,240,308	**January 1, 2019**	**94**	**3,926**
	Net income		
	Other comprehensive income, net of tax		
	Total comprehensive income for the year		
4,481,915	Dividends	2	206
522,277	Share-based compensation, net of tax		
	Effect of acquisitions and commitments to buy-out non-controlling interests		
183,068	Equity warrant exercise	0	5
529,259	(Buybacks)/sales of treasury shares		
236,956,827	**December 31, 2019**	**96**	**4,137**

Reserves and earnings brought forward	Translation reserve	Fair value reserve	Equity attributable to equity holders of the parent company	Minority interests	Total equity
3,240	**(185)**	**113**	**7,401**	**(9)**	**7,392**
576			576	(5)	571
	(631)	(106)	(737)	(2)	(739)
576	**(631)**	**(106)**	**(161)**	**(7)**	**(168)**
(274)			(102)	(10)	(112)
56			56		56
(6)			(6)	4	(2)
			1		1
(7)			(7)		(7)
3,585	**(816)**	**7**	**7,182**	**(22)**	**7,160**
2,875	**(263)**	**221**	**6,853**	**-**	**6,853**
841			841	3	844
	78	(108)	(31)	(0)	(31)
841	**78**	**(108)**	**811**	**3**	**814**
(493)			(285)	(12)	(297)
48			48		48
(40)			(40)		(40)
			5		5
9			9		9
3,240	**(185)**	**113**	**7,401**	**(9)**	**7,392**

6.6 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DETAILED SUMMARY OF THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Publicis Groupe SA is a French limited liability company *(société anonyme)* with a Management Board and a Supervisory Board, governed by articles L. 225-57 to L. 225-93 of the French Commercial Code. The registered office is located at 133, avenue des Champs-Élysées, 75008 Paris, France.

Note 1 Accounting policies and methods

Pursuant to Regulation (EC) 1606/2002 of July 19, 2002, the Publicis Groupe 2020 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 2020 consolidated financial statements and the accompanying notes were approved by the Management Board at its February 1, 2021 meeting and reviewed by the Supervisory Board at its February 2, 2021 meeting. They will be submitted for approval by the shareholders at the General Shareholders' Meeting on May 26, 2021. 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, 2020 are consistent with the IFRS standards and IFRIC interpretations as adopted by the European Union as at December 31, 2020.

Application of new standards and interpretations

The Groupe's application of new standards and interpretations, adopted by the European Union during financial year 2020 or mandatory by December 31, 2020 at the latest, has no major impact on the Groupe's financial statements.

Early application

As of December 31, 2020, 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, 2020:

- IFRS 17 "Insurance Contracts." This standard has not yet been adopted by the European Union. The Groupe does not expect the application of this standard to have a material impact.

1.2 Consolidation principles and policies

Reporting currency of the consolidated financial statements

Publicis prepares and publishes its consolidated financial statements in euros.

Investments in subsidiaries

The consolidated financial statements include the financial statements of Publicis Groupe SA, and of its subsidiaries, as at December 31 of each year. Subsidiaries are consolidated as of the time that the Groupe obtains control until the date on which control is transferred to an entity outside the Groupe.

Control is exercised when the Groupe is exposed or entitled to the variable returns and provided that it can exercise its power to influence such returns.

Investments in associates

The Groupe's investments in associates are accounted for under the equity method. An associate is a company over which the Groupe has significant influence but not control, this generally implies an ownership percentage of between 20% and 50% of the voting rights.

Investments in associates are recognized in the balance sheet at their acquisition cost and adjusted to reflect subsequent changes to the Groupe's share in the net assets of the associate, in accordance with the equity method. The Groupe's investment includes the amount of any goodwill, which is treated in accordance with the Groupe's accounting policy in this area, as presented in Section 1.3 below. The income statement reflects the Groupe's share of the associate's net income after taxes for the period.

Joint arrangements

Partnerships recognized as joint-ventures are recognized under the equity method to the extent that they only give rights to the net assets of the entity.

Foreign currency transactions

Transactions in foreign currencies are recognized at the exchange rate applicable on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate applicable at the reporting date. All differences arising are recognized in the income statement, except for differences on loans and borrowings that, in substance, form part of the net investment in a foreign entity. These differences are recognized in equity until such time as the net investment is disposed of, at which time they are recorded in the income statement.

Translation of financial statements prepared in foreign currencies

The functional currency of each Groupe entity is the currency of the economic environment in which it operates. The financial statements of subsidiaries located outside the euro zone presented in local currencies are translated into euros, the reporting currency of the consolidated financial statements, in the following manner:

- assets and liabilities are translated at year-end exchange rates;
- the income statement is translated at the average exchange rate over the year;
- translation adjustments resulting from the application of these rates are recognized in "Other comprehensive income items – Consolidation translation adjustments" for the Groupe share, with the remainder being recorded as "Non-controlling interests (minority interests)."

Goodwill and fair value adjustments of assets and liabilities recognized in the context of the acquisition of a foreign entity are expressed in the functional currency of the acquired company and translated at the exchange rate applying at the reporting date.

Elimination of intra-group transactions

Transactions between consolidated subsidiaries are fully eliminated, as are the corresponding receivables and payables. Similarly, intercompany gains or losses on sales, internal dividends and provisions relating to subsidiaries are eliminated from consolidated results, except in the case of impairment loss.

1.3 Accounting principles and methods

Business combinations

Business combinations are treated in the following manner:

- identifiable assets acquired and liabilities assumed are recognized at their fair value on the acquisition date;
- non-controlling interests in the acquired business (minority interests) are recognized either at fair value or at the proportionate share of recognized identifiable net assets in the acquired business. This option is available on a case-by-case basis for each business combination.

Acquisition costs are recognized as an expense when incurred and are recorded under "Other operating costs" in the consolidated income statement.

Any earn-out payments on business combinations are recognized at fair value on the acquisition date. After the acquisition date, earn-out payments are recognized at their fair value on the balance sheet date. As of the end of the period for allocating the acquisition price, which comes one year following the acquisition date at the latest, any change in this fair value is recorded in income. Within this allocation period, any changes in this fair value explicitly linked to events subsequent to the acquisition date are also recognized in income. Other changes are recognized as an offset to goodwill.

At the acquisition date, goodwill represents the difference between:

- the fair value of the transferred asset, including earn-out payments, plus the amount of non-controlling interests in the acquired company and, where a business combination occurs in several stages, the fair value at the acquisition date of the interest previously held by the buyer in the acquired company, which is adjusted through income; and
- the net residual value of identifiable assets acquired and liabilities assumed at the acquisition date and recorded at fair value.

Although deferred tax assets were not recognized at the acquisition date because their recoverability was uncertain, any subsequent recognition or utilization of these deferred taxes after the allocation period will be recorded as an offset to income (*i.e.* with no impact on the amount recorded as goodwill).

Commitments to buy-out non-controlling interests made at the time of a business combination

Pending an IFRIC interpretation or a specific IFRS standard on this matter, the following accounting treatment has been adopted in accordance with currently applicable IFRS standards and the AMF recommendation:

- initially, these commitments are recognized in borrowings at the present value of the buyout amount, with a double entry booked in diminution of equity;
- subsequent changes in the value of the commitment (including the effect of discounting) are recognized by adjusting equity on the grounds that it is a transaction between shareholders.

Additional acquisition of securities with the exclusive takeover of an entity previously under significant influence

The exclusive takeover leads to the recognition of a disposal gain or loss calculated on the entire interest at the transaction date. The previously held interest is thus remeasured at fair value through the income statement at the time of the exclusive takeover.

Additional acquisition of securities after the exclusive takeover

When additional securities are acquired in an entity that is already exclusively controlled, the difference between the acquisition price of these securities and the proportion of additional consolidated equity acquired is recognized as equity attributable to shareholders of the parent company of the Groupe. The consolidated value of the subsidiary's identifiable assets and liabilities, including goodwill, is thus left unchanged.

In the statement of cash flows, the acquisition of additional securities in an entity already controlled is presented as net cash flow relating to financing activities.

Sale of securities without loss of exclusive control

In the event of a partial sale of securities in an exclusively controlled entity that does not modify control of this entity, the difference between the fair value of the sale price of the securities and the proportion of consolidated equity capital that these securities represent at the date of sale is recognized as equity attributable to shareholders in the parent company of the Groupe. The consolidated value of the subsidiary's identifiable assets and liabilities, including goodwill, is thus left unchanged.

In the statement of cash flows, the sale of securities without loss of exclusive control is presented as net cash flow relating to financing activities.

Sale of securities with loss of exclusive control but retention of an equity interest

The loss of exclusive control leads to the recognition of a disposal gain or loss calculated on the entire interest held at the transaction date.

Any residual interest is therefore remeasured at fair value through the income statement at the time of the exclusive loss of control.

Planned disposals

In application of IFRS 5 "Non-current assets held for sale and discontinued operations," the assets and liabilities of controlled entities held for sale are presented separately on the balance sheet.

Reclassified non-current assets are no longer depreciated from the date on which they are reclassified.

Studies, Research and development costs

Publicis recognizes expenditure for studies and research as expenses attributable to the financial year in which they are incurred. This expenditure primarily relates to the following items: studies and tests relating to advertising campaigns, research programs into consumer behavior and clients' needs in various areas, and studies and modeling to optimize media buying for the Groupe's clients.

Development expenditure incurred for an individual project are capitalized once they are considered to be reasonably certain of being recovered in the future. Any capitalized expense is amortized over the future period during which the project is expected to generate income.

Goodwill

When a takeover takes place in a single transaction, goodwill is equal to the fair value of the consideration paid to acquire the securities (including any earn-out payments which are recorded at fair value at the takeover date), plus the value of non-controlling interests (these items are valued for each business combination either at fair value or at the proportionate share of the fair value of the net assets of the acquired business and minus the fair value of assets, liabilities and contingent liabilities identified at the acquisition date).

Goodwill recorded in the balance sheet is not amortized but is instead subject to impairment tests on at least an annual basis. Impairment tests are performed for the cash-generating unit(s) to which goodwill has been allocated by comparing the recoverable amount and the carrying amount of the cash-generating unit or group of cash-generating units. The Groupe considers that the cash-generating unit or the group of cash-generating units are mainly the 10 key markets in which the Groupe operates: United States, Canada, United Kingdom, France, DACH (Germany, Austria and Switzerland), Asia-Pacific, Africa-Middle East, Northern and Central 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. 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.

From July 1, 2019, the useful of life of brands, which had been indefinite until then, was reestimated and an amortization term of eight years was retained (see Note 6). 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 include in-house applications as well as commercial packages; they are measured either at their acquisition cost (if purchased externally) or at their production cost (if developed internally). They are amortized over their useful life:

- ERP: eight years;
- other: three years maximum.

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: four years;
- IT equipment: two to four years.

If any indicators suggesting impairment loss exist, the recoverable amount of the property, plant and equipment or the cash-generating unit(s) to which such assets belong is compared to their carrying amount. Any impairment loss is recorded in the income statement.

Lease contracts

Leases are recognized on the balance sheet at the outset of the lease at the present value of future payments. These leases are recognized under "Lease liabilities" on the liabilities side, offset by "Right-of-use assets related to leases" on the assets side. They are amortized over the term of the lease, which is typically the fixed period of the lease unless there is a stated intention to renew or terminate. In the income statement, depreciation and amortization expenses are recognized in the operating margin and interest expenses under net financial income (expenses). The tax effect of this restatement for consolidation purposes is accounted for through the recognition of deferred tax assets or liabilities.

The discount rates applied to determine the lease liability are based on the Groupe's incremental borrowing rate plus a spread to take into account the specific economic environment of each country. These discount rates are determined having regard to the terms of the leases.

In the presence of an indicator of loss of value, when the property is vacant and is no longer intended for use in the context of the main activities, an impairment test is performed on the right-of-use assets. If the net carrying amount of the right-of-use assets is lower than their recoverable amount, then an impairment loss is estimated on the basis of the discounted future lease payments less the expected income from sub-leases. In the event that a sub-lease agreement is signed, if it qualifies as a financial lease, the assets corresponding to the right-of-use assets are taken back and a financial receivable is recognized. Any difference between the sub-lease receivable recognized and the derecognized right-of-use assets is recognized in profit or loss.

Leases of low-value assets or short-term leases are immediately expensed in profit or loss.

Other financial assets

All investments are initially recognized at fair value, which corresponds either to the price paid or the value of assets given in payment, plus any transaction costs.

After the initial recognition, investments are assessed at fair value as of the reporting date. Gains and losses on investments held for trading are recognized in income. Profits and losses on other financial assets are accounted for optionally for securities representing equity instruments, either in profit and loss or in other comprehensive income or equity.

Other long-term investments held for maturity and whose sole contractual cash flow characteristics are the payment of the principal and interest, such as bonds, are then assessed at amortized cost using the effective interest rate method. For investments recognized at amortized cost, gains and losses are recognized in the income statement if they are sold or impaired, as well as through the process of amortization.

For investments that are actively traded on organized financial markets, fair value is determined by reference to the published market price at the reporting date. For investments that are not listed on an active market, fair value is determined with reference to the current market price of another substantially similar instrument, or calculated based on the cash flows that are expected from the investment.

Loans and receivables owed by associates and non-consolidated companies

This includes financial receivables from associates or unconsolidated companies held by the Groupe.

Impairment is recognized whenever there is a risk of non-payment as a result of the financial position of the entity in question.

Inventories and work-in-progress

This line item mainly includes work-in-progress for the advertising business when we act as "Agent." This involves creative and production technical work (graphics, TV, radio, publishing, etc.) that can be directly passed on to the client but has not yet been invoiced. They are recognized on the basis of costs incurred and a provision is recorded when their net realizable amount is lower than cost. Non-billable work or costs incurred relating to new client development activities are not recognized as assets, except for tendering expenses which may be re-invoiced to the client under the terms of the contract. In order to assess the net realizable amount, inventory and work-in-progress are reviewed on a case-by-case basis and written down, if appropriate, on the basis of criteria such as the existence of commercial disputes with the client.

It also includes, to a lesser extent, media inventories bought on own-account and not resold at the end of the reporting period.

Trade receivables

Receivables are recognized at the initial amount of the invoice. Receivables presenting a risk of non-recovery are subject to impairment. Such allowances are determined, on a case-by-case basis, using various criteria such as difficulties in recovering the receivables, the existence of any disputes and claims, or the financial position of the debtor. Impairment of trade receivables also takes into account expected losses on receivables under the simplified approach permitted by IFRS 9.

Due to the nature of the Groupe's activities, trade receivables are of a short-term nature. Nevertheless, any trade receivables of a longer-term nature will be recognized at their discounted value.

Contract assets

Contract assets consist of revenue recorded when a performance obligation has been satisfied but not yet invoiced. Contract assets are transferred to Trade receivables when the right to consideration becomes unconditional and the service is invoiced to the client in accordance with the terms of the contract.

Derivative financial instruments

The Groupe uses derivatives such as foreign currency and interest rate hedges to hedge its current or future positions against foreign exchange rate risks or interest rate risks. These derivatives are measured at fair value, determined either by reference to observable market prices at the reporting date or by the use of valuation models based on market parameters at the reporting date. Including counterparty risk in the valuation of derivatives did not have a material impact.

Whenever these financial instruments are involved in an arrangement treated as a hedge for accounting purposes, the following should be distinguished:

- fair value hedges, which are used to hedge against changes in the fair value of a recognized asset or liability;
- cash flow hedges, which are used to hedge against exposure to changes in future cash flows.

For fair value hedges related to a recognized asset or liability, all gains and losses resulting from the remeasurement of the hedging instrument at fair value are recognized immediately in the income statement. At the same time, any gain or loss on the hedged item will change the carrying amount of this item as an offset to its effect on the income statement.

For hedges used to hedge firm or highly probable future commitments and that meet the conditions for recognition as hedge accounting (future cash flow hedge), the portion of gain or loss realized on the hedging instrument deemed to be an effective hedge is recognized in other comprehensive income. The ineffective portion is recognized immediately in profit and loss. Gains and losses recognized in other comprehensive income are reported in the income statement for the period in which the hedged risk affects income; for example, when a planned sale actually occurs.

As for derivatives that do not qualify for hedge accounting, any gain or loss resulting from changes in their fair value is recognized directly in the net income for the year.

Changes in the fair value of derivatives that qualify as fair value hedges are recognized in other financial income and expenses, as are changes in the value of the underlying items. The fair value of derivative instruments is recognized in other receivables and other current assets and in other creditors and current liabilities.

Cash and cash equivalents

Cash and cash equivalents include sight deposits, cash, short-term deposits with an initial maturity of less than three months and UCITS and money market funds with a negligible risk of a change in value, *i.e.* that meet the following criteria: sensitivity to interest rate risk less than or equal to 0.25 and 12-month historical volatility of close to zero.

For the purposes of the statement of cash flows, cash includes cash and cash equivalents as defined above, net of bank overdrafts.

Treasury shares

Irrespective of their intended use, all treasury shares are recognized at their acquisition price by the Groupe as a deduction from equity.

Bonds

- Bonds redeemable in cash:

  The bonds are initially recognized at their fair value, which corresponds to the amount of cash received, net of issuance costs.

  Subsequent to initial recognition, bonds are recognized at their amortized cost, using the effective interest rate method, which takes into account all issuance costs and any redemption premium or discount.

- Convertible bonds and debentures redeemable for stock:

  For convertible bonds (Océanes) or debentures (Oranes), or debentures with warrants (OBSAs), the liability and equity components are initially recognized separately. The fair value of the debt component at issuance is determined by discounting the future contractual cash flows at market rates that the Company would have had to pay on a bond instrument offering the same terms but without a conversion option. The equity component is measured on issuance by deducting the fair value of the debt component from the fair value of the bond as a whole. The value of the conversion option is not revised during subsequent financial years. Issuance costs are divided between the debt and equity components based on their respective carrying amounts at issuance.

  The debt component is subsequently measured at amortized cost.

Provisions

Provisions are funded when:

- the Groupe has a present obligation (legal or constructive) resulting from a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation;
- the amount of the outflow can be estimated reliably. Where the effect of the time value of money is material, provisions are discounted to present value. Increases in the amount of provisions resulting from the unwinding of the discount are recognized as financial expenses.

Contingent liabilities are not recognized but, if material, are disclosed in the notes to the financial statements, except in the case of business combinations where they constitute identifiable items for recognition.

Provisions for litigation and claims

These concern identified risks related to litigation or claims of any kind: commercial, regulatory, tax (other than income taxes) or labor. The Groupe establishes a provision if it is likely that outflow will be necessary to eliminate this risk and it is possible to reliably estimate the cost related to this risk. In such cases, the amount of the provision (including any related penalties) is determined by the agencies and their experts, under the supervision of the Groupe's head office teams, on the basis of their best estimate of the probable costs related to the litigation or the claim.

Restructuring provisions

The total cost of restructuring is recognized in the financial year when these actions have been approved and announced.

In the context of an acquisition, restructuring plans that do not constitute liabilities for the acquired company on the date of the acquisition are recognized as expenses.

These costs consist primarily of severance and early retirement payments and notice periods that have not been worked, which are recognized in employee benefits expenses, and, in some cases, of write-downs of property, plant and equipment and other assets.

Vacant property provisions

If a property is vacant and is not intended to be used in the main activity, a provision is made including rental charges, taxes and any other costs. This provision does not include lease payments, which are recognized as an impairment of right-of-use assets relating to leases following the application of IFRS 16 since January 1, 2018.

In the context of business combinations, provisions are also recorded when the acquired company has property rental contracts with less favorable terms than those prevailing on the market as of the acquisition date.

Pensions and other post-employment benefits

The Groupe recognizes obligations relating to pensions and other post-employment benefits based on the type of plan in question:

- defined contribution plans: the amount of the Groupe's contribution to the plan is recognized as an expense for the year;
- defined benefit plans: the commitment in respect of defined benefit plans is determined separately for each plan using the projected unit credit method. Actuarial gains and losses relating to post-employment plans and arising during the year are recorded directly in other comprehensive income. The effect of the unwinding of discounts on pensions net of the expected return on plan assets is recorded in "Other financial income and expenses." Various plan administrative expenses are, when directly invoiced to the Groupe, recognized under operating income.

Trade payables

This line item includes all operating payables (including notes payable and accrued supplier invoices) related to the purchase of goods and services including those related to media buying where the Company acts as agent. These payables are generally due within less than one year.

Contract liabilities

Contract liabilities correspond to deferred income. These are considerations received or invoiced to clients for which the Groupe has an obligation to provide goods or services.

Contract liabilities do not include client advances for external costs incurred on behalf of clients and that are directly passed through to the clients when the Groupe acts as "Agent." Such advances are recorded under Trade payables.

Revenue

Groupe revenue mainly stems from creative and production services, direct and digital marketing, CRM (Customer Relationship Management), sales promotion and point of sale marketing, public relations, event management, institutional and financial communication, strategic media planning and media buying as well as digital business transformation consulting.

Client contracts are mainly compensated by fees, commission, performance-based bonuses and reimbursement of third-party costs incurred on behalf of the clients or a combination of the four.

The fees agreed with clients are for the most part calculated on the basis of an hourly rate plus overheads and a margin.

Commission-based contracts are calculated on the basis of a percentage of the total sum of costs paid to third parties (repaid by the client) to carry out the contract. Commission-based contracts mainly involve: media services on the basis of media space bought on behalf of the clients and supervision of productions done by third parties.

Virtually all our contracts are short-term, and the Groupe typically has right to payment to the end of the contract or at least for the work performed to date.

The Groupe recognizes revenue when (or as) the control of the promised goods or services (identified as performance obligations) is transferred to the client, in an amount that reflects the consideration to which the Groupe expects to be entitled in exchange for those goods or services.

- Performance obligations

For each contract, the promised services (called performance obligations) are distinct only if the client can benefit from the services on its own and if the agency's promise to transfer these services is separately identifiable from other promises in the contract.

Outside of media services, performance obligations generally correspond to the various compensation set out in the contracts. In creative advertising, the Groupe typically considers two performance obligations, one for creative advisory services and the second for productions, which generally corresponds to the various compensation set out in the contracts.

In media services, the transaction price generally covers strategic media planning services as well as media buying. In these contracts, we consider that these two groups of services are separate and the transaction price is allocated on the basis of the employees assigned to these services.

- Variable considerations of the transaction price

Some contracts include incentives that are subject to qualitative or quantitative performance criteria. These variable components are only included in the transaction price when it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur.

Performance-based incentives are typically only recognized when they are confirmed by the client.

The Groupe also receives volume rebates from suppliers on transactions carried out on behalf of clients. These rebates are either remitted to clients based on contractual terms or local laws, or retained by the Groupe. The portion paid back to clients is recognized under liabilities and the portion retained is typically recognized under revenue when the media is broadcast, if a contract exists with the media vendor and we anticipate exceeding volume criteria.

- "Agent" *vs.* "Principal" considerations

When third party suppliers are involved in providing services to clients, the Groupe considers that it is acting as "Principal" if at least one of the following criteria is satisfied:

- the agency obtains control of the asset or service before transferring it to the client;
- the agency has the ability to direct the supplier(s);
- the agency incorporates or combines the work of suppliers to deliver the promised goods or services to the client.

The Groupe acts as "Principal" in most of its activities except for media buying services performed on behalf of clients and supervision of productions done by third parties.

With respect to productions, the Groupe acts as "Agent" only on contracts for which it only performs production supervision that is wholly done by an external third party. If the agency incorporates or significantly transforms the work done by a third party, the Groupe considers that this involves a single performance obligation for which it acts as "Principal."

When the Groupe acts as "Principal," the revenue is recognized for the gross amount invoiced to the client. When the Groupe acts as "Agent," revenue is recognized net of the costs pass-through to clients, which means that revenue recorded is solely comprised of fees or commission.

In any case, travel expenses reimbursed by clients (transport, hotels, meals, etc.) are always recognized in revenue.

- Revenue recognition period

Almost all Groupe's revenue is recognized overtime because the client directly receives or consumes the benefit of our services or our performance generates an asset with no alternative use and for which we are entitled to payment for the work done to date.

For fixed-price projects, revenue is recognized overtime based on internal measurement which best describes the level of effort spent on the project, usually calculated on the basis of hours worked and direct external costs incurred on the project.

For retainer arrangements with a dedicated team, generally involving annual contracts, the Groupe considers that its performance obligation is to be ready at all times to make resources available to our client. In this instance, revenue is recognized on a straight-line basis over the term of the contract.

For commission-based media contracts, we recognize revenue when the media is broadcast.

- Contract modifications

On occasion, the client may ask for changes to the scope of the services in the course of the contract. These changes are generally negotiated as new contracts encompassing the additional needs with the related compensation.

- Disaggregation of revenue

The Groupe supplies a range of integrated communication services for its clients, that combine all the Groupe's areas of expertise. The Groupe enhanced its geographic approach, which best presents the manner in which revenue is affected by economic factors.

The breakdown of revenue by geographic region is similar to previous financial years and is presented in the segment information (see Note 30).

- Practical expedients

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 which are the amounts paid to external suppliers engaged to perform a project and charged directly to clients.

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 revenue, is an indicator used by the Groupe to measure the performance of cash-generating units and of the Groupe as a whole.

Cost of net financial debt and other financial income and expenses

The cost of net financial debt includes financial expenses on borrowings and interest income on cash and cash equivalents.

Other financial income and expenses mainly include interest expenses on lease liabilities, the effects of discounting long-term provisions for vacant properties and pension provisions (net of return on plan assets), the effect of revaluation of earn-out payments on acquisitions, changes in the fair value of financial assets and foreign exchange gains and losses.

Income tax

Net income for the period is taxed based on the tax laws and regulations in force in the respective countries where the income is reported. Deferred taxes are reported using the balance sheet liability method for temporary differences between the tax value and the carrying amount of assets and liabilities at the reporting date.

Deferred tax assets are recognized for deductible temporary differences, tax loss carryforwards and unused tax credits to the extent that it is probable that there will be taxable income for the period (either from the reversal of the temporary differences or generated by the entity) against which such items can be charged in future years.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced if it is no longer probable that there will be sufficient taxable income for the period to take advantage of all or part of this deferred tax asset. Deferred tax assets that are unrecognized are measured on every reporting date and recognized if it is likely that they will be usable against future taxable income for the period.

Deferred tax assets and liabilities are measured on the basis of tax rates expected to be applicable in the year in which the asset is realized or the liability settled. The tax rates used are those that have been enacted, or virtually enacted, at the reporting date.

Uncertain income tax liabilities are recognized under income tax payable.

Earnings per share and diluted earnings per share (EPS and diluted EPS)

The basic earnings per share are calculated by dividing the net income for the financial year attributable to ordinary shares by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share are calculated by dividing net income for the financial year attributable to ordinary shares, after cancellation of interest on bonds redeemable for, or convertible into, ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year adjusted to reflect the effect of options, free shares granted, outstanding warrants and the conversion of bonds convertible into shares (Océanes). The calculation of diluted earnings per share reflects only instruments that are dilutive, *i.e.* that reduce earnings per share.

For Publicis Groupe stock options, free shares and warrants, the method applied is set forth below.

For the calculation of diluted earnings per share, all dilutive options and warrants are assumed to have been exercised and the free shares actually received.

The proceeds from the exercise of these instruments are deemed to have been received with the issue of ordinary shares at the average market price for ordinary shares during the period. That issue, which is presumed to be measured at fair value, is neither dilutive nor accretive and is not included in the calculation of diluted earnings per share. The difference between the number of ordinary shares issued and the number of ordinary shares that would have been issued at average market price must be treated as an issue of ordinary shares without proceeds and therefore as dilutive. This number is added to the denominator in the diluted earnings per share ratio.

Hence, options and warrants are dilutive only when the average price per share of ordinary shares during the period exceeds the options' or warrants' strike price (*i.e.* when they are "in the money").

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:

- the items "Impairment loss" and "Amortization of intangibles from acquisitions";
- the effect of the revaluation of earn-out payments on acquisitions and the change 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 judgements 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 outcomes may, however, vary significantly from these estimates.

The characteristics of the main accounting policies, judgments and other uncertainties affecting the application of these accounting policies, together with the sensitivity of the results to changes in circumstances and assumptions associated with them are factors to be taken into consideration. The Groupe makes estimates and assumptions regarding the future. The accounting estimates will, by definition, rarely be exactly the same as the related actual outcomes. As of December 31, 2020, the assumptions used take into account the effects of the Covid-19 crisis, particularly in the preparation of five-year business plans and the estimation of doubtful debt.

The main assumptions concerning future events and other sources of uncertainty relate to the use of estimates on the reporting date, when there is a significant risk that the estimates of the net carrying amount of the assets and liabilities will be modified in future years, *i.e.*:

- the fair value allocated to assets and liabilities obtained through business combinations;
- determining the recoverable amount of goodwill and intangible assets used in impairment tests;
- provisions for liabilities and charges, particularly for defined benefit pension liabilities and post-employment medical care;
- impairment of doubtful debt;
- the fair value measurement of stock options awarded under Publicis Groupe SA's stock option plans;
- the term of leases in relation to optional lease periods as well as the determination of discount rates;
- uncertain tax positions.

Detailed disclosures concerning these matters are provided in Notes 6, 21, 22, 29 and 31.

Note 2 Impact of Covid-19 on the consolidated financial statements

The main assumptions and estimates affecting the application of the accounting methods were reviewed to take into account the context of the Covid-19 crisis. The main effects are as follows:

Goodwill and intangible assets impairment tests

Goodwill were tested for impairment at December 31, 2020 in addition to the test already performed at June 30, 2020. These tests led the Groupe to record an additional impairment loss on goodwill, particularly for the events business (organization of forums) in the financial statements of euro 15 million (see Note 6).

The review of indications of impairment led the Groupe to carry out tests on the amortized intangible assets linked to acquisitions, which led the Groupe to shorten the amortization period of certain client relationships (see Note 6).

Exposure to credit risk

In accordance with the Groupe's accounting policies and methods, a review of trade receivables has been carried out to identify those that present a risk of non-recovery. Impairment of trade receivables has been recognized on a case-by-case basis in the annual financial statements.

In respect of the expected losses on receivables, the simplified approach permitted by IFRS 9 and applied by the Groupe has been adapted to factor in the growing risks associated with the crisis.

In line with the consequences of the Covid-19 crisis, trade receivables were written down for an additional amount of euro 14 million at December 31, 2020, recognized under other operating costs.

Exposure to liquidity risk

An analysis of the Groupe's general funding requirements has been carried out. Taking into account the undrawn available credit lines, the Groupe has sufficient liquidity to meet its needs for the next 12 months.

It should also be noted that the had Groupe preventatively drawn euro 2 billion (USD 2.2 billion) from its revolving credit line in order to be prepared for any potential short-term impact of the global pandemic on its activities: for a three-month period beginning on March 20 for the whole line, then a second three-month period beginning on June 20 for only half of this amount, *i.e.* USD 1.1 billion. The amount of interest related to the drawdown of this credit line corresponds to an expense of euro 11 million over the year. As of December 31, 2020, the credit facility had been fully repaid.

In a second step, as the drop in USD rates significantly reduces the interest income expected on the Groupe's dollar deposits, the A and C tranches of the medium-term loan signed on June 28, 2019 for the financing of Epsilon were repaid:

- tranche A of USD 900 million due in 2022 was repaid on December 14, 2020;
- tranche C of euro 150 million due in 2024, was repaid on December 4, 2020.

Method for recognizing certain governmental measures

Where the Groupe has benefited from governmental support measures, these have been recognized either as a reduction of personnel costs (furlough measures), or a reduction of other operating costs. Only the products for which an application has been made to the relevant authority and the eligibility conditions have been met have been recognized at December 31, 2020. The amount of government aid obtained by the Groupe amounts to euro 20 million.

Note 3 Changes to consolidation scope

3.1 Acquisitions in 2020

There was no significant takeover (individually or taken together) during the period.

The fair value, at the acquisition date, of the consideration paid (excluding cash and cash equivalents acquired) of all entities that were fully consolidated (notably including the ones detailed above, as well as smaller acquisitions) with an exclusive takeover during the period, totaled euro 35 million. This amount mainly includes:

- euro 14 million paid out during the period;
- euro 21 million in earn-out payment commitments;
- euro 0 million in commitments to buy-out non-controlling interests.

The amount paid out in 2020 for acquisitions (net of cash and cash equivalents acquired) totaled euro 146 million and includes:

- euro 14 million paid out during the period;
- euro (2) million in net cash acquired;
- euro 134 million in earn-out payments relating to prior acquisitions paid out during the period.

Acquisitions during the period represented less than 1% of consolidated net revenue in financial year 2020 and less than 1% of net income attributable to equity holders of the parent.

3.2 Acquisitions in 2019

On July 1, 2019, Publicis Groupe completed the full acquisition of Epsilon Data Management, LLC, in fulfillment of the April 2019 agreement with Alliance Data Systems Corporation, for USD 4,451 million.

Epsilon is a unique technology and platform company focusing on maximizing the value of its clients' data. The integration of Epsilon will allow Publicis Groupe to position itself as a leader in personalized client experiences at scale. This acquisition will accelerate the implementation of Publicis' strategy to become the preferred transformation partner for its clients.

This acquisition was mainly financed by (i) the issue on June 5, 2019 of a euro 2.25 billion bond in three tranches, and (ii) a medium-term loan established on June 28, 2019 (draw-down effective July 1, 2019) in three tranches (one for USD 900 million and two for euro 150 million each).

The provisional allocation of the consideration transferred broke down as follows at December 31, 2019:

(in millions of euros)	Epsilon
Consideration transferred (A)	**3,912**
Non-current assets	318
Current assets excluding cash and cash equivalents	482
Cash and cash equivalents	37
Total assets (B)	**837**
Non-current liabilities	153
Current liabilities	161
Total liabilities (C)	**314**
Net assets acquired before fair value adjustment[1] (D = B - C)	**523**
Client relationships	499
Technological applications	499
Total intangible assets	**998**
Total fair value adjustments (E)	**998**
Net assets acquired after fair value adjustments (F = D + E)	**1,520**
Goodwill (G = A - F)	**2,392**

(1) Excluding goodwill and intangible assets from prior acquisitions.

The euro 2,392 million in provisional residual goodwill includes:

- employee know-how;
- the ability to maintain and develop existing assets.

Epsilon's revenue since the date of the acquisition has contributed euro 977 million to Groupe consolidated net revenue for the 2019 financial year. The contribution to net income attributable to equity holders of the parent company for the 2019 financial year was euro 166 million. Groupe revenue would have been euro 11,894 million and net income attributable to equity holders of the parent company euro 868 million had the acquisition been finalized as of January 1, 2019.

The Epsilon acquisition costs were recognized under other operating costs and totaled euro 40 million at December 31, 2019.

The other acquisitions during financial year 2019 were not material (either individually or taken as a whole). The main ones were:

- in February 2019, the acquisition of 100% of Soft computing (France);
- in August 2019, the acquisition of 100% of Rauxa (United States).

The fair value, at the acquisition date, of the consideration paid (excluding cash and cash equivalents acquired) of all entities that were fully consolidated (notably including the ones detailed above, as well as smaller acquisitions) with an exclusive takeover during the period, totaled euro 4,245 million. This amount mainly includes:

- euro 4,076 million paid out during the period;
- euro 166 million in earn-out payment commitments;
- euro 3 million in commitments to buy-out non-controlling interests.

The amount paid in 2019 for acquisitions (net of cash and cash equivalents acquired) totaled euro 4,144 million and included:

- euro 4,076 million paid out during the period;
- euro (55) million in net cash acquired;
- euro 123 million in earn-out payments relating to prior acquisitions paid out during the period.

The acquisitions over the period, excluding Epsilon, represented less than 2% of consolidated net revenue in financial year 2019 and less than 3% of net income attributable to equity holders of the parent.

3.3 Disposals in 2020 and 2019

The Groupe completed the disposal of Matomy Media Groupe, in which it held a 24.9% interest (under the equity method) during financial year 2020.

In 2019, the Groupe disposed of Relaxnews, retaining an interest of 12.5% in Financière Relaxnews. The disposals of Publicis Health Solutions and the Proximedia operations took place in first-half 2019.

The companies disposed of in 2019 contributed less than 1% to 2019 consolidated net revenue and 1% to 2019 net income attributable to equity holders of the parent.

Note 4 Personnel costs and headcount

Personnel costs include salaries, commissions, employee profit-sharing, vacation pay and bonus estimation. They also include expenses related to share-based payments (stock option and free share plans) and expenses related to pensions (excluding the net effect of unwinding the discount on benefit obligations, which is included in other financial income and expenses).

(in millions of euros)	2020	2019
Compensation	(4,995)	(4,789)
Social security charges, including post-employment benefits	(914)	(887)
Share-based payments	(55)	(49)
Temporary employees and freelancers	(278)	(348)
Total	**(6,242)**	**(6,073)**

Breakdown of headcount at December 31 by geographic region

	2020	2019
Europe	20,149	21,762
North America	25,409	27,098
Latin America	6,171	6,081
Asia Pacific	24,129	24,431
Middle East & Africa	3,193	3,863
Total	**79,051**	**83,235**

Breakdown of headcount at December 31 by function (in%)

	2020	2019
Commercial	17%	18%
Creative	12%	12%
Media and research	18%	17%
Specialized production activities and others	39%	39%
Administration and management	14%	14%
Total	**100%**	**100%**

Note 5 Other operating costs

Other operating costs include all external expenses other than production and media buying when the Groupe acts as an agent. This includes pass-through costs amounting to euro 956 million in 2020, versus euro 1,097 million in 2019; 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)	2020	2019
Amortization of other intangible assets (excluding intangibles arising from acquisitions)	(55)	(39)
Depreciation of property, plant and equipment	(150)	(143)
Depreciation of right-of-use assets	(395)	(404)
Depreciation and amortization expense (excluding acquired intangibles)	**(600)**	**(586)**
Amortization of intangibles from acquisitions	**(339)**	**(204)**
Impairment losses of intangible assets and intangible assets arising from acquisitions	-	(42)
Impairment losses of goodwill	(15)	-
Impairment of right-of-use assets	(226)	(127)
Impairment of investments in associates	-	(25)
Impairment losses on assets held for sale	-	(15)
Impairment losses	**(241)**	**(209)**
Total depreciation, amortization and impairment losses	**(1,180)**	**(999)**

Amortization of intangibles arising from acquisitions

- Amortization expense for brands

  From July 1, 2019, brands are amortized over a period of eight years, corresponding to their estimated period of use. The amortization expense for brands represented euro 92 million for financial year 2020.

  In 2019, it represented euro 83 million, including an accelerated amortization expense of euro 33 million recognized following an impairment test to bring carrying amounts into line with recoverable amounts.

- Amortization expense for Epsilon's intangible assets

  The amortization expense related to Epsilon's intangible assets amounted to euro 196 million, including an accelerated amortization expense of euro 64 million following the performance of an impairment test to bring carrying amounts into line with recoverable amounts.

  In 2019, the amortization expense related to Epsilon's intangible assets amounted to euro 66 million, an amortization which began on July 1, 2019.

- Amortization expense for other intangible assets related to acquisitions

  Other acquisition-related intangible assets with a finite useful life were also amortized for euro 51 million, compared to euro 55 million at December 31, 2019.

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 at December 31, 2020.

At December 31, 2019, the tests carried out had led the Groupe to recognize a charge of euro 42 million, of which euro 20 million in impairment losses relating to contractual relationships with Digitas customers and euro 22 million relating to intangible assets related to data management, notably due to the duplication of certain applications following the acquisition of Epsilon.

Impairment losses of goodwill

Impairment tests were carried out on the cash-generating units, which are the 10 key markets in which the Groupe operates: United States, Canada, United Kingdom, France, DACH (Germany, Austria and Switzerland), Asia-Pacific, Africa-Middle East, Northern and Central 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 (2021-2025). Forecasts for 2021 are taken directly from the annual budget approved by management; or
- on the basis of the market value of the cash-generating unit.

The projections for the years 2021 to 2025 predict a gradual return to a pre-pandemic situation which remains differentiated according to the geographic regions. 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 tests carried out at December 31, 2020 confirm those carried out at June 30, 2020. These were carried out according to five different scenarios in order to obtain sufficiently broad estimation ranges to ascertain the risk of impairment. The tests carried out at year-end made it possible to specify the operational assumptions for each geographic region.

The method used in the calculation of discount rates and terminal growth rates is unchanged. The after-tax discount rates used range between 8.5% (10.9% before tax) and 14% (19.2% before tax). The terminal growth rate used in the forecasts ranged from 1.5% to 3.3%.

Impairment tests resulted in the recognition of an impairment loss of euro 15 million, of which euro 4 million in the Latin America region and euro 11 million on other goodwill relating to events activities and in particular the organization of forums. The sensitivity tests carried out show that there is no additional impairment charge to be recognized in the Groupe's cash-generating units.

The main assumptions used in these tests are presented in the table below:

	December 31, 2020		
(in millions of euros)	Carrying amount of goodwill	After-tax discount rate	Terminal growth rate
North America	7,442	8.5%	2%
Europe	1,559	9%-12%	1.5%-2.5%
Asia-Pacific	1,040	9.3%	2.5%
Africa & Middle East	306	10%	2.6%
Latin America	191	13%-14%	2.8%-3.3%
Other goodwill	320	8.5%-11%	1.5%-2%
Total goodwill after impairment loss	**10,858**		

The recoverable values determined as part of the impairment tests were subject to sensitivity tests to measure the impacts of an increase of 1% in the discount rates and a decrease of 0.5% in terminal growth rates. These impacts were as follows:

- a 1% increase in the discount rate would result in additional impairment losses of euro 18 million;
- a 0.5% decrease in the terminal growth rate would result in additional impairment losses of euro 5 million.

At December 31, 2019, the goodwill tests had not led the Groupe to recognize any impairment. The after-tax discount rates used ranged from 9% (13% before tax) to 14% (18.5% before tax). The terminal growth rate used in the forecasts ranged from 0.5% to 3.5%.

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 226 million in impairment losses were recognized in 2020 (euro 170 million net of tax), including euro 126 million for right-of-use assets and euro 41 million for fixtures. Expenses such as facility management expenses and any taxes on vacant properties in the amount of euro 59 million are included in vacant property provisions; they also include early termination penalties.

Impairment losses in 2019 reached euro 127 million, of which euro 56 million for right-of-use assets and euro 15 million for fixtures. Expenses such as facility management expenses and any taxes on vacant properties in the amount of euro 56 million are included in vacant property provisions; they also include early termination penalties.

Impairment losses of investments in associates

No impairment loss on equity-accounted investments was recognized at December 31, 2020.

The impairment loss recognized in 2019 related to long-term equity investments in Matomy Media Groupe for euro 12 million and Jana Mobile for euro 13 million.

Impairment losses of assets held for sale

As no assets were held for sale at December 31, 2020, the Groupe did not recognize any associated impairment.

At December 31, 2019, an impairment loss of euro 15 million was recognized on the Relaxnews entity to reduce the assets to their fair value. The planned disposal was completed on December 31, 2019 and did not result in any further impairment losses for the Groupe. The Groupe retains a 12.5% interest, measured at fair value.

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)	2020	2019
Capital gains (losses) on disposal of assets	3	20
Non-current income and (expenses)	2	1
Total non-current income and (expenses)	**5**	**21**

In 2020, asset disposals mainly concern the disposal of Matomy Media Groupe securities, which resulted in a capital loss of euro 2 million. In addition, the Groupe's takeover of Sapient.i7 Limited resulted in proceeds of euro 4 million corresponding to the revaluation at fair value of the securities previously held.

The other non-current income and (expenses) mainly relate to the extinguishment of a debt from a past acquisition.

In 2019, capital gains and losses on disposals of assets related to price adjustments on the sale of Genedigi and the gains and losses on the sales of Publicis Health Solutions and Proximedia. The sale of Proximedia had resulted in a capital loss of euro 9 million.

Note 8 Financial income and expenses

/ Net financial income (expense) excluding revaluation of earn-out payments

(in millions of euros)	2020	2019
Interest expenses on loans and bank overdrafts	(185)	(137)
Financial income	66	112
Cost of net financial debt	**(119)**	**(25)**
Foreign exchange gains (losses) and change in the fair value of derivatives	(2)	(2)
Net financial expense related to the discounting of pension provisions	(7)	(8)
Interest expense on lease liabilities	(77)	(70)
Change in fair value of financial assets	7	14
Net financial income (expense) excluding revaluation of earn-out payments	**(198)**	**(91)**

The cost of net financial debt amounted to euro 103 million, excluding costs related to the early unwinding of the 2021 and 2024 swaps for euro 16 million (euro 11 million net of tax).

/ Revaluation of earn-out payments

(in millions of euros)	2020	2019
Revaluation of earn-out payments	**(17)**	**(22)**

Note 9 Income taxes

/ Analysis of income tax expense

(in millions of euros)	2020	2019
Current income tax expense for the period	(309)	(336)
Current tax income/(expense) for previous years	(2)	11
Total tax income/(expense)	**(311)**	**(325)**
Deferred tax income/(expense)	156	27
Changes in unrecognized deferred tax assets	(41)	(7)
Total net deferred tax income/(expense)	**115**	**20**
Income taxes	**(196)**	**(305)**

/ Effective tax rate

The effective tax rate is obtained as follows:

(in millions of euros)		2020	2019
Pre-tax income of consolidated companies		**768**	**1,154**
Impairment losses		15	27
Revaluation of earn-out payments		17	22
(Gains)/losses on disposals		(5)	16
Restated pre-tax income of consolidated companies	**A**	**795**	**1,219**
French tax rate applicable to the parent company		32.00%	34.43%
Expected tax expense on pre-tax income of consolidated companies		**(254)**	**(420)**
Impact of:			
• The difference between the French tax rate and foreign tax rates		138	184
• Changes in unrecognized deferred tax assets		(41)	(7)
• Other impacts[1]		(39)	(62)
Income tax in the income statement		**(196)**	**(305)**
• Current tax on reserves accumulated abroad		-	-
Income tax in the restated income statement	**B**	**(196)**	**(305)**
Effective tax rate	**B/A**	**24.7%**	**25.0%**

(1) Other impacts mainly include those related to permanent differences, income taxed at reduced rates, adjustments to previous financial years.

/ Tax effect on other comprehensive income

	December 31, 2020			December 31, 2019		
(in millions of euros)	Gross	Tax	Net	Gross	Tax	Net
Fair value adjustments to available-for-sale investments	-	-	-	-	-	-
Actuarial gains (and losses) on defined benefit plans	(20)	3	(17)	(29)	5	(24)
Effect of translation adjustments and other	(767)	45	(722)	(6)	0	(6)
Total	**(787)**	**48**	**(739)**	**(35)**	**5**	**(30)**

/ Schedule of deferred taxes recognized in the balance sheet

(in millions of euros)	December 31, 2020	December 31, 2019
Short-term (less than one year)	(24)	(48)
Long-term (over one year)	(87)	(222)
Net deferred tax assets (liabilities)	**(111)**	**(270)**

/ Source of deferred taxes

(in millions of euros)	December 31, 2020	December 31, 2019
Deferred tax on adjustment of asset and liability valuations due to acquisitions	(103)	(133)
Deferred tax arising on the restatement of the Champs-Élysées building	(30)	(42)
Deferred tax on pensions and other post-employment benefits	58	55
Deferred tax arising on tax loss carryforwards	324	281
Deferred tax on other temporary differences	(41)	(169)
Gross deferred tax assets (liabilities)	**208**	**(8)**
Unrecognized deferred tax assets	(318)	(262)
Net deferred tax assets (liabilities)	**(110)**	**(270)**

As of December 31, 2020, deferred tax liabilities included the tax on the revaluation of intangible assets made at the time of the acquisition of Zenith (euro 8 million), Bcom3 (euro 64 million), Digitas (euro 19 million) and Sapient (euro 66 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, 2020	December 31, 2019
Amount in unrecognized tax loss carryforwards	**1,073**	**876**
Of which carried forward indefinitely	*513*	*311*

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 196 million at December 31, 2020, versus euro 223 million at December 31, 2019.

Note 10 Earnings per share

/ Earnings per share (basic and diluted)

(in millions of euros, except for share data)		2020	2019
Net income used for the calculation of earnings per share			
Net income share attributable to equity holders of the parent company	**A**	**576**	**841**
Impact of dilutive instruments:			
• Savings in financial expenses related to the conversion of debt instruments, net of tax		-	-
Groupe net income – diluted	**B**	**576**	**841**
Number of shares used to calculate earnings per share			
Number of shares at January 1		240,437,061	235,249,801
Shares created over the year		1,974,862	2,457,867
Treasury shares to be deducted (average for the year)		(2,573,576)	(3,414,634)
Average number of shares used for the calculation	**C**	**239,838,347**	**234,293,034**
Impact of dilutive instruments:			
• Free shares and dilutive stock options(1)		1,977,939	1,951,354
• Equity warrants (BSA)(1)		110,267	364,209
Number of diluted shares	**D**	**241,926,553**	**236,608,597**
(in euros)			
Earnings per share	**A/C**	**2.40**	**3.59**
Diluted earnings per share	**B/D**	**2.38**	**3.55**

(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, 2020, 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)		2020	2019
Net income used to calculate headline earnings per share[1]			
Net income share attributable to equity holders of the parent company		**576**	**841**
Items excluded:			
• Amortization of intangibles from acquisitions, net of tax		254	153
• Impairment loss[2], net of tax		185	163
• Main capital gains and losses on disposal of assets and fair value adjustment of financial assets, net of tax		(9)	(21)
• Epsilon acquisition-related costs, net of tax		-	30
• Early unwinding of swaps (see note 8)		11	
• Revaluation of earn-out payments		17	22
Headline Groupe net income	**E**	**1,034**	**1,188**
Impact of dilutive instruments:			
• Savings in financial expenses related to the conversion of debt instruments, net of tax		-	-
Headline Groupe net income, diluted	**F**	**1,034**	**1,188**
Number of shares used to calculate earnings per share			
Number of shares at January 1		240,437,061	235,249,801
Shares created over the year		1,974,862	2,457,867
Treasury shares to be deducted (average for the year)		(2,573,576)	(3,414,634)
Average number of shares used for the calculation	**C**	**239,838,347**	**234,293,034**
Impact of dilutive instruments:			
• Free shares and dilutive stock options		1,977,939	1,951,354
• Equity warrants (BSA)		110,267	364,209
Number of diluted shares	**D**	**241,926,553**	**236,608,597**
(in euros)			
Headline earnings per share[1]	**E/C**	**4.31**	**5.07**
Headline earnings per share – diluted[1]	**F/D**	**4.27**	**5.02**

(1) EPS after elimination of the impairment losses, amortization of intangibles from acquisitions, the main capital gains and losses on disposal of assets, the fair value adjustment of financial assets, the revaluation of earn-out payments and the cost of the Epsilon acquisition.
(2) This amount includes impairment losses on right-of-use assets related to leases for euro 170 million in 2020 and euro 95 million in 2019.

Note 11 Goodwill

Allocation of goodwill

As part of its strategic development, Publicis Groupe launched the country-model in 2017 to bring together all Groupe expertise under one roof and provide clients with a single offering. This model was extended to all territories in which the Groupe operates and has been fully operational since January 1, 2020 (see Note 30). In this context, goodwill has been reallocated to the level at which it is monitored by management. Impairment tests were carried out prior to this reallocation and no impairment loss had been identified as of the reallocation date.

The value of goodwill following the reallocation on January 1, 2020 is presented below:

At January 1, 2020 (in millions of euros)	**Carrying amount of goodwill**
North America	8,027
Europe	1,590
Asia-Pacific	1,084
Africa & Middle East	323
Latin America	251
Other goodwill	354
Total goodwill	**11,629**

/ Changes in goodwill

(in millions of euros)	Gross value	Impairment loss[2]	Net amount
January 1, 2019	**10,224**	**(1,473)**	**8,751**
Acquisitions	2,689	-	2,689
Impairment loss	-	(9)	(9)
Changes related to the recognition of commitments to buy-out non-controlling interests[1]	56	-	56
Disposals and planned disposals	(52)	49	(3)
Foreign exchange	172	(27)	145
December 31, 2019	**13,089**	**(1,460)**	**11,629**
Acquisitions	35	-	35
Impairment loss	-	(15)	(15)
Changes related to the recognition of commitments to buy-out non-controlling interests[1]	1	-	1
Foreign exchange	(912)	120	(792)
December 31, 2020	**12,213**	**(1,355)**	**10,858**

(1) See Note 1.3 on the accounting treatment of commitments to buy out non-controlling interests.
(2) See Note 6.

Goodwill by cash-generating unit or by group of cash-generating units is disclosed in Note 6.

Note 12 Intangible assets, net

/ Changes in intangible assets

(in millions of euros)	Intangible assets with a finite useful life			
	Client relationships	Software, technology and other	Brands	Total intangible assets
Gross value at January 1, 2019	**1,115**	**380**	**964**	**2,459**
Acquisitions	499	577	-	1,076
Change in scope	-	85	-	85
Disposals	-	(10)	-	(10)
Translation adjustments and other	23	14	20	57
Gross value at December 31, 2019	**1,637**	**1,046**	**984**	**3,667**
Acquisitions	-	76	-	76
Disposals	-	(63)	-	(63)
Translation adjustments and other	(122)	(87)	(82)	(291)
Gross value at December 31, 2020	**1,515**	**972**	**902**	**3,389**
Accumulated amortization at December 31, 2019	**(972)**	**(437)**	**(279)**	**(1,688)**
Amortization	(152)	(150)	(92)	(394)
Disposals	-	56	-	56
Translation adjustments and other	78	39	29	146
Accumulated amortization at December 31, 2020	**(1,046)**	**(492)**	**(342)**	**(1,880)**
Net value at December 31, 2020	**469**	**480**	**560**	**1,509**

Valuation of intangible assets

Valuation tests carried out by an independent expert at the end of the 2020 financial year resulted in the Groupe reviewing the amortization periods for certain customer relations (see Note 6).

En 2019, valuation tests carried out by an independent expert resulted in the Groupe recognizing impairment losses of euro 42 million in 2019 (see Note 6).

Note 13 Property, plant and equipment, net

(in millions of euros)	Land and Buildings	Fixtures and fittings	IT equipment	Others	Total
Gross value at January 1, 2019	**168**	**715**	**382**	**370**	**1,635**
Increases	-	82	24	48	154
Decreases	(1)	(111)	(38)	(55)	(205)
Changes to consolidation scope	(1)	60	128	109	296
Translation adjustments and other	-	17	8	7	32
Gross value at December 31, 2019	**166**	**763**	**504**	**479**	**1,912**
Increases	-	87	34	15	136
Decreases	-	(94)	(55)	(5)	(154)
Changes to consolidation scope	-	(1)	-	-	(1)
Translation adjustments and other	1	(52)	(93)	29	(115)
Gross value at December 31, 2020	**167**	**703**	**390**	**518**	**1,778**
Accumulated depreciation at December 31, 2019	**(18)**	**(424)**	**(433)**	**(318)**	**(1,193)**
Increases	-	(68)	(45)	(37)	(150)
Impairment loss	-	(41)	-	-	(41)
Decreases	-	94	55	5	154
Changes to consolidation scope	-	1	-	-	1
Translation adjustments and other	(2)	28	80	(29)	77
Accumulated depreciation at December 31, 2020	**(20)**	**(410)**	**(343)**	**(379)**	**(1,152)**
Net value at December 31, 2020	**147**	**293**	**47**	**139**	**626**

Land and buildings

At December 31, 2020, the net amount of the property assets directly owned by Publicis listed on the balance sheet was euro 147 million.

The Groupe's main property asset is its corporate headquarters located at 133, avenue des Champs-Élysées, in Paris, France. This seven-story building includes around 12,000 sq.m. of office space, occupied by Groupe companies, and 1,500 sq.m. of commercial space, occupied by Publicis Drugstore, and two public movie theaters.

Fixtures and fittings

The euro 41 million impairment loss in 2020 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 24 million at December 31, 2020 (versus euro 32 million at December 31, 2019).

(in millions of euros)	Value in balance sheet
Amount at January 1, 2019	**62**
Share of profit of associates	(5)
Dividends paid	(2)
Impairment loss	(25)
Effect of translation and other	2
Amount at December 31, 2019	**32**
Disposals	(1)
Share of profit of associates	(2)
Dividends paid	(2)
Effect of translation and other	(3)
Amount at December 31, 2020	**24**

At December 31, 2020, the value of investments in associates amounted to euro 24 million and included mainly OnPoint (euro 8 million), Burrell Communications (euro 7 million), Somupi (euro 4 million), AG Partners Mauritius (euro 2 million) and Insight Redefini (euro 1 million).

Note 15 Other financial assets

(in millions of euros)	December 31, 2020	December 31, 2019
Other financial assets at fair value through profit and loss:		
• Venture Capital Funds[1]	110	87
• Other	18	20
Security deposits	33	33
Loans to associates and non-consolidated companies	34	21
Sub-lease receivables	21	22
Other	31	50
Gross value	**247**	**233**
Impairment	(15)	(15)
Net amount	**232**	**218**

(1) These Venture Capital Funds are dedicated to investments in companies that belong to the digital economy.

Note 16 Inventories and work-in-progress

(in millions of euros)	December 31, 2020	December 31, 2019
Gross value	**243**	**413**
Impairment of inventories and work-in-progress	(13)	(2)
Net amount	**230**	**411**

Note 17 Trade receivables

(in millions of euros)	December 31, 2020	December 31, 2019
Trade receivables(1)	9,654	10,337
Notes receivable	6	8
Gross value	**9,660**	**10,345**
Opening impairment	(112)	(80)
Impairment over the year	(59)	(32)
Reversals during the year	10	7
Changes to consolidation scope	1	(6)
Translation adjustments and other	9	(1)
Closing impairment	**(152)**	**(112)**
Net amount	**9,508**	**10,233**

(1) Including invoiced trade receivables of euro 7,349 million at December 31, 2020 and euro 8,004 million at December 31, 2019.

Note 18 Other current receivables and current assets

(in millions of euros)	December 31, 2020	December 31, 2019
Taxes and levies	240	366
Advances to suppliers	158	178
Prepayments	107	99
Derivatives hedging current assets and liabilities	52	10
Derivatives hedging Eurobond 2025, 2028 and 2031	65	-
Derivatives on intercompany loans and borrowings	1	28
Other receivables and other current assets	184	83
Gross value	**807**	**764**
Impairment	(4)	(7)
Net amount	**803**	**757**

Note 19 Cash and cash equivalents

(in millions of euros)	December 31, 2020	December 31, 2019
Cash and bank balances	1,816	1,145
Short-term liquid investments	1,884	2,268
Total	**3,700**	**3,413**

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, 2020	December 31, 2019
Share capital at January 1	240,437,061	235,249,801
Capital increase	7,331,977	5,187,260
Shares comprising the share capital at the end of the period	**247,769,038**	**240,437,061**
Treasury stock at the end of the period	(2,191,259)	(3,480,234)
Shares outstanding at the end of the period	**245,577,779**	**236,956,827**

The share capital of Publicis Groupe SA increased by euro 2,932,791 during financial year 2020, corresponding to 7,331,977 shares with a par value of euro 0.40 each:

- 22,156 shares issued following the exercise of stock warrants by certain holders;
- 274,325 shares issued as part of free share plans;
- 7,035,496 shares issued following the exercise of options for dividend payment in shares by certain shareholders.

The share capital of Publicis Groupe SA amounted to euro 99,107,615 at December 31, 2020, divided into 247,769,038 shares with a par value of euro 0.40 each.

Neutralization of the treasury shares existing at December 31, 2020

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 2019 and 2020:

	Number of shares
Treasury shares held on January 1, 2019[1]	**4,009,493**
Disposals (exercise of stock options) and deliveries of free shares	(526,509)
Movements as part of the liquidity contract	(2,750)
Treasury shares held on December 31, 2019[1]	**3,480,234**
Disposals (exercise of stock options) and deliveries of free shares	(1,074,183)
Movements as part of the liquidity contract	(214,792)
Treasury shares held on December 31, 2020[1]	**2,191,259**

(1) Including 68,458 shares held as part of the liquidity contract on December 31, 2020, and 283,250 on December 31, 2019.

/ Dividends proposed and voted

	Per share (in euros)	Total (in millions of euros)
Dividends paid in 2020 (for the 2019 financial year)	1.15	273[1]
Dividends proposed to the General Shareholders' Meeting (for the 2020 financial year)	2.00	495[2]

(1) Amount paid, depending on shareholder option, in cash or shares. Dividends paid in shares amounted to euro 172 million, resulting in the creation of 7,035,496 shares.
(2) Amount for all shares outstanding on December 31, 2020, 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 0.8. As at December 31, 2020 the debt-to-equity ratio, taking lease liabilities into account, was 0.41. At December 31, 2019, it was 0.71.

Management also monitors the dividend payout rate, which is defined as the ratio between the dividend per share and diluted headline earnings per share. Given the amount of the dividend (euro 2 per share) to be proposed to the next General Shareholders' Meeting, the rate will be 46.8% for financial year 2020 compared to a rate of 22.9% for financial year 2019.

Note 21 Provisions for liabilities and charges

(in millions of euros)	Restructuring provision	Vacant property provisions	Pensions and other long-term benefits	Provision for risksand litigations	Other provisions	Total
January 1, 2019	**47**	**32**	**276**	**79**	**75**	**509**
Increases	34	61	27	30	30	182
Releases with usage	(45)	(51)	(23)	(9)	(5)	(133)
Other releases	(3)	-	-	(4)	(2)	(9)
Changes to consolidation scope	-	1	1	4	1	7
Actuarial losses (gains)	-	-	29	-	-	29
Translation adjustments and other	2	1	1	3	4	11
December 31, 2019	**35**	**44**	**311**	**103**	**103**	**596**
Increases	86	60	26	21	25	218
Releases with usage	(38)	(21)	(26)	(2)	(25)	(112)
Other releases	(2)	-	-	(1)	-	(3)
Changes to consolidation scope	-	-	1	-	-	1
Actuarial losses (gains)	-	-	20	-	-	20
Translation adjustments and other	(3)	12	(14)	(6)	(7)	(18)
December 31, 2020	**78**	**95**	**318**	**115**	**96**	**702**
Of which short-term	*70*	*51*	*28*	*55*	*30*	*234*
Of which long-term	*8*	*44*	*290*	*60*	*66*	*468*

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 2020 (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 following the application of IFRS 16 since January 1, 2018.

Provisions for risks and litigation

Provisions for risks and litigation (euro 115 million) include a short-term component (euro 55 million) and a long-term component (euro 60 million). They relate to litigation of any type with third parties, including commercial and tax litigation but excluding risks relating to uncertain tax positions.

Pensions and other long-term benefits

The obligations for employee benefits (see Note 22) include:

- defined benefit pension plans;
- post-employment health benefits;
- long-term benefits such as deferred compensation and long-service rewards.

Note 22 Pensions and other long-term benefits

Defined benefit pension plans

The Groupe has obligations for a number of defined benefit pension plans, mainly split between:

- pension funds (70% of the Groupe's obligations): these are rights to which employees have earned entitlement, with external pre-funding requirements predominantly in the US and the UK;
- other mandatory and statutory pension schemes, such as retirement indemnities (27% of the Groupe's obligations), particularly in France: rights have not vested so payment is uncertain and notably linked to employees still being with the Company upon retirement;
- medical coverage plans for retirees (3% of the Groupe's obligations) consisting of an effective liability vis-à-vis current pensioners and a provision for current workers (future pensioners), in particular in the US and the UK.

The largest plans are therefore the pension funds in the United Kingdom (32% of the Groupe's obligations) and in the United States (26% of the Groupe's obligations):

- in the United Kingdom, the Groupe's obligations are managed through six pension funds administered by independent Boards of trustees. These independent Boards are made up of representatives of the Groupe, employees and retirees and in some instances an independent expert. These Boards are required by regulation to act in the best interests of plan beneficiaries, notably by ensuring that the pension funds are financially stable, as well as by monitoring their investment policy and management.

  Four of the six pension funds are closed and frozen. All existing entitlements (based on salary and number of years of service to the Groupe) have been frozen: beneficiaries still working will not earn any further entitlement under these defined benefit plans.

  The pension fund obligations in the United Kingdom relate to retirees (76%), former employees with deferred entitlement who have not yet drawn down their pension entitlements (20%) and employees still working (4%);
- 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 (33% of obligations), retirees (40% of obligations) and employees still working (27% of obligations).

Defined benefit pension plan valuations were carried out by independent experts. The main countries concerned are the United States, the United Kingdom, Germany, France, Switzerland, Belgium, the United Arab Emirates, Saudi Arabia, South Korea, the Philippines, Japan and India.

No material events occurred during the financial year to affect the value of the Groupe's liabilities under these plans (significant plan change).

Surplus (deficit)

Publicis Groupe sets aside financial assets to cover these liabilities, primarily in the United Kingdom and the United States, in order to comply with its legal and/or contractual obligations and to limit its exposure to an increase in these liabilities (interest and inflation rate volatility, longer life expectancy, etc.).

The policy to cover the Groupe's liabilities is based on regular asset-liability management reviews to ensure optimal asset allocation, designed both to limit exposure to market risks by diversifying asset classes on the basis of their risk profile and to better reflect the payment of benefits to beneficiaries, having regard to plan maturity. These reviews are performed by independent advisers and submitted to the Trustees for approval. Investments are made in compliance with legal constraints and the criteria governing the deductibility of such covering assets in each country. Funding requirements are generally determined on a plan-by-plan basis and as a result a surplus of assets in over-funded plans cannot be used to cover under-funded plans.

Risk exposure

The principal risks to which the Groupe is exposed through its pension funds in the United Kingdom and the United States are as follows:

- volatility of financial assets: the financial assets in the plans (shares, bonds, etc.) often have a return higher than the discount rate over the long term, but are more volatile in the short term, especially since they are measured at their fair value for the Groupe's annual accounting needs. The asset allocation is determined so as to ensure the financial viability of the plan over the long term;
- variation of bond rates: a decrease in corporate bond rates leads to an increase in obligations under the plans as recognized by the Groupe, even where this increase is partially reduced by an increase in value of the financial assets in the plans (for the portion of investment grade corporate bonds);
- longevity: the largest part of benefits guaranteed by the plans is retirement benefits. An extended life expectancy therefore leads to an increase in these plans;
- inflation: a significant portion of the benefits guaranteed by the pension funds in the United Kingdom is indexed to inflation. A rise in inflation leads to an increase in the obligation (even when thresholds have been set for most of them in order to protect the plan from hyper-inflation). Most of the financial assets are either not impacted by inflation or weakly correlated with inflation, therefore inferring that a rise in inflation would lead to an increase of the plan's deficit from an accounting perspective. The American pension funds do not expose the Groupe to a significant inflation risk as the benefits are not indexed to inflation.

Actuarial gains and losses

Actuarial gains and losses reflect unforeseen increases or reductions in the present value of a defined benefit obligation or of the fair value of the corresponding plan assets. Actuarial gains and losses resulting from changes in the present value of liabilities under a defined benefit plan stem, firstly, from experience adjustments (differences between the previous actuarial assumptions and what has actually occurred) and, secondly, from the effect of changes in actuarial assumptions.

Other long-term benefits

Publicis Groupe also recognizes various long-term benefits, primarily seniority payments, long-service awards, in France in particular, and certain multi-year plans for which the deferred compensation is linked to continued employment.

/ Change in the actuarial benefit obligation

	December 31, 2020			December 31, 2019		
(in millions of euros)	Pension plans	Medical cover	Total	Pension plans	Medical cover	Total
Opening actuarial benefit obligation	**(752)**	**(22)**	**(774)**	**(668)**	**(21)**	**(689)**
Cost of services rendered during the year	(27)		(27)	(25)		(25)
Benefits paid	59	1	60	64	2	66
Interest expense on benefit obligation	(14)	(1)	(15)	(21)	(1)	(22)
Effect of remeasurement	(34)	(1)	(35)	(81)	(2)	(83)
Experience gains (losses)	*(6)*	*1*	*(5)*	*(1)*		*(1)*
Gains (losses) arising from a change in economic assumptions	*(33)*	*(2)*	*(35)*	*(85)*	*(2)*	*(87)*
Gains (losses) arising from other changes in demographic assumptions	*5*		*5*	*5*		*5*
Acquisitions, disposals	3		3	(1)		(1)
Translation adjustments	41	2	43	(19)		(19)
Actuarial benefit obligation at year-end	**(724)**	**(21)**	**(745)**	**(752)**	**(22)**	**(774)**

/ Change in the fair value of plan assets

(in millions of euros)	December 31, 2020 Pension plans	Medical cover	Total	December 31, 2019 Pension plans	Medical cover	Total
Fair value of plan assets at start of year	**529**	**-**	**529**	**474**	**-**	**474**
Actuarial return on plan assets	30	-	30	70	-	70
Employer contributions	34	1	35	29	2	31
Administrative fees	(2)	-	(2)	(2)	1	(1)
Acquisitions, disposals	(3)	-	(3)	-	-	-
Benefits paid	(59)	(1)	(60)	(62)	(2)	(64)
Translation adjustments	(33)	-	(33)	19	-	19
Fair value of plan assets at year-end	**496**	**-**	**496**	**528**	**1**	**529**
Surplus (deficit)	**(227)**	**(22)**	**(249)**	**(223)**	**(23)**	**(246)**
Effect of ceiling on value of assets	(58)	-	(58)	(56)	-	(56)
Net provision for defined benefit pension liabilities and post-employment medical care	**(285)**	**(22)**	**(307)**	**(279)**	**(23)**	**(302)**
Provision for other long-term benefits	(11)	-	(11)	(11)	-	(11)
Total provisions for retirement benefit obligations, other post-employment and long-term benefits	**(296)**	**(22)**	**(318)**	**(290)**	**(23)**	**(313)**

/ Pension expenses and other post-employment benefits

(in millions of euros)	December 31, 2020 Pension plans	Medical cover	Total	December 31, 2019 Pension plans	Medical cover	Total
Cost of services rendered during the year	(27)	-	(27)	(25)	-	(25)
Financial expenses	(6)	(1)	(7)	(7)	(1)	(8)
Defined benefit plan expense	**(33)**	**(1)**	**(34)**	**(32)**	**(1)**	**(33)**
Cost of other plans (including defined contribution plans) and other benefits	(120)	-	(120)	(119)	-	(119)
Administrative fees excluding plan management fees	(2)	-	(2)	(1)	-	(1)
Total retirement costs recognized in the income statement	**(155)**	**(1)**	**(156)**	**(152)**	**(1)**	**(153)**

/ 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, 2020				December 31, 2019			
(in millions of euros)	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Shares	70	-	-	70	87	-	-	87
Bonds	-	131	-	131	-	146	-	146
Treasury bonds	-	207	-	207	-	237	-	237
Real Estate	-	-	8	8	-	-	12	12
Other	12	-	67	79	9	-	38	47
Total	**82**	**338**	**75**	**495**	**96**	**383**	**50**	**529**

/ Estimate of employer contributions and of future benefits payable

(in millions of euros)	Pension plans	Medical cover	Total
Estimated employer contribution for 2021	24	2	26

(in millions of euros)	Pension plans	Medical cover	Total
Estimated future benefits payable			
2021	45	2	47
2022	42	2	44
2023	40	2	42
2024	40	1	41
2025	38	1	39
Financial years 2026 to 2030	184	6	190
Total over the next 10 financial years	**339**	**14**	**403**

The average duration of plans at end-December 2020 was 13 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, 2020	**United States**	**United Kingdom**	**Euro zone**	**Other Country**	**United States**	**United Kingdom**
Discount rate	2.11%	1.60%-1.65%	0.60%	0%-5.20%	2.11%	1.60%-1.65%
Future wage increases	n/a	3.25%	2.25%(1)	1.25%-8%	5%	n/a
Future pension increases	n/a	2%-3.50%	1.70%(1)	n/a	n/a	n/a

(1) For Germany only.

	Pension plans				Post-employment medical cover	
December 31, 2019	**United States**	**United Kingdom**	**Euro zone**	**Other Country**	**United States**	**United Kingdom**
Discount rate	2.84%	1.75%-1.85%	0.80%	-0.05%-6.30%	2.84%	1.75%-1.85%
Future wage increases	n/a	4.10%-3.85%	2.25%(1)	1.25%-8%	5%	n/a
Future pension increases	n/a	1.80%-3.40%	1.70%(1)	n/a	n/a	n/a

(1) For Germany only.

The rate of increase in medical expenses used for 2020 is 6.5% with a gradual decrease to 4.3%.

/ Sensitivity analysis

	0.5% increase				
Pension plans (in millions of euros)	**United States**	**United Kingdom**	**Euro zone**	**Other Countries**	**Total**
Total Change in discount rate Effect on actuarial benefit obligation at year-end	(9)	(15)	(8)	(10)	(42)
Change in the increase rate of salaries Effect on actuarial benefit obligation at year-end	-	-	6	6	12

	0.5% decrease				
Pension plans (in millions of euros)	**United States**	**United Kingdom**	**Euro zone**	**Other Countries**	**Total**
Total Change in discount rate Effect on actuarial benefit obligation at year-end	10	17	9	11	47
Change in the increase rate of salaries Effect on actuarial benefit obligation at year-end	-	-	(5)	(6)	(11)

	0.5% increase			0.5% decrease		
Post-employment medical cover (in millions of euros)	**United States**	**United Kingdom**	**Total**	**United States**	**United Kingdom**	**Total**
Total Change in discount rate Effect on actuarial benefit obligation at year-end	(1)	-	(1)	1	-	1
Change in the increase rate of salaries Effect on actuarial benefit obligation at year-end	-	-	-	-	-	-

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Note 23 Borrowings and other financial liabilities

(in millions of euros)	December 31, 2020	December 31, 2019
Bonds (excl. accrued interest)	4,031	4,027
Other debt	478	1,861
Total borrowings and other financial liabilities	**4,509**	**5,888**
Of which short-term	*856*	*1,602*
Of which long-term	*3,653*	*4,286*

/ Change in financial liabilities

(in millions of euros)	December 31, 2019	Cash outflows	Changes excl. cash outflows			December 31, 2020
			Acquisitions	Exchange rate fluctuations	Changes in fair value	
Eurobond 1.125% – December 2021 (EIR 1.261%)(1)	698	-	-	-	1	699
Eurobond 0.5% – November 2023 (EIR 0.741%)(1)	495	-	-	-	2	497
Eurobond 1.625% – December 2024 (EIR 1.732%)(1)	603	-	-	-	(1)	602
Eurobond 0.625% – June 2025 (EIR 0.781%)(1)	744	-	-	-	1	745
Eurobond 1.25% – June 2028 (EIR 1.329%)(1)	745	-	-	-	1	746
Eurobond 1.75% – June 2031 (EIR 1.855%)(1)	742	-	-	-	-	742
Bonds (excl. accrued interest)	**4,027**	**-**	**-**	**-**	**4**	**4,031**
Medium-term loan (financing of Epsilon acquisition)	**1,100**	**(940)**	**-**	**(10)**	**-**	**150**
Medium-term syndicated loan	**327**	**(327)**	**-**	**-**	**-**	**0**
Debt related to earn-out commitments	**347**	**(134)**	**21**	**(17)**	**24**	**241**
Debt related to commitments to buy-out non-controlling interests	**36**	**(10)**	**0**	**(1)**	**(1)**	**24**
Accrued interest	25	(150)	-	(3)	171	43
Other borrowings and credit lines	20	(2)	-	(1)	-	17
Bank overdrafts	6	(3)	-	-	-	3
Other financial liabilities	**51**	**(155)**	**0**	**(4)**	**171**	**63**
Total borrowings and other financial liabilities	**5,888**	**(1,566)**	**21**	**(32)**	**198**	**4,509**
Fair value of derivatives hedging on the 2021 and 2024 Eurobonds(2)	112	(38)	-	-	(74)	0
Fair value of derivatives hedging on the 2025, 2028 and 2031 Eurobonds(2)	87	-	-	-	(152)	(65)
Fair value of derivatives hedging on intra-group loans and borrowings(2)	39	-	-	-	50	89
Total liabilities related to financing activities	**6,126**	**(1,604)**	**21**	**(32)**	**22**	**4,533**

(1) Net of issuance costs. The number of securities at December 31, 2019 was 7,000 for the Eurobonds maturing in 2021, 5,000 for the Eurobonds maturing in 2023, 6,000 for the Eurobonds maturing in 2024, 7,500 for the Eurobonds maturing in 2025, 7,500 for the Eurobonds maturing in 2028 and 7,500 for the Eurobonds maturing in 2031. The Effective Interest Rate (EIR) is given for each Eurobond.
(2) Carried under "Other receivables and current assets" and/or under "Other creditors and current liabilities" on the consolidated balance sheet.

(in millions of euros)	December 31, 2018	Cash outflows	Changes excl. cash outflows			Reclas-sification [3]	December 31, 2019
			Acquisitions	Exchange rate fluctuations	Changes in fair value		
Eurobond 1.125% – December 2021 (EIR 1.261%)[1]	697	-	-	-	1	-	698
Eurobond 0.5% – November 2023 (EIR 0.741%)[1]	494	-	-	-	1	-	495
Eurobond 1.625% – December 2024 (EIR 1.732%)[1]	603	-	-	-	-	-	603
Eurobond 0.625% – June 2025 (EIR 0.781%)[1]	-	750	-	-	-	(6)	744
Eurobond 1.25% – June 2028 (EIR 1.329%)[1]	-	750	-	-	-	(5)	745
Eurobond 1.75% – June 2031 (EIR 1.855%)[1]	-	750	-	-	-	(8)	742
Bonds (excl. accrued interest)	**1,794**	**2,250**	**-**	**-**	**2**	**(19)**	**4,027**
Medium-term loan (financing of Epsilon acquisition)	**-**	**1,092**	**-**	**8**	**-**	**-**	**1,100**
Medium-term syndicated loan	**782**	**(465)**	**-**	**10**	**-**	**-**	**327**
Debt related to earn-out commitments	**218**	**(124)**	**166**	**4**	**83**	**-**	**347**
Debt related to commitments to buy-out non-controlling interests	**32**	**(2)**	**3**	**2**	**1**	**-**	**36**
Accrued interest	9	-	-	-	16	-	25
Other borrowings and credit lines	25	(5)	-	-	-	-	20
Bank overdrafts	14	(8)	-	-	-	-	6
Debt related to finance leases	0	-	-	-	-	-	0
Other financial liabilities	**48**	**(13)**	**-**	**-**	**16**	**-**	**51**
Total borrowings and other financial liabilities	**2,874**	**2,738**	**169**	**24**	**102**	**(19)**	**5,888**
Fair value of derivative hedging on the 2021 and 2024 Eurobonds[2]	46	-	-	-	66	-	112
Fair value of derivative hedging on the 2025, 2028 and 2031 Eurobonds[2]	-	-	-	-	87	-	87
Fair value of derivative hedging on medium-term syndicated loan[2]	(3)	-	-	-	3	-	0
Fair value of derivative hedging on intra-group loans and borrowings[2]	1	-	-	-	38	-	39
Total liabilities related to financing activities	**2,918**	**2,738**	**169**	**24**	**296**	**(19)**	**6,126**

(1) Net of issuance costs. The number of securities at December 31, 2019 was 7,000 for the Eurobonds maturing in 2021, 5,000 for the Eurobonds maturing in 2023, 6,000 for the Eurobonds maturing in 2024, 7,500 for the Eurobonds maturing in 2025, 7,500 for the Eurobonds maturing in 2028 and 7,500 for the Eurobonds maturing in 2031. The Effective Interest Rate (EIR) is given for each Eurobond.
(2) Carried under “Other receivables and current assets” and/or under “Other creditors and current liabilities” on the consolidated balance sheet.
(3) Isue premiums were recognized in interest paid.

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Bonds and medium-term loan to finance the Epsilon acquisition

A euro 2.25 billion bond was issued on June 5, 2019 to finance the acquisition of Epsilon. It was issued in three tranches of euro 750 million each, at a fixed rate and in euros, each swapped into US dollars at a fixed rate.

The swaps were qualified as cash flow hedges of the bond issue in euros. The fair value of these swaps is recognized in the balance sheet under "Other current receivables and current assets" and/or "Other creditors and current liabilities." The change in the fair value of these instruments is booked in "Other comprehensive income" and transferred to the income statement as interests on debt are recognized and the asset value changed in US dollars. At December 31, 2020, the fair value of these derivatives was booked in other current receivables and current assets for euro 65 million (compared to euro 87 million in other creditors and current liabilities at December 31, 2019).

A medium-term loan was also signed on July 1, 2019, in three tranches (a USD 900 million tranche with a three-year maturity, a euro 150 million tranche with a four-year maturity, and a euro 150 million tranche with a five-year maturity). The overall effective interest rate for this loan was 1.54% at December 31, 2020. The tranches of dollar 900 million and euro 150 million maturing in five years were repaid early in December 2020.

Medium-term syndicated loan

This loan was repaid in full in January 2020 and the interest rate swap to hedge it against interest rate fluctuations in the US dollar component of the variable-rate syndicated loan was also unwound.

Other bonds

The other Publicis Groupe SA bonds are issued at a fixed rate and denominated in euros.

The tranche of euro 700 million maturing in December 2021 (Eurobond 2021) and the tranche of euro 600 million maturing in December 2024 (Eurobond 2024) were taken out in order to finance the acquisition of Sapient Corporation.

At the same time, the parent company provided financing for the holding companies in the United States and swaps were put in place to hedge the Groupe's exposure to changes in the euro/dollar exchange rate and changes in interest rates. These swaps were qualified as cash flow hedges for intercompany US dollar financing. The change in the fair value of these instruments is booked in "Other comprehensive income" and transferred to the income statement as interests on debt are paid and the asset value changed in US dollars.

At December 31, 2020, these swaps were terminated before their maturity and the hedged underlying was repaid. Consequently:

- the fair value of these swaps booked in the balance sheet under "Other creditors and current liabilities" was nil as at December 31, 2020 (compared to euro 112 million as at December 31, 2019);
- cumulative gains and losses in the fair value hedge reserve were recycled in the income statement, *i.e.* a financial expense of euro 16 million.

These swaps were recognized at fair value according to the Level 2 measurement method that corresponds to observable data other than quoted prices for identical assets or liabilities in active markets. This observable data corresponds primarily to exchange rates and interest rates.

/ Analysis by date of maturity

	December 31, 2020						
		Maturity					
(in millions of euros)	Total	-1 year	1-2 years	2-3 years	3-4 years	4-5 years	+5 years
Bonds (excl. accrued interest)	4,031	699	-	497	602	745	1,488
Medium-term loan (financing of Epsilon acquisition)	150	-	-	150	-	-	-
Debt related to earn-out commitments	241	85	79	38	38	1	-
Debt related to commitments to buy-out non-controlling interests	24	16	4	2	-	2	-
Other financial liabilities	63	56	7	-	-	-	-
Total borrowings and other financial liabilities	**4,509**	**856**	**90**	**687**	**640**	**748**	**1,488**
Fair value of derivatives	24	87	1	-	-	-	(64)
Total liabilities related to financing activities	**4,533**	**943**	**91**	**687**	**640**	**748**	**1,424**

	December 31, 2019						
		Maturity					
(in millions of euros)	Total	-1 year	1-2 years	2-3 years	3-4 years	4-5 years	+5 years
Bonds (excl. accrued interest)	4,027	-	698	-	495	603	2,231
Medium-term loan (financing of Epsilon acquisition)	1,100	-	-	800	150	150	-
Medium-term syndicated loan	327	327	-	-	-	-	-
Debt related to earn-out commitments	347	111	84	71	30	51	-
Debt related to commitments to buy-out non-controlling interests	36	22	8	3	2	1	-
Other financial liabilities	51	51	-	-	-	-	-
Total borrowings and other financial liabilities	**5,888**	**511**	**790**	**874**	**677**	**805**	**2,231**
Fair value of derivatives	238	40	70	-	-	41	87
Total liabilities related to financing activities	**6,126**	**551**	**860**	**874**	**677**	**846**	**2,318**

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/ Analysis by currency

(in millions of euros)	December 31, 2020	December 31, 2019
Euros[1]	4,216	4,354
US dollars	195	1,430
Other currencies	98	104
Total borrowings and other financial liabilities	**4,509**	**5,888**

(1) Including euro 2,250 million of Eurobonds swapped into USD at December 31, 2020, subscribed in 2020 (euro 3,550 million at December 31, 2019).

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, 2020						
		Maturity					
(in millions of euros)	Total	-1 year	1-2 years	2-3 years	3-4 years	4-5 years	+5 years
Bonds (excl. accrued interest)	4,346	748	40	538	636	775	1,609
Medium-term loan (financing of Epsilon acquisition)	150	-	-	150	-	-	-
Debt related to earn-out commitments	241	85	79	38	38	1	-
Debt related to commitments to buy-out non-controlling interests	24	16	4	2	-	2	-
Other financial liabilities	63	56	7	-	-	-	-
Total borrowings and other financial liabilities	**4,824**	**905**	**130**	**728**	**674**	**778**	**1,609**
Fair value of derivatives	24	89	-	-	-	-	(65)
Total liabilities related to financing activities	**4,848**	**994**	**130**	**728**	**674**	**778**	**1,544**

	December 31, 2019						
		Maturity					
(in millions of euros)	Total	-1 year	1-2 years	2-3 years	3-4 years	4-5 years	+5 years
Bonds (excl. accrued interest)	4,394	48	748	40	538	636	2,384
Medium-term loan (financing of Epsilon acquisition)	1,100	-	-	800	150	150	-
Medium-term syndicated loan	327	327	-	-	-	-	-
Debt related to earn-out commitments	347	111	84	71	30	51	-
Debt related to commitments to buy-out non-controlling interests	36	22	8	3	2	1	-
Other financial liabilities	51	51	-	-	-	-	-
Total borrowings and other financial liabilities	**6,255**	**559**	**840**	**914**	**720**	**838**	**2,384**
Fair value of derivatives	238	40	70	-	-	41	87
Total liabilities related to financing activities	**6,493**	**599**	**910**	**914**	**720**	**879**	**2,471**

In order to manage its liquidity risk, Publicis holds a substantial amount of cash (cash and cash equivalents) for a total of euro 3,700 million as of December 31, 2020 and undrawn confirmed credit lines representing a total of euro 2,606 million as of December 31, 2020. The main component of these credit facilities is a multi-currency syndicated loan of euro 2,000 million, maturing in 2024. These immediately or almost immediately available sums allow the Groupe to meet its general funding requirements.

Apart from bank overdrafts, most of the Groupe's debt is comprised of bonds and the medium-term loans, none of which are subject to financial covenants. They only include standard credit default event clauses (liquidation, cessation of payment, default on the debt itself or on the repayment of another debt above a given threshold) which are generally applicable above a threshold of euro 25 million.

The Groupe has not established any credit derivatives to date.

Note 24 Leases

/ Analysis of right-of-use assets by category of underlying assets

(in millions of euros)	Real Estate	Outdoor contracts	Other assets	Total
Gross value at January 1, 2020	**2,489**	**305**	**45**	**2,839**
Addition of assets, net(1)	119	20	24	163
Terminations or end of contracts	(111)	(265)	(14)	(390)
Changes to consolidation scope	6	-	-	6
Translation adjustments and other	(174)	-	(3)	(177)
Gross value at December 31, 2020	**2,329**	**60**	**52**	**2,441**
Accumulated amortization at January 1, 2020	**(503)**	**(197)**	**(17)**	**(717)**
Amortization	(261)	(120)	(14)	(395)
Impairment loss	(126)	-	-	(126)
Terminations or end of contracts	111	272	7	390
Translation adjustments and other	51	-	1	52
Accumulated amortization at December 31, 2020	**(728)**	**(45)**	**(23)**	**(796)**
Net value at December 31, 2020	**1,601**	**15**	**29**	**1,645**

(1) Additions of assets are net of changes in assumptions on contracts.

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/ Repayment schedule of lease liabilities

At December 31, 2020 (in millions of euros)	Maturity					
	Total	-1 year	1-2 years	2-3 years	3-4 years	+4 years
Lease liabilities	**2,142**	**292**	**241**	**209**	**186**	**1,214**

In the area of outdoor advertising, contracts of less than 12 months have been signed as of December 31, 2020. The fees corresponding to minimum guarantees related to these agreements will be recognized directly as expenses in 2021 and represent an amount of euro 77 million.

Interest expense on lease liabilities

For 2020, the interest expense on lease liabilities is euro 77 million (see Note 8). For 2019, the interest expense for lease liabilities was euro 70 million.

Note 25 Other creditors and current liabilities

(in millions of euros)	December 31, 2020	December 31, 2019
Advances and deposits received	319	336
Liabilities to employees	883	665
Tax liabilities (excl. income tax)	297	348
Derivatives hedging current assets or liabilities	14	12
Derivatives hedging Eurobond	-	199
Derivatives hedging intercompany loans and borrowings	90	67
Other current liabilities	211	96
Total	**1,814**	**1,723**

Note 26 Contract liabilities

(in millions of euros)	2020	2019
Total contract liabilities at January 1	**353**	**284**
Amount recognized in revenue over the period	(326)	(284)
Amount to be recognized in subsequent periods	404	346
Foreign exchange	(27)	7
Total contract liabilities at December 31	**404**	**353**

Note 27 Commitments

/ Other commitments

(in millions of euros)	December 31, 2020 Total	Maturity -1 year	1-5 years	+5 years
Commitments given				
Guarantees[1]	248	67	82	99
Total	**248**	**67**	**82**	**99**
Commitments received				
Undrawn confirmed credit lines	2,606	165	2,441	-
Undrawn unconfirmed credit lines	224	224	-	-
Other commitments	18	12	5	1
Total	**2,848**	**401**	**2,446**	**1**

(1) At December 31, 2020, guarantees included undertakings to pay euro 31 million into Venture Capital Funds by 2027. They also included guarantees of approximately euro 16 million relating to media-buying operations.

(in millions of euros)	December 31, 2019 Total	Maturity -1 year	1-5 years	+5 years
Commitments given				
Guarantees[1]	215	50	65	100
Total	**215**	**50**	**65**	**100**
Commitments received				
Undrawn confirmed credit lines	2,632	165	2,467	-
Undrawn unconfirmed credit lines	209	209	-	-
Other commitments	15	6	8	1
Total	**2,856**	**380**	**2,475**	**1**

(1) At December 31, 2019, guarantees included undertakings to pay euro 43 million into innovation mutual funds by 2027. They also included guarantees of approximately euro 15 million relating to media-buying operations.

Obligations related to warrants

The exercise of warrants, which can occur at any time from September 24, 2013 to September 24, 2022, will lead to an increase in the Publicis Groupe's capital stock. The conversion ratio was again adjusted during the financial year and represents a factor of 1.081 so as to reflect those distributions drawn from the Company's reserves and premiums. Following the cancellation of the warrants acquired in previous years or exercised since September 24, 2013, Publicis Groupe was, as of December 31, 2020, committed to issuing (in the event that the 876,315 outstanding stock warrants are exercised) 947,297 shares with a euro 0.40 par value and a euro 30.10 premium.

Other commitments

As of December 31, 2020, 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, 2020

(in millions of euros)	Value in balance sheet	Fair value through profit and loss	Amortized cost	Fair value through OCI
Other financial assets				
• Venture Capital Funds	110	110		
• Other securities	11	11		
• Loans to associates and non-consolidated companies	34		34	
• Other	77		77	
Trade receivables	9,508		9,508	
Other current receivables and current assets(1)				
• Derivatives hedging current assets and liabilities	52	52		
• Derivatives hedging intercompany loans and borrowings	1	1		
• Derivaties hedging Eurobond 2025, 2028 and 2031 derivatives	65			65
• Other	184		184	
Assets	**10,042**	**174**	**9,803**	**65**
Long-term borrowings	3,653		3,653	
Trade payables	12,887		12,887	
Short-term borrowings	856		856	
Other creditors and current liabilities(2)				
• Derivatives hedging current assets and liabilities	14	14		
• Derivatives hedging intercompany loans and borrowings	90	90		
• Other	211		211	
Equity and Liabilities	**17,711**	**104**	**17,607**	**-**

(1) Excluding tax claims, advances to suppliers and prepayments (see Note 18).
(2) Excluding advances and deposits received, liabilities to employees and tax liabilities (see Note 25).

/ At December 31, 2019

(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	87	87		
• Other securities	13	13		
• Loans to associates and non-consolidated companies	21		21	
• Other	97		97	
Trade receivables	10,233		10,233	
Other current receivables and current assets[1]				
• Derivatives hedging current assets and liabilities	10	10		
• Derivatives hedging intercompany loans and borrowings	28	28		
• Other	75		75	
Assets	**10,564**	**138**	**10,426**	**-**
Long-term borrowings	4,286		4,286	
Trade payables	13,411		13,411	
Short-term borrowings	1,602		1,602	
Other creditors and current liabilities[2]				
• Derivatives hedging current assets and liabilities	12	12		
• Derivatives hedging intercompany loans and borrowings	67	67		
• Derivatives hedging Eurobond 2021 and 2024 derivatives	112			112
• Derivatives hedging Eurobond 2025, 2028 and 2031 derivatives	87			87
• Other	110		110	
Liabilities	**19,687**	**79**	**19,409**	**199**

(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, 2020	December 31, 2019
Derivatives qualified as hedging instruments		
• Derivatives hedging current assets and liabilities	52	10
• Derivatives hedging intercompany loans and borrowings	1	28
• Derivatives hedging Eurobond	65	
Instruments at fair value through profit and loss		
• Venture Capital Funds	110	87
• Unconsolidated securities	11	13
Instruments at amortized cost		
• Other financial assets, receivables and other receivables	9,769	10,405
• Loans to associates and non-consolidated companies	34	21
Total financial instruments – assets	**10,042**	**10,564**

/ Financial instruments – liabilities

(in millions of euros)	December 31, 2020	December 31, 2019
Derivatives qualified as hedging instruments		
• Derivatives hedging current assets and liabilities	14	12
• Derivatives on intercompany loans and borrowings	90	67
• Eurobond derivatives	-	199
Instruments at amortized cost		
• Trade and other payables	13,098	13,521
• Short-term borrowings	856	1,602
Total financial instruments – current liabilities	**14,058**	**15,401**
Instruments at amortized cost		
• Long-term borrowings	3,653	4,286
Total financial instruments – non-current liabilities	**3,653**	**4,286**

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 4,555 million at December 31, 2020 (versus a carrying amount of euro 4,509 million). At December 31, 2019, the fair value of financial liabilities was euro 6,004 million (versus a carrying amount of euro 5,888 million).

The fair value of Eurobonds, bonds with a convertible option on the debt portion, has been calculated by discounting the expected future cash flows at market interest rates (Level 2 fair value).

Fair value hierarchy

The table below breaks down financial instruments recognized at fair value according to the measurement method used. The different levels of fair value have been defined as follows:

- level 1: quoted prices in active markets for identical instruments;
- level 2: observable data other than quoted prices for identical instruments in active markets;
- level 3: significant unobservable data.

December 31, 2020 (in millions of euros)	Level 1	Level 2	Level 3	Total
Short-term liquid investments	1,884	-	-	1,884
Venture Capital Funds and other securities	110	-	11	121
Derivative instruments – assets	-	118	-	118
	1,994	**118**	**11**	**2,123**
Derivative instruments – liabilities	-	(104)	-	(104)
Total	**1,994**	**14**	**11**	**2,019**

December 31, 2019 (in millions of euros)	Level 1	Level 2	Level 3	Total
Short-term liquid investments	2,268	-	-	2,268
Venture Capital Funds and other securities	87	-	13	100
Derivative instruments – assets	-	38	-	38
	2,355	**38**	**13**	**2,406**
Derivative instruments – liabilities	-	(278)	-	(278)
Total	**2,355**	**(240)**	**13**	**2,128**

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 2020, 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:

- 96% in fixed-rate loans with an average interest rate for 2020 of 3.1%;
- 4% in variable-rate loans.

The table below sets out the carrying amount by maturity at December 31, 2020 of the Groupe's financial instruments exposed to interest rate risk:

(in millions of euros)	Total at December 31, 2020	Maturities		
		-1 year	1-5 years	+5 years
Fixed rate				
Eurobond 2021[1]	699	699	-	-
Eurobond 2023[1]	497	-	497	-
Eurobond 2024[1] [2]	602	-	602	-
Eurobond 2025[1] [2]	745	-	745	-
Eurobond 2028[1] [2]	746	-	-	746
Eurobond 2031[1] [2]	742	-	-	742
Net fixed-rate liabilities (assets)	**4,031**	**699**	**1,844**	**1,488**
Variable rate				
Medium-term loan (financing of Epsilon acquisition)[3]	150	-	150	-
Other borrowings and credit lines	17	10	7	-
Bank overdrafts	3	3	-	-
Cash and cash equivalents	(3,700)	(3,700)	-	-
Other financial assets	(232)	(232)	-	-
Net variable-rate liabilities (assets)	**(3,762)**	**(3,919)**	**157**	**-**

(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%.

(3) The medium-term loan (Epsilon acquisition financing) is at variable EURIBOR plus credit spread.

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Exposure to exchange rate risk

/ Net assets

The table below shows the Groupe's net assets at December 31, 2020 broken down by principal currencies:

(in millions of euros)	Total at December 31, 2020	Euro(1)	US dollar	Pound sterling	Brazilian real	Yuan	Other
Assets	30,161	2,992	17,692	1,746	279	1,370	6,082
Liabilities	23,001	2,436	15,358	1,153	138	966	2,950
Net assets	**7,160**	**556**	**2,334**	**593**	**141**	**404**	**3,132**
Effect of foreign exchange hedges(2)	-	605	(572)	70	-	2	(105)
Net assets after hedging	**7,160**	**1,161**	**1,762**	**663**	**141**	**406**	**3,027**

(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:

	2020	2019
Euro	13%	15%
US dollar	58%	52%
Pound sterling	8%	9%
Other	21%	23%
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 72 million on consolidated revenue for 2020;
- euro 12 million on the operating margin for 2020.

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 derivative financial instruments 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)	2020	2019
Amounts not yet due	**6,815**	**7,204**
Overdue receivables:		
Up to 30 days	238	397
31 to 60 days	73	138
61 to 90 days	41	64
91 to 120 days	24	30
More than 120 days	151	163
Total overdue receivables	**527**	**792**
Invoiced trade receivables	**7,342**	**7,996**
Impairment	(149)	(107)
Invoiced trade receivables net	**7,193**	**7,889**

/ Disclosures regarding major clients

% of revenue	2020	2019
Five largest clients	13%	12%
Ten largest clients	20%	19%
Twenty largest clients	31%	29%
Thirty largest clients	37%	35%
Fifty largest clients	45%	42%
One hundred largest clients	56%	53%

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. As of January 1, 2020, Publicis Groupe has defined 10 key markets (country or region), which has led to operating segments being redefined. These 10 countries or regions are each run or supervised by a single person and overseen day-to-day by a single Executive Committee, bringing together members with a wide range of expertise. They are thus structured to offer our clients a broad-based solution that meets their needs.

The Groupe has therefore identified 10 operating segments corresponding to the geographic regions in which it operates: United States, Canada, United Kingdom, France, DACH (Germany, Austria and Switzerland), Asia-Pacific & Africa-Middle East, Northern and Central Europe, Western Europe, Latin America (excluding Brazil) and Brazil.

Those operating segments with similar economic characteristics (similar margins), or where the nature of services provided to clients and the type of clients at which they are aimed are similar, have been grouped into five reporting segments: North America, Europe, Asia-Pacific, Middle-East Africa and Latin America.

Reporting by region

The presentation of financial information based on the new operating segments results in the same level of information being presented as by geographic region.

/ 2020 Financial Year

(in millions of euros)	Europe	North America	Asia Pacific	Latin America	Middle East & Africa	Total
Income statement items						
Net revenue[1]	**2,278**	**5,997**	**932**	**230**	**275**	**9,712**
Revenue[1]	2,663	6,471	1,089	239	326	10,788
Depreciation and amortization expense (excluding intangibles acquired)	(269)	(231)	(74)	(14)	(12)	(600)
Operating Margin	**232**	**1,116**	**170**	**24**	**16**	**1,558**
Amortization of intangibles from acquisitions	(33)	(286)	(13)	(3)	(4)	(339)
Impairment loss	(11)	(224)	(2)	(4)	-	(241)
Non-current income and expenses	2	3	-	-	-	5
Operating income after impairment	**190**	**609**	**155**	**17**	**12**	**983**
Balance sheet items						
Intangible assets, net[2]	1,417	9,294	1,120	206	330	12,367
Property, plant and equipment, net (including right-of-use assets on leases)	797	1,209	198	30	37	2,271
Other financial assets	150	48	27	5	2	232
Disclosures in respect of the statement of cash flows						
Purchases of property, plant and equipment and intangible assets	(31)	(107)	(26)	(2)	(1)	(167)
Purchases of investments and other financial assets, net	(14)	3	2	(1)	1	(9)
Acquisitions of subsidiaries	(28)	(99)	(16)	(1)	(2)	(146)

(1) Because of the way this indicator is calculated (difference between billings and cost of billings), there are no eliminations between the different zones.
(2) The intangible assets breakdown has been restated to take into account the new organization. The presentation of the other balance sheet items was not impacted by the reorganization.

See Note 29 for information by currency on the exposure to exchange rate risk presented by liabilities.

/ 2019 Financial Year

(in millions of euros)	Europe	North America	Asia Pacific	Latin America	Middle East & Africa	Total
Income statement items						
Net revenue[(1)]	**2,630**	**5,516**	**1,006**	**326**	**322**	**9,800**
Revenue[(1)]	3,123	5,972	1,152	335	419	11,001
Depreciation and amortization expense (excluding intangibles acquired)	(251)	(228)	(75)	(17)	(15)	(586)
Operating Margin	**360**	**1,041**	**178**	**45**	**35**	**1,659**
Epsilon transaction costs		(40)				(40)
Operating margin excluding Epsilon transaction costs	**360**	**1,081**	**178**	**45**	**35**	**1,699**
Amortization of intangibles from acquisitions	(11)	(191)	(1)	(1)	-	(204)
Impairment loss	(38)	(156)	-	(1)	(14)	(209)
Non-current income and expenses	(30)	38	12	0	1	21
Operating income after impairment	**281**	**732**	**189**	**43**	**22**	**1,267**
Balance sheet items						
Intangible assets, net[(2)]	1,904	10,008	1,105	256	335	13,608
Property, plant and equipment, net (including right-of-use assets on leases)	991	1,570	187	44	50	2,842
Other financial assets	124	56	29	6	3	218
Disclosures in respect of the statement of cash flows						
Purchases of property, plant and equipment and intangible assets	(68)	(143)	(15)	(3)	(3)	(232)
Purchases of investments and other financial assets, net	19	1	1	(1)	-	20
Acquisitions of subsidiaries	(378)	(3,764)	1	(2)	-	(4,143)

(1) Because of the way this indicator is calculated (difference between billings and cost of billings), there are no eliminations between the different zones.
(2) The intangible assets breakdown has been restated to take into account the new organization. The presentation of other balance sheet items was not impacted by the reorganization.

See Note 29 for information by currency on the exposure to exchange rate risk presented by liabilities.

Note 31 Publicis Groupe SA stock option and free share plans

Two free share plans were created during 2020, with the following features:

Long-Term Incentive Plan known as the "Sapient 2020 Plan" (May 2020)

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 May 2021, 2022, 2023 and 2024);
- 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 targets achieved for 2020, 2021 and 2022. Delivery will take place at the end of a three-year period, in May 2023.

Long-Term Incentive Plan known as the "LTI Epsilon 2020 Plan" (July 2020)

The plan set up for the exclusive benefit of Publicis Epsilon executives and employees is composed of three tranches subject to a presence condition for 20% and performance conditions for 80% and distributed as follows:

- a first tranche awarded by the Management Board in July 2020, subject to targets set for 2020, deliverable in March 2021;
- a second tranche that will actually be awarded by the Management Board in March 2021, subject to targets set for 2021, and deliverable in March 2022;
- a third tranche that will actually be awarded by the Management Board in March 2022, subject to targets set for 2022 and deliverable in March 2023.

In addition, the performance of the following plans was assessed in March 2020:

- LTI 2019: the performance targets set for 2019 were 50% achieved;
- Sapient 2017, 2018 and 2019 plans: the performance targets set for 2019 were 50% achieved;
- Epsilon 2019-2021 replacement plans: the performance targets set for 2019 were 66.5% achieved.

Lastly, in December 2020, the Management Board decided to replace the 2019 Special Retention Plan with a new LTIP program from 2021. As a result, the shares to be delivered linked to the 2020 performance have been canceled.

Publicis Groupe share subscription or purchase option plans

/ Characteristics of the Publicis Groupe stock option plans as at December 31, 2020

Plans	Type(1)	Date of grant	Option exercise price (in euros)	Options outstanding at January 1, 2020	Options cancelled, lapsed or transferred(2) in 2020	Options exercised in 2020	Options remaining to be exercised at December 31, 2020	Of which exercisable at December 31, 2020	Exercise Deadline	Remaining contract life (in years)
Lionlead 3 2013-2016 France and outside France options	A	04/30/2013	52.76	1,091,937	(13,726)	-	1,078,211	1,078,211	04/30/2023	2.33
Total of all tranches				**1,091,937**	**(13,726)**		**1,078,211**	**1,078,211**		

(1) A = stock options; S = share subscription options.
(2) These relate to any transfers between French and foreign plans due to the geographic mobility of beneficiaries.

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

	2020		2019	
	Number of options	**Average exercise price** (in euros)	**Number of options**	**Average exercise price** (in euros)
Options at January 1	1,091,937	52.76	1,206,242	52.76
Options exercised(1)	-		-	
Cancelled or lapsed options	(13,726)	52.76	(114,305)	52.76
Options outstanding at December 31	**1,078,211**	**52.76**	**1,091,937**	**52.76**
Of which exercisable	*1,078,211*	*52.76*	*1,091,937*	*52.76*
(1) Average share price on exercise (in euros)		n/a		55.78

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Publicis Groupe free share plans

/ Characteristics of Publicis Groupe free share plans outstanding at December 31, 2020

Plans	Date of grant initial	Shares yet to vest as of January 1, 2020 or shares granted in 2020	Shares cancelled, lapsed or transferred[1] in 2020	Shares vested in 2020[2]	Shares yet to vest at December 31, 2020	Vesting date of shares	Remaining contract life (in years)
LTI 2015 Plan – Outside France	04/17/2015	2,500	-	(2,500)	-	05/18/2020	-
LionLead3 2016-2018 Plan – France	06/16/2016	22,395	-	(22,395)	-	06/16/2019	-
LionLead3 2016-2018 Plan – Outside France	06/16/2016	568,664	(1,544)	(567,120)	-	06/16/2020	-
Sapient 2016 Plan (4 years)	04/15/2016	59,810	(2,806)	(57,004)	-	04/15/2020	-
LTI 2017 Plan	05/18/2017	279,275	(7,450)	(271,825)	-	05/18/2020	-
Sapient 2017 Plan (4 years)	06/15/2017	81,485	(5,428)	(39,937)	36,120	06/15/2021	0.45
Sapient 2017 Plan (3 years)	06/15/2017	191,376	(27,287)	(164,089)	-	06/15/2020	-
LTI 2018 Plan	04/17/2018	326,900	(20,250)	-	306,650	04/17/2021	0.29
Sapient 2018 Plan (4 years)	04/17/2018	134,079	(12,861)	(42,477)	78,741	04/17/2022	1.29
Sapient 2018 Plan (3 years)	04/17/2018	201,619	(53,007)	-	148,612	04/17/2021	0.29
Sprint to the Future 2018-2020 – Excluding Directoire	05/18/2018	48,340	-	-	48,340	06/01/2021	0.42
LTI 2019 Plan	05/28/2019	327,450	(178,225)	-	149,225	05/28/2022	1.41
Sapient 2019 Plan (4 years)	05/28/2019	233,360	(24,746)	(54,715)	153,899	05/28/2023	2.41
Sapient 2019 Plan (3 years)	05/28/2019	335,014	(107,277)	-	227,737	05/28/2022	1.41
LTI 2019-2021 Directoire Plan	06/14/2019	170,000	-	-	170,000	05/28/2022	1.45
Star Growth Performers Plan/2019 Special Plan	05/28/2019	251,200	(22,800)	-	228,400	05/28/2022	1.41
2019 Epsilon Replacement Plan	07/15/2019	597,135	(133,719)	(126,445)	336,971	03/31/2022	1.25
2019 Special Retention Plan[3]	11/15/2019	765,110	(255,040)	-	510,070	03/31/2023[3]	2.25
Sapient 2020 Plan (4 years)	05/19/2020	240,208	(16,091)	-	224,117	05/19/2024	3.38
Sapient 2020 Plan (3 years)	05/19/2020	345,295	(24,135)	-	321,160	05/19/2023	2.38
LTI Epsilon 2020 Plan	07/20/2020	1,264,420	(32,700)	-	1,231,720	03/31/2023	2.25
Total free share plans		**6,445,635**	**(925,366)**	**(1,348,507)**	**4,171,762**		

(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) It was decided to replace the 2019 Special retention plan with a new LTIP program from 2021.

The vesting of free shares under the above plans is conditional on continued employment throughout the vesting period. Vesting is also subject to non-market performance conditions for LTI 2017 to 2019, LTI 2019-2021 Directoire, Sapient 2017 to 2020 plans with a three-year vesting period, the 2019 Epsilon Replacement Plan, the 2019 special retention plan and the 2020 Epsilon LTI.

/ Movements in Publicis Groupe free share plans over the last two financial years

	2020	2019
Grants at January 1	**4,595,712**	**7,399,011**
Grants during the year	1,849,923	2,747,940
Deliveries	(1,348,507)	(1,045,787)
Grants lapsed	(925,366)	(4,505,452)
Grants at December 31	**4,171,762**	**4,595,712**

/ Fair value of free Publicis Groupe shares granted during financial year 2020

Free shares	Sapient 2020 (4 years)	Sapient 2020 (3 years)(1)	LTI Epsilon 2020(2)
Date of Management Board meeting	05/19/2020	05/19/2020	07/20/2020
Number of shares originally granted	240,208	345,295	1,264,420
Initial valuation of shares granted (weighted average, in euros)	22.18	21.35	24.28
Share price on the grant date (in euros)	26.00	26.00	27.42
Vesting period (in years)	1 to 4	3	1 to 3

(1) Conditional shares for which vesting is subject to the achievement of targets set for the years 2020 to 2022.
(2) Some shares are subject to the achievement of targets set for the year 2020.

Effect of share subscription or stock option plans and free share plans on profit (loss)

The total impact of these plans on the 2020 income statement was euro 55 million (excluding taxes and social security charges), compared to euro 49 million in 2019 (see Note 4).

With regard to the free share plans granted subject to performance conditions, and for which performance has not yet been definitively measured as of December 31, 2020, the probability of meeting the targets set in respect of the calculation of the 2020 expense has been estimated as follows:

- for performance plans measured over a one-year period, in respect of 2020 performance:
  - Sapient 2018, 2019 and 2020 performance plans: 100%,
  - 2019-2021 Epsilon Replacement Plan and LTI Epsilon 2020 Plan: 100%,
  - 2019 Special Retention Plan: 100%;
- for performance plans measured over a three-year period, in respect of the three-year period performance:
  - LTI 2019-2021 Directoire Plan: 100%.

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Note 32 Information on related-party transactions

/ Transactions with associates

	December 31, 2020		December 31, 2019	
	Revenue	Expenses	Revenue	Expenses
Viva Tech[1]	2	-	12	-
Burrell Communications Group	2	-	-	2
Total	**4**	**-**	**12**	**2**

(1) Joint-venture between Publicis and Les Échos Solutions.

	December 31, 2020		December 31, 2019	
	Receivables/ Loans	Liabilities	Receivables/ Loans	Liabilities
OnPoint	14	1	14	1
Viva Tech[1]	1	-	-	2
ZAG	5	-	5	-
I7 Sapient	-	-	2	-
Burrell Communications Group	-	1	-	1
Other	-	-	1	-
Total	**20**	**2**	**22**	**4**

(1) Joint-venture between Publicis 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 Mr. 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), 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 2020 amounted to euro 6 million.

Compensation of managers

Managers include individuals who were members of the Supervisory Board or Management Board, at the reporting date or during the year ended.

(in millions of euros)	2020	2019
Total gross compensation[1]	(11)	(12)
Share-based payment[2]	(2)	(1)

(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, 2020 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, 2019.

Note 33 Subsequent events

On January 27, 2021, Epsilon Data Management LLC was ordered to pay the sum of USD 150 million (a penalty of USD 22.5 million and compensation of USD 127.5 million) as part of an investigation by the Department of Justice in the United States. The risk identified at the time of the acquisition of Epsilon was covered in the sale agreement entered into with Alliance Data Systems Corporation (ADS) by an indemnification clause under which ADS undertook to indemnify Publicis for all financial consequences related to this investigation. As of December 31, 2020, other creditors and current liabilities included a debt of euro 132 million (USD 150 million) to meet this obligation. A receivable of the same amount corresponding to the compensation to be received from ADS is presented in other current receivables and current assets.

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 2020 and 2019 financial years were:

	Ernst & Young				Mazars				Total			
	Amount (excl. taxes)		%		Amount (excl. taxes)		%		Amount (excl. taxes)		%	
(in millions of euros)	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Statutory auditors												
Publicis Groupe SA (parent company)	0.7	0.8	12%	12%	0.4	0.4	9%	9%	1.1	1.2	11%	11%
Account certification	*0.7*	*0.7*			*0.4*	*0.4*			*1.1*	*1.1*		
Other services	*0.0*	*0.1*			*0.0*	*0*			*0.0*	*0.1*		
Subsidiaries	0.2	0.3	4%	4%	0.5	0.6	12%	14%	0.8	0.9	7%	8%
Account certification	*0.2*	*0.2*			*0.5*	*0.6*			*0.7*	*0.8*		
Other services	*0.0*	*0.1*			*0.0*	*0*			*0.1*	*0.1*		
Subtotal	**0.9**	**1.1**	**16%**	**16%**	**0.9**	**1.0**	**21%**	**23%**	**1.9**	**2.1**	**18%**	**19%**
Network												
Account certification	*4.5*	*4.3*	*76%*	*64%*	*3.4*	*3.2*	*77%*	*75%*	*7.9*	*7.5*	*77%*	*68%*
Other services	*0.5*	*1.3*	*8%*	*20%*	*0.1*	*0.1*	*2%*	*2%*	*0.6*	*1.4*	*5%*	*13%*
Subtotal	**5.0**	**5.6**	**84%**	**84%**	**3.5**	**3.3**	**79%**	**77%**	**8.5**	**8.9**	**82%**	**81%**
Total	**6.0**	**6.7**	**100%**	**100%**	**4.4**	**4.3**	**100%**	**100%**	**10.4**	**11.0**	**100%**	**100%**

Note 35 List of the main consolidated companies at December 31, 2020

Fully consolidated companies

The companies listed below are our operating companies with 2020 revenue of at least euro 10 million.

Name	% control	% interest	Country
Metrobus Publicité SA	67.00%	67.00%	France
Publicis Conseil SA	99.99%	99.99%	France
Publicis Consultants France SARL	99.99%	99.99%	France
Services Marketing Diversifiés(1)	99.99%	99.99%	France
Saatchi & Saatchi SAS	100.00%	100.00%	France
Publicis Media France SA	100.00%	100.00%	France
Publicis.Sapient France	100.00%	100.00%	France
Publicis Sapient France DBT(1)	100.00%	100.00%	France
Epsilon Paris SAS	100.00%	100.00%	France
Marcel SAS	99.99%	99.99%	France
Independence Media SAS	100.00%	100.00%	France
Advance Marketing SAS	100.00%	100.00%	France
Prodigious France SARL	100.00%	100.00%	France
Epsilon Lille(1)	100.00%	100.00%	France
MMS Communication South Africa (Pty) Ltd	84.00%	70.35%	South Africa
MetaDesign GmbH	100.00%	100.00%	Germany
CNC AG	100.00%	100.00%	Germany
Zenithmedia Dusseldorf GmbH	100.00%	100.00%	Germany
Saatchi & Saatchi GmbH	100.00%	100.00%	Germany
MSLGROUP Germany GmbH(1)	100.00%	100.00%	Germany
Starcom Germany GmbH	100.00%	100.00%	Germany
Publicis Platform GmbH(1)	100.00%	100.00%	Germany
Sapient GmbH	100.00%	100.00%	Germany
Publicis Pixelpark GmbH	100.00%	100.00%	Germany
Publicis Media GmbH	100.00%	100.00%	Germany
Digitas Pixelpark GmbH	100.00%	100.00%	Germany
Abdulkader Suleiman El Khereiji & Brothers Advertising Company	100.00%	100.00%	Saudi Arabia
Publicis Red Lion Australia(1)	100.00%	100.00%	Australia
Publicis Communications Australia Pty Ltd(1)	100.00%	100.00%	Australia
Publicis Media Australia Pty Ltd(1)	100.00%	100.00%	Australia
Publicis Sapient Australia Pty Ltd(1)	100.00%	100.00%	Australia
MMS communications Belgium SPRL	100.00%	100.00%	Belgium
PBC Comunicacao Ltda	100.00%	100.00%	Brazil

(1) Companies on the 2020 list but not on the 2019 list.

Name	% control	% interest	Country
Talent Marcel Comunicacao e Planejamento Ltda	99.78%	99.78%	Brazil
DPZ&T Comunicacoes Ltda	98.25%	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.(1)	100.00%	100.00%	Canada
Sapient Canada Inc.	100.00%	100.00%	Canada
GB/2 Inc.	100.00%	100.00%	Canada
Nurun Inc.	100.00%	100.00%	Canada
Publicis Advertising Co. Ltd	100.00%	100.00%	China
Saatchi & Saatchi Great Wall Advertising Co. Ltd	100.00%	100.00%	China
Leo Burnett Shanghai Advertising Co. Ltd	100.00%	100.00%	China
MSLGROUP Public relations consultancy Bejing Co	100.00%	100.00%	China
Publicis.Sapient China Co. Ltd	100.00%	100.00%	China
MMS Communicaciones Colombia SAS	100.00%	100.00%	Colombia
Leo Burnett Korea	100.00%	100.00%	South Korea
Publicis Communications FZ LLC(1)	100.00%	100.00%	United Arab Emirates
Publicis Sapient FZ LLC	100.00%	100.00%	United Arab Emirates
Publicis Middle East FZ LLC	100.00%	100.00%	United Arab Emirates
Publicis Media FZ LLC	100.00%	100.00%	United Arab Emirates
Starcom MediaVest Group Iberia SL	100.00%	100.00%	Spain
Zenith Media SL	100.00%	100.00%	Spain
MSLGROUP Americas LLC(1)	100.00%	100.00%	United States
Publicis Inc.(1)	100.00%	100.00%	United States
Publicis Media, Inc.(1)	100.00%	100.00%	United States
VNC Communications Inc.(1)	100.00%	100.00%	United States
Blue 449 Inc.(1)	100.00%	100.00%	United States
Rauxa Agency, LLC	100.00%	100.00%	United States
Vertiba LLC	100.00%	100.00%	United States
Run, Inc.	100.00%	100.00%	United States
Rokkan Media LLC	100.00%	100.00%	United States
MRY US LLC	100.00%	100.00%	United States
Moxie Marketing Services LLC	100.00%	100.00%	United States
Martin Retail Group	70.00%	70.00%	United States
Kekst & Company Inc.	100.00%	100.00%	United States

(1) Companies on the 2020 list but not on the 2019 list.

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Name	% control	% interest	Country
Publicis Hawkeye Inc.	100.00%	100.00%	United States
Leo Burnett Company Inc.	100.00%	100.00%	United States
Publicis USA Production Solutions Inc.	100.00%	100.00%	United States
Publicis Health LLC	100.00%	100.00%	United States
MediaVest Worldwide Inc.	100.00%	100.00%	United States
Saatchi & Saatchi North America Inc.	100.00%	100.00%	United States
Digitas Inc.	100.00%	100.00%	United States
Zenith Media Services Inc.	100.00%	100.00%	United States
Conill Advertising Inc.	100.00%	100.00%	United States
Saatchi & Saatchi X Inc.	100.00%	100.00%	United States
Leo Burnett Detroit Inc.	100.00%	100.00%	United States
Starcom Worldwide Inc.	100.00%	100.00%	United States
GroupeConnect LLC	100.00%	100.00%	United States
Harbor Picture Company	100.00%	100.00%	United States
APEX Exchange LLC	100.00%	100.00%	United States
Epsilon Data Management LLC	100.00%	100.00%	United States
Conversant LLC.	100.00%	100.00%	United States
Catapult Integrated Services LLC	100.00%	100.00%	United States
Epsilon Agency LLC	100.00%	100.00%	United States
Commission Junction LLC	100.00%	100.00%	United States
Sapient Corporation	100.00%	100.00%	United States
Sapient Government Services Inc.	100.00%	100.00%	United States
La Communidad Corporation	100.00%	100.00%	United States
Fallon Group Inc.	100.00%	100.00%	United States
Bartle Bogle Hegarty Inc.	100.00%	100.00%	United States
3 Share Inc.	100.00%	100.00%	United States
Publicis Health Media LLC	100.00%	100.00%	United States
Alpha 245 Inc.	100.00%	100.00%	United States
LVL Sunset LLC	100.00%	100.00%	United States
Denuo Ltd	100.00%	100.00%	Hong Kong
MMS Communications Hungary Kft	100.00%	100.00%	Hungary
TLG India Pvt Ltd	100.00%	100.00%	India
BBR Baumann Ber Rivnay Ltd	100.00%	98.04%	Israel
Zenith Italy Srl	100.00%	100.00%	Italy
Publicis Srl	100.00%	100.00%	Italy
Leo Burnett Company Srl	100.00%	100.00%	Italy
Publicis Sapient Italy Srl	100.00%	100.00%	Italy

(1) Companies on the 2020 list but not on the 2019 list.

Name	% control	% interest	Country
Starcom MediaVest Group Italia Srl	100.00%	100.00%	Italy
Publicis Media Italy Srl	100.00%	100.00%	Italy
Beacon Communications KK	66.00%	66.00%	Japan
MMS Communications KK	100.00%	100.00%	Japan
Star Reacher Advertising (M) Sdn Bhd	100.00%	100.00%	Malaysia
Lion Communications Mexico – LEG	100.00%	100.00%	Mexico
Starcom Worldwide SA de CV	100.00%	100.00%	Mexico
Lion Communications Norway AS	100.00%	100.00%	Norway
MMS New Zealand Ltd	100.00%	100.00%	New Zealand
MMS Communications Netherlands BV	100.00%	100.00%	The Netherlands
DMX Media BV	100.00%	100.00%	The Netherlands
Badillo Saatchi & Saatchi, Inc.(1)	100.00%	100.00%	Peru
Starcom sp z.o.o	100.00%	100.00%	Poland
Saatchi & Saatchi IS sp. Zoo	100.00%	100.00%	Poland
Lions Communications s.r.o.	100.00%	100.00%	Czech Republic
Publicis Ltd	100.00%	100.00%	United Kingdom
Epsilon International UK Ltd.(1)	100.00%	100.00%	United Kingdom
Saatchi & Saatchi Group Ltd	100.00%	100.00%	United Kingdom
Zenith UK Ltd	100.00%	100.00%	United Kingdom
Leo Burnett Ltd	100.00%	100.00%	United Kingdom
PG Media Services Ltd	100.00%	100.00%	United Kingdom
Publicis Healthcare Communications Group Ltd	100.00%	100.00%	United Kingdom
Prodigious UK Ltd	100.00%	100.00%	United Kingdom
Zenith International Ltd	100.00%	100.00%	United Kingdom
Conversant Europe Ltd	100.00%	100.00%	United Kingdom
Sapient Limited UK	100.00%	100.00%	United Kingdom
DigitasLBi Ltd	100.00%	100.00%	United Kingdom
CNC Communications & Network Consulting Ltd	100.00%	100.00%	United Kingdom
BBH Partners LLP	100.00%	100.00%	United Kingdom
Spark Foundry Limited	100.00%	100.00%	United Kingdom
Publicis Media Exchange Media Ltd	100.00%	100.00%	United Kingdom
Lion Communication Services SA	51.05%	51.05%	Romania
Lion Communications LLC	100.00%	100.00%	Russia
MMS Communications Singapore Pte Ltd	100.00%	100.00%	Singapore
BBH Communications (Asia Pacific) Pte Ltd	100.00%	100.00%	Singapore
Publicis Media Sweden AB	100.00%	100.00%	Sweden
Publicis Media Switzerland AG	100.00%	100.00%	Switzerland

(1) Companies on the 2020 list but not on the 2019 list.

Name	% control	% interest	Country
Sapient Switzerland GmbH	100.00%	100.00%	Switzerland
Publicis Communications Lausanne SA	100.00%	100.00%	Switzerland
Publicis Communications Schweiz AG	100.00%	100.00%	Switzerland
Leo Burnett Company Ltd	100.00%	100.00%	Taiwan
Denuo Ltd Taiwan Branch	100.00%	100.00%	Taiwan
Star Reachers Group Co	100.00%	100.00%	Thailand
MMS Communications Vietnam Company	76.50%	76.50%	Vietnam

(1) Companies on the 2020 list but not on the 2019 list.

/ Main investment in associates

Name	% control	% interest	Country
Burrell Communications Group	49.00%	49.00%	United States
Jana Mobile Inc.	21.00%	21.00%	United States
OnPoint Consulting Inc.(1)	0.00%	100.00%	United States
Somupi SA	34.00%	34.00%	France
Insight Redefini Ltd	25.00%	25.00%	Nigeria
Viva Tech(2)	50.00%	50.00%	France

(1) Although this company is wholly-owned, it is not, however, controlled by the Groupe, which only has a significant influence.
(2) Joint-venture between MSL France and Les Échos Solutions.

6.7 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2020

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 regulation and French law, such as information about the appointment of the statutory auditors or verification of the information concerning the Groupe presented in the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Annual General Meeting of Publicis Groupe

I. Opinion

In compliance with the engagement entrusted to us by your Annual General Meetings, we have audited the accompanying consolidated financial statements of Publicis Groupe for the year ended December 31, 2020.

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 Groupe as at December 31, 2020 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

II. Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the statutory auditors' Responsibilities for the Audit of the Consolidated Financial Statements' section of our report.

Independence

We conducted our audit engagement in compliance with independence requirement rules required by the French Commercial Code *(Code de commerce)* and the French Code of Ethics *(code de déontologie)* for statutory auditors, for the period from January 1, 2020 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014.

III. Justification of Assessments – Key Audit Matters

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organisation and the performance of the audits.

It is this complex and evolving context that, in accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code *(Code de commerce)* relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Revenue recognition

(Notes 1.3 "Revenue", "Assets on contracts" and "Liabilities on contracts" and 26 "Liabilities on contracts" to the consolidated financial statements)

Risk identified	Total revenue amounts to €10,788 million as of December 31, 2020 in the consolidated financial statements. Service contracts between the Groupe and its clients include specific contractual terms. Accounting standards related to the recording of this type of contracts require a detailed analysis of contractual obligations and criteria when control of a service is passed to the customer, particularly in case of complex contracts. An error in the analysis of contractual obligations and terms for determine when control of a service is passed to the customer may lead to an error in revenue recognition. Consequently, we consider revenue recognition to be a key audit matter.
Our response	• For each type of contract, we obtained an understanding of the revenue recognition process established by the management, from the conclusion of the agreement, through the performance of the services, invoicing and booking the corresponding entries in the accounts, to the receipt of payment. • We evaluated the key controls concerning the processes and information systems relating to revenue. • We assessed the appropriateness and correct application of the accounting principles and methods relating to revenue recognition. • We performed tests of details on accounting for revenue by reference to the signed agreements as well as other external supporting evidence. We also assessed the proper cut-off of accounting periods. • We have assessed the contractual documentation and the analysis made by the Groupe, including the recoverability of trade receivables and WIP balances.

Valuation of goodwill and intangible assets

(Notes 1.3 "Goodwill", 6 "Depreciation, amortization and impairment loss", 11 "Goodwill" and 12 "Intangible assets, net" to the consolidated financial statements)

Risk identified	• The business development of Publicis Groupe notably involves external growth transactions. These acquisitions have resulted in the recording of significant goodwill and intangible assets in the consolidated balance sheet. • As of December 31, 2020, net goodwill amounts to €10,858 million in the consolidated balance sheet. • Publicis Groupe performs impairment tests at least once a year. An impairment loss is recognized whenever the recoverable amount is below the carrying amount, the recoverable amount being the higher of value in use and fair value less transaction costs. • As part of the launch of its country model, which became fully operational as of January 1, 2020, Publicis Groupe defined cash-generating units corresponding to the ten key markets in which the Groupe operates and to which goodwill has been reallocated. Impairment tests of these ten cash-generating units were performed prior to this reallocation and no impairment was identified at the date of reallocation. • The valuation of the recoverable amount of these assets involves the use of numerous estimates and judgments from the management, in particular the assessment of the competitive, economic and financial environment in the countries where the Groupe operates, the effects of Covid-19 economic crisis, the Groupe's ability to generate operating cash flow as a result of strategic plans, in particular the levels of revenue and operating margin, and the determination of discount and growth rates. • The impairment tests on goodwill resulted in Publicis Groupe recognizing a loss of €15 million in 2020. • As of December 31, 2020, net intangible assets amount to €1,509 million. To be noted that the amortisation charge relating to Epsilon intangibles amounts to €196 million, including an accelerated amortisation charge of €64 million following the completion of an impairment test to align the carrying amounts with their recoverable amounts. • We consider that the valuation of goodwill and intangible assets constitutes a key audit matter, given the sensitivity of these items to the assumptions used by the management and the materiality of the amount of these in the consolidated financial statements.

Our response	• We obtained an understanding of the procedure and key controls set up by the management to perform the impairment tests and notably for the determination of the cash flows used to calculate the recoverable amount.
	• We assessed the terms and conditions of the reallocation of goodwill carried out on 1 January 2020 and the absence of impairment to be recognised at the date of the reallocation.
	• In order to assess the reliability of the business plans data used to calculate the recoverable amount:
	  • we compared the 2021 financial projections with the previous financial projections and with the actual results for the fiscal years concerned;
	  • we conducted interviews with the independent expert engaged by Publicis Groupe for impairment tests' purposes and with the financial and operational managers of Publicis Groupe to evaluate the main assumptions used in the five years business plans that take into account Covid-19 economic crisis effects, and compare these with the explanations obtained;
	  • we compared the main assumptions used by the management of Publicis Groupe concerning revenue, operating margin and investments with external data when available, such as market studies or analysts' reports;
	  • we evaluated the sensitivity analyses performed by the independent expert and carried out our own sensitivity analyses on the key assumptions in order to assess the potential impacts of these assumptions on the conclusions of the impairment tests.
	• Concerning the models used to determine the recoverable amounts, we involved our valuation experts in order to:
	  • test the mathematical reliability of the models and re-calculate the significant amounts;
	  • evaluate the methods used to determine the discount and infinite growth rates, compare these rates with market data or external sources and re-compute these rates using our own data sources.
	  • We also assessed the appropriateness of the information set out in note 6 to the consolidated financial statements, which discloses the main assumptions used to determine the recoverable amounts.

Provisions for risks and litigation & uncertainty over income tax treatments

(Notes 1.3 "Provisions", 9 "Income tax" and 21 "Provisions for risks and litigation" to the consolidated financial statements)

Risk identified	Publicis Groupe operates in more than 100 countries and is therefore subject to varying, complex and constantly changing laws and regulations (including tax legislation). Furthermore, within the framework course of its activity, Publicis Groupe, its subsidiaries or its clients may face, on its own or jointly with other parties, legal actions brought by third parties, by competitors of its clients, by an administrative or regulatory authority or by a consumer association. Management's evaluation of the associated risks has led Publicis Groupe to recognize provisions for risks and litigation in the amount of €115 million as at December 31, 2020, and to recognize some uncertain income tax liability in the amount of €196 million as at December 31, 2020. In view of the materiality of these provisions, the uncertainty regarding the outcome of the proceedings initiated and the high degree of judgment used by the management to estimate the risks and the amounts recognized, we consider the risks and litigations and the understatement of the corresponding provisions to be a key audit matter.

Our response	• We assessed the procedures implemented by the management in order to identify and list all the risks related to lawsuits or to commercial, regulatory or tax disputes.
	• We obtained an understanding of the internal reports on the disputes prepared by the local teams and compiled by the Legal Department.
	• We assessed the estimate of costs related to these risks:
	  • by considering the risk analysis performed by Publicis Groupe and by discussing each significant dispute, whether at the litigation or pre-litigation stage, with the Legal Department and, when applicable, the tax department of the Company and its subsidiaries;
	  • by inquiring the external advisers of Publicis Groupe or by obtaining legal advice on the most significant disputes.
	• We have assessed the appropriateness of the information provided in the notes to the consolidated financial statements concerning the risks related to a lawsuit or a commercial, regulatory or tax dispute.

IV. Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the Groupe's information given in the management report.

We have no matters to report as to their fair presentation and their consistency with the consolidated financial statements.

We attest that the consolidated non-financial statement required by Article L. 225-102-1 of the French Commercial Code *(Code de commerce)* is included in the Groupe's information given in the management report, it being specified that, in accordance with Article L. 823-10 of this 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

Appointment of the statutory auditors

We were appointed as statutory auditors of Publicis Groupe by your Annual General Meeting held on June 25, 1981 for MAZARS and on June 4, 2007 for ERNST & YOUNG et Autres.

As at December 31, 2020, MAZARS and ERNST & YOUNG et Autres were in the 40th year and 14th year of total uninterrupted engagement respectively (ERNST & YOUNG Audit having previously served as statutory auditor of Publicis Groupe from 2001 to 2006).

Format of presentation of the financial statements intended to be included in the annual financial report

In accordance with Article 222-3, III of the AMF General Regulation, the Company's management informed us of its decision to postpone the presentation of the financial statements in compliance with the European single electronic format as defined in the European Delegated Regulation No 2019/815 of 17 December 2018 to years beginning on or after January 1st, 2021. Therefore, this report does not include a conclusion on the compliance with this format of the presentation 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)*.

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 risks 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 taken 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 Groupe 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, if any, significant deficiencies 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 such as they are set in particular by Articles L. 822-10 to L. 822-14 of the French Commercial Code *(Code de commerce)* and in the French Code of Ethics *(code de déontologie)* for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris-La Défense and Courbevoie, February 3, 2021

The Statutory Auditors

French original signed by

MAZARS		ERNST & YOUNG et Autres	
Olivier Lenel	Ariane Mignon	Nicolas Pfeuty	Valérie Desclève

CHAPITRE

7

2020 ANNUAL FINANCIAL STATEMENTS

7.1 INCOME STATEMENT

(in thousands of euros)	Note	2020	2019
Billings (goods and services)	3	24,650	27,016
Reversal of provisions and expense transfers	4	36,378	26,121
Other income		0	(1,043)
Total operating income		**61.028**	**54,180**
Other purchases and external charges		(11,609)	(16,121)
Taxes other than income taxes		(1,923)	(1,412)
Personnel costs	5	(39,303)	(29,016)
Depreciation & amortization and increases in provisions		(2,385)	(2,934)
Other expenses		(2,688)	(3,378)
Total operating expenses		**(57,908)**	**(52,861)**
Operating income (expense)		**3,120**	**(1,319)**
Investment income		178,203	269,077
Interest and other financial income		3,290	520
Reversal of financial provisions		2,375	7,575
Total financial income		**183,868**	**277,172**
Depreciation & amortization and increases in provisions		(4,042)	(5,496)
Interest and other financial expenses		(124,309)	(98,924)
Total financial expenses		**(128,351)**	**(104,420)**
Financial income (expense)	6	**55,517**	**172,752**
Pre-tax profit		**58,637**	**174,071**
Exceptional expenses on capital transactions		0	0
Total exceptional expenses		**0**	**0**
Exceptional items	7	**0**	**0**
Income taxes	8	**5,133**	**13,855**
Net income for the year		**63,770**	**187,926**

7.2 BALANCE SHEET

(in thousands of euros)	Note	December 31, 2020	December 31, 2019
ASSETS			
Intangible assets:	9.1		
Concessions and business goodwill		2,991	2,991
Other intangible assets		507	507
Amortization		(1,425)	(1,385)
Property, plant and equipment:	9.2		
Land		2,291	2,291
Buildings		3,044	3,044
Machinery and equipment		1,133	1,133
Other		37,142	36,152
Depreciation of property, plant and equipment		(32,601)	(30,368)
Investments and other financial assets:			
Long-term equity investments	9.3	5,637,897	5,637,897
Impairment on investments	9.3	(98,115)	(98,115)
Loans and receivables owed by associates and non-consolidated companies	9.4	1,757,169	2,067,174
Other non-current securities	9.5	0	1,093
Loans and other financial assets		232	232
Impairment on investments and other financial assets		(31)	(31)
Non-current assets		**7,310,234**	**7,622,615**
Trade receivables		1,699	7,864
Other receivables		3,519	11,304
Marketable securities	10	152,876	223,320
Cash and cash equivalents		12	35
Current assets		**158,106**	**242,523**
Prepayments		380	455
Deferred expenses	11	4,848	6,834
Bond redemption premiums	12	5,129	7,138
Unrealized foreign exchange losses	13	2	133,500
Total assets		**7,478,699**	**8,013,065**

(in thousands of euros)	Note	December 31, 2020	December 31, 2019
EQUITY AND LIABILITIES			
Share capital		99,108	96,175
Additional paid-in capital		3,642,866	3,555,815
Statutory reserve		9,617	9,410
Earnings brought forward		2,229	5,945
Equity before net income		**3,753,820**	**3,667,345**
Net income for the year		63,770	187,926
Shareholders' equity	15	**3,817,590**	**3,855,271**
Provisions for liabilities and charges	16	**16,650**	**51,056**
Bonds	17	1,801,177	1,802,281
Bank borrowings and overdrafts	18	150,070	300,473
Borrowings and other financial liabilities	19	1,669,077	1,706,917
Trade payables		5,640	5,299
Income tax and social security liabilities		18,095	22,118
Other creditors	21	400	134,146
Deferred income	22	0	2,070
Liabilities		**3,644,459**	**3,973,304**
Unrealized foreign exchange gains	23	0	133,434
Total equity and liabilities		**7,478,699**	**8,013,065**

7.3 CASH FLOWS STATEMENT

(in thousands of euros)	2020	2019
Cash flow from operating activities		
Net income for the year	**63,770**	**187,926**
Losses on disposals	1,002	1,082
(Reversals)/increases, net of increases/reversals	(34,336)	(13,039)
Transfer to deferred expenses, net of amortization/depreciation	1,986	(1,377)
Amortization of redemption premiums on the Eurobond issue	2,009	1,986
Cash flow	**34,331**	**176,578**
Change in working capital requirements	865	14,529
Net cash flows generated by (used in) operating activities (I)	**35,196**	**191,107**
Cash flow from investing activities		
Purchases of property, plant and equipment and intangible assets	(991)	(501)
Acquisitions of subsidiaries	-	-
Disposals of subsidiaries	-	-
Net cash flows generated by (used in) investing activities (II)	**(991)**	**(501)**
Cash flow from financing activities		
Dividends paid to holders of the parent company	(102,077)	(284,944)
Capital increase	626	5,429
New bonds	-	-
Increases in other borrowings/(loans)	(150,000)	300,000
Decreases in loans/(other borrowings)	138,730	49,051
Sale of treasury shares	7,806	1,823
Net cash flows generated by (used in) financing activities (III)	**(104,915)**	**71,359**
Change in cash and cash equivalents (I +II+III)	**(70,710)**	**261,965**
Net cash and cash equivalents at beginning of the year	223,643	(38,322)
Net cash and cash equivalents at end of the year	152,933	223,643
Change in cash and cash equivalents	**(70,710)**	**261,965**

7.4 NOTES TO THE FINANCIAL STATEMENTS OF PUBLICIS GROUPE SA

DETAILED SUMMARY OF THE NOTES TO THE FINANCIAL STATEMENTS

The Company's primary business consists in managing its investments and providing services to Groupe companies.

Additionally, and to a lesser extent, the Company receives rental income from leasing the building it owns in Paris, at 133 avenue des Champs-Élysées.

Note 1 Significant events during the financial year

Publicis Groupe SA preventatively drew its euro 2 billion (USD 2.2 billion) revolving credit line in response to any potential short-term impact of the global pandemic on its activities: for a three-month period beginning on March 20 for the whole line, then a three-month period beginning on June 20 for only half of this amount, *i.e.* USD 1.1 billion. As of December 31, 2020, the credit line had been repaid in full.

The subsidiary of Publicis Groupe SA, MMS Multi Market Services Ireland, repaid the two loans of respectively USD 869,050,000 and USD 741,270,000 that had been granted to it as part of the Sapient acquisition and the corresponding cross-currency swaps were unwound. A new loan was granted for an amount of euro 1.3 billion.

Note 2 Accounting policies, rules and methods

The parent company financial statements for the 2020 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 2020 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:

- 50 years: Building on avenue des Champs-Élysées, Paris
- 10 to 20 years: Fixtures, fittings and general installations
- 10 years: Machinery and equipment
- 7 years: Carpets
- 4 years: Vehicles
- 3 years: IT equipment

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 at the exchange rate applicable on the date of the transaction.

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, with the increase in the amount of the provision resulting from the unwinding of the discounting being recognized under financial expenses.

Contingent liabilities are not recognized but, where 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 embody the symmetry effect at the level of the "Unrealized foreign exchange – Gains/Losses" on the balance sheet;
- realized gains and losses are recorded symmetrically on the hedged item.

Financial income (expense)

Financial income is recognized by applying the usual rules, namely:

- dividends: on the date the distribution is approved by the General Shareholders' Meeting;
- financial income on current accounts, time deposits and bonds: as, and when, income is acquired;
- interest and dividends on marketable securities: on the date of receipt.

Financial expenses relating to the Eurobond 2021 and 2024 are presented, where applicable, inclusive of the interest income (expense) arising from the interest rate swaps.

It should, moreover, be noted that the swaps connected with the two aforementioned bonds are treated as hedges of loans in dollars recognized as assets.

Exceptional items

These include capital gains and losses on the sale of property, plant and equipment, and intangible and financial assets.

Note 3 Revenue

Billings are mainly composed of:

- rent received from the building at 133 avenue des Champs-Élysées in Paris, France;
- services invoiced to Groupe companies.

Note 4 Reversal of provisions and expense transfers

Expense transfers mainly include re-invoicing of Groupe companies for the allocation of free Publicis Groupe shares to certain key Groupe managers under co-investment programs (free share and stock options parts).

Note 5 Personnel costs

In 2020, personnel expenses include the compensation of the Chairman of the Management Board and related expenses. They also include the costs related to 2020 free share or stock option plans, amounting to euro 36,323,970, the delivery of which in existing shares results in a charge to the income statement. In 2019, the costs associated with these plans amounted to euro 25,934,131.

Note 6 Net financial income (expense)

(in thousands of euros)	2020	2019
Dividends	105,784	203,011
Other income from investments	72,419	66,066
Investment income	**178,203**	**269,077**
Other financial income	3,290	464
Foreign exchange gains	-	56
Interest and other financial income	**3,290**	**520**
Amortization of the 2024 swap balancing payment	2,060	416
Reversal of impairment for marketable securities	288	7,156
Reversal of other financial provisions	27	3
Reversal of financial provisions & expense transfers	**2,375**	**7,575**
Total financial income	**183,868**	**277,172**
Bond-related amortization	(3,995)	(5,179)
Increases in provisions for foreign exchange losses	-	(27)
Increase in provisions for impairment of marketable securities	(45)	(288)
Increase in other financial provisions	(2)	(2)
Amortization and increases in provisions	**(4,042)**	**(5,496)**
Bond-related expenses	(45,516)	(47,201)
Expenses on unwinding of swaps	(16,462)	-
Charges on the drawdown of the euro 2 billion credit line	(8,818)	-
Other financial expenses	(53,508)	(51,622)
Foreign exchange losses	(5)	(101)
Interest and other financial expenses	**(124,309)**	**(98,924)**
Total financial expenses	**(128,351)**	**(104,420)**
Financial income (expense)	**55,517**	**172,752**

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Note 7 Exceptional items

There were no exceptional items in financial year 2020. This result was also zero in 2019.

Note 8 Income taxes

The income statement shows a tax income amount of euro 5,132,535. This amount mainly corresponds to the tax consolidation gain recognized as income in the financial statements of the tax group's parent company, in accordance with the tax consolidation agreements signed with the member companies, totaling euro 4,817,535.

The Company, which is the parent company of the French tax group (comprising 25 entities including Publicis Groupe SA), recorded a tax loss of euro 68,174,466 in 2020.

Tax loss carryforwards of the French tax group, which can be carried forward without any time limit, amounted to euro 312,399,962 at December 31, 2020.

Note 9 Non-current assets

9.1 Intangible assets

There were no acquisitions or disposals during financial year 2020. The balance at December 31, 2020 stands at euro 3,498,498, the same as at December 31 of the previous financial year.

9.2 Property, plant and equipment

In the 2020 financial year, euro 990,707 were invested in fixtures.

In 2019, this figure amounted to euro 500,984.

9.3 Long-term equity investments

At December 31, 2020, long-term equity investments amounted to euro 5,637,897,223. This was unchanged from December 31, 2019. The same applies to provisions for impairment, which stood at euro 98,115,000 at December 31, 2020.

9.4 Loans and receivables due from associates and non-consolidated companies

(in thousands of euros)	December 31, 2020	December 31, 2019
Loan to MMS Multi Market Services Ireland	-	1,433,434
Loan to MMS Multi Euro Services	1,573,634	273,634
Loan to MMS France Holdings	30,249	30,249
Loan to Publicis Groupe Investments BV	-	221,980
Multi Market Services Ireland current account	466	519
MMS France Holdings current account	144,579	98,299
Interest receivable	8,241	9,059
Total	**1,757,169**	**2,067,174**

The two loans granted to MMS Multi Market Services Ireland as part of the acquisition of Sapient Corporation, for respectively USD 868,500,000 and USD 741,270,000, were repaid early on December 16, 2020. The corresponding cross-currency swaps were unwound on the same date.

A loan of euro 1,300,000,000 was granted to MMS Multi Euro Services.

The loan of euro 491,980,000 granted to Publicis Groupe Investments BV, which had been repaid in the amount of euro 270,000,000 during the 2019 financial year, was repaid in full in December for euro 221,980,000.

9.5 Other non-current securities

This account contained treasury shares held for exchange in external growth operations.

The 23,328 shares included in this item as of December 31, 2019 for a value of euro 1,093,422 were reallocated to marketable securities (see Note 10).

Note 10 Marketable securities

Marketable securities broke down as follows at December 31, 2020:

(in thousands of euros)	December 31, 2020	December 31, 2019
Excluding liquidity contract:		
• Treasury shares	137,803	207,489
Held under the liquidity contract:		
• Money UCITS funds	12,290	4,484
• Treasury shares	2,828	11,635
Provisions for impairment:		
• Excluding liquidity contract	-	-
• Held under the liquidity contract	(45)	(288)
Total marketable securities (net amount)	**152,876**	**223,320**

The movements for the financial year and position at the reporting date for available-for-sale securities (excluding the liquidity contract) are summarized in the table below:

(in thousands of euros, except for share data)	Number of shares	Gross carrying amount	Impairment	Net value in balance sheet
Treasury shares held as available-for-sale securities (excluding the liquidity contract) as at December 31, 2019	**3,173,656**	**207,489**	**-**	**207,489**
Disposals (exercise of options) and delivery of free shares to employees	(1,074,183)	(70,779)	-	(70,779)
Exercise of options	-	-	-	-
Reallocation of shares from non-current securities	23,328	1,093		1,093
Treasury shares held as available-for-sale securities (excluding the liquidity contract) as at December 31, 2020	**2,122,801**	**137,803**	**-**	**137,803**

In 2020, the liquidity contract with Kepler Cheuvreux was continued.

At December 31, 2020, 68,458 shares were held under this contract (compared to 283,250 at December 31, 2019).

Note 11 Deferred expenses

This line item includes costs associated 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, 2020 were composed of:

(in thousands of euros)	December 31, 2020	December 31, 2019
Bond issuance costs	1,821	2,710
Costs of arranging credit lines	2,957	4,124
Total	**4,848**	**6,834**

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 in question.

At December 31, 2020, the issue premiums broke down as follows:

(in thousands of euros)	December 31, 2020	December 31, 2019
Eurobond 2021	595	1,211
Eurobond 2024	1,731	2,150
Eurobond 2023	2,803	3,777
Total	**5,129**	**7,138**

Note 13 Unrealized foreign exchange losses

Unrealized foreign exchange losses break down as follows:

(in thousands of euros)	December 31, 2020	December 31, 2019
Unrealized foreign exchange losses – hedging derivatives (see Note 21)	-	133,434
Unrealized foreign exchange losses – other	2	66
Total	**2**	**133,500**

Note 14 Average headcount

The Company's average headcount was one employee.

Note 15 Shareholders' equity

The Publicis Groupe SA share capital has changed as follows over the past two financial years:

Dates	Capital transactions	Changes in capital – Shares with a par value of euro 0.4: Number of shares	Par value (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, 2019					**94,100**	**235,249,801**
2019	Exercise of 177,992 warrants	183,068	73	5,356	94,173	235,432,869
	Payment of the dividend in shares	4,481,915	1,793	206,123	95,966	239,914,784
	Awarding of free shares to Groupe employees	522,277	209	-	96,175	240,437,061
2020	Exercise of 20,514 warrants	22,156	9	617	96,184	240,459,217
	Payment of the dividend in shares	7,035,496	2,814	169,274	98,998	247,494,713
	Awarding of free shares to Groupe employees	274,325	110	-	99,108	247,769,038
	Position at December 31, 2020				**99,108**	**247,769,038**

Shareholder's equity changed as follows between January 1, 2020 and December 31, 2020:

(in thousands of euros)	January 1, 2020	Allocation of 2019 net income	Exercise of stock options and creation of shares	Distribution of dividends in shares	Distribution of dividends in cash	2020 Net income	December 31, 2020
Share capital	96,175	-	119	2,814	-	-	99,108
Additional paid-in capital	3,555,815	-	617	169,274	(82,840)	-	3,642,866
Statutory reserve	9,410	207	-	-	-	-	9,617
Earnings brought forward	5,945	-	(110)	-	(3,606)	-	2,229
Subtotal	**3,667,345**	**207**	**626**	**172,088**	**(86,446)**	**-**	**3,753,820**
Net income for the year	187,926	(207)	-	(172,088)	(15,631)	63,770	63,770
Total	**3,855,271**	**-**	**626**	**-**	**(102,077)**	**63,770**	**3,817,590**

Note 16 Provisions for liabilities and charges

(in thousands of euros)	Amount at January 1, 2020	2020 increase	2020 reversal (provision used)	2020 reversal (unused provision)	Amount at December 31, 2020
Provision for risks on treasury shares and free share grants not yet vested(1)	48,820	4,714	(39,169)	-	14,365
Other provisions for risks	2,236	114	(65)	-	2,285
Total	**51,056**	**4,828**	**(39,234)**	**-**	**16,650**

(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 provision 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 17 Bonds (in thousands of euros)

Number of securities	Category of bond	December 31, 2020	December 31, 2019
7,000	Eurobond 2021 – 1.125%	700,000	700,000
6,000	Eurobond 2024 – 1.625%	600,000	600,000
5,000	Eurobond 2023 – 0.5%	500,000	500,000
	Total excluding accrued interest	**1,800,000**	**1,800,000**
	Accrued interest	1,177	2,281
	Balance sheet total	**1,801,177**	**1,802,281**

Eurobond 2021 – 1.125% and 2024 – 1.625%

This euro 1.3 billion loan issued on December 16, 2014 as part of the financing for the acquisition of Sapient, which took place in February 2015, comprises two tranches:

Eurobond 2021 – 1.125%: this euro 700 million tranche has a seven-year maturity and a fixed rate of 1.125%. It is fully redeemable at par upon maturity on December 16, 2021.

Eurobond 2024 – 1.625%: this euro 600 million tranche has a ten-year maturity and a fixed rate of 1.625%. It is fully redeemable at par upon maturity on December 16, 2024.

The two tranches were subject to the following cross-currency interest rate swaps:

- the first tranche of euro 700 million was swapped for a fixed-rate loan of USD 869 million (half at 2.921% and half at 2.918%);
- the second tranche of euro 600 million was initially swapped in 2014 for a variable-rate loan of USD 741 million, and then converted into a fixed-rate loan on January 2, 2015 (half at 2.965% and half at 2.994%).

The cross-currency interest rate swaps were unwound on December 16, 2020, resulting in the payment of a balance in the amount of euro 16,462,000.

Eurobond 2023 – 0.5%

On November 3, 2016, Publicis Groupe SA issued a fixed-rate bond for euro 500 million, maturing in November 2023 (seven years), with a 0.5% annual coupon.

Note 18 Bank borrowings and overdrafts

On July 1, 2019, as part of the acquisition of Epsilon, two loans for euro 150 million each were arranged for four and five years at interest rates of 0.60% and 0.55%, respectively.

The loan of euro 150 million maturing in 2024 was repaid early on December 4, 2020.

It should also be noted that Publicis Groupe SA preventatively drew euro 2 billion (USD 2.2 billion) from its revolving credit line in order to be prepared for any potential short-term impact of the global pandemic on its activities: for a three-month period beginning on March 20 for the whole line, then a three-month period beginning on June 20 for only half of this amount, *i.e.* USD 1.1 billion. As of December 31, 2020, the credit line had been repaid in full.

Note 19 Borrowings and other financial liabilities

(in thousands of euros)	December 31, 2020	December 31, 2019
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	738,553	776,393
Other creditors	524	524
Total	**1,669,077**	**1,706,917**

(1) 55-year subordinated equity loans for euro 300 million and euro 630 million, respectively.

Note 20 Maturity schedule for receivables and liabilities

All receivables included in current assets are due to be settled within less than one year.

The maturity schedule for liabilities is presented below:

(in thousands of euros)	Total	Less than 1 year	1 to 5 years	More than 5 years
Bonds	1,801,177	701,177	1,100,000	-
Bank borrowings and overdrafts	150,070	70	150,000	-
Borrowings and other financial liabilities	1,669,077	738,553	-	930,524
Trade payables	5,640	5,640	-	-
Income tax and social security liabilities	18,095	18,095	-	-
Other creditors	400	400	-	-
Total liabilities	**3,644,459**	**1,463,935**	**1,250,000**	**930,524**

Note 21 Other creditors

Following the unwinding of cross-currency swaps on December 16, 2020 (see Note 17), this item no longer includes the foreign exchange value of these derivatives.

At December 31, 2019, pursuant to ANC regulation 2015-05, the foreign exchange value of the derivatives hedging the loans granted to MMS Multi Market Services Ireland (for principal amounts of USD 869,050,000 and USD 741,270,000, respectively) was recognized in other liabilities for euro 133,434,218 at December 31, 2019. The counterparty to these derivatives was in unrealized foreign exchange losses – hedging derivatives (see Note 13).

(in thousands of euros)	December 31, 2020	December 31, 2019
Hedging derivatives	-	133,434
Other creditors	400	712
Total	**400**	**134,146**

Note 22 Deferred income

At December 31, 2019, this item mainly included the payment received when hedging swaps were set up. This payment was staggered over the term of the hedging. When the swaps were unwound on December 16, 2020, the entire residual balance was recorded as financial income for financial year 2020.

Note 23 Unrealized foreign exchange gains

Following the repayment of the loans made on December 16, 2020 by MMS Multi Market Services Ireland (see Note 9.4), there is no longer an unrealized foreign exchange gain as at December 31, 2020.

At December 31, 2019, the unrealized foreign exchange gain was broken down into:

- euro 73,589,104 on the loan of USD 869,050,000 granted to MMS Multi Market Services Ireland;
- euro 59,845,113 on the loan of USD 741,270,000 granted to MMS Multi Market Services Ireland.

Note 24 Off-balance-sheet commitments

24.1 Off-balance-sheet commitments given

24.1.1 Commitments related to bonds

Eurobond 2021

When issued in December 2014, this euro 700 million bond at a fixed rate of 1.125% was the subject of a cross-currency interest rate swap transforming it from euro fixed rate to dollar fixed rate. Two contracts, each for euro 350 million, were agreed for 2.921% and 2.918%, respectively.

Eurobond 2024

When issued in December 2014, this euro 600 million bond at a fixed rate of 1.625% was the subject of a cross-currency interest rate swap transforming it from euro fixed rate to dollar variable rate. Two contracts, each for euro 300 million, were originally concluded in December 2014, then converted on January 2, 2015 into fixed rates of 2.965% and 2.994%, respectively.

24.1.2 Commitments related to warrants

The exercise of warrants, which can occur at any time from September 24, 2013 to September 24, 2022, will lead to an increase in the Publicis Groupe's capital stock. The conversion ratio was adjusted again during the financial year by a factor of 1.081 to reflect the distributions drawn from the Company's reserves and premiums. Following the cancellation of the warrants acquired in previous years or exercised since September 24, 2013, Publicis Groupe SA was, as of December 31, 2020, committed to issuing (in the event that the 876,315 outstanding stock warrants are exercised) 947,297 shares with a euro 0.40 par value and a euro 30.10 premium.

24.1.3 Description of the stock option and free share plans implemented during the financial year

Two free share plans were created during 2020, with the following features:

Long-term Incentive Plan known as the "Sapient 2020 Plan" (May 2020)

The plan put in place for the exclusive benefit of managers and employees of Publicis Sapient 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 May 2021, 2022, 2023 and 2024);
- 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 targets achieved for 2020, 2021 and 2022. Delivery will take place at the end of a three-year period, in May 2023.

Long-term Incentive Plan known as the "LTI Epsilon 2020 Plan" (July 2020)

The plan set up for the exclusive benefit of Publicis Epsilon managers and employees is composed of three tranches subject to a continued employment condition for 20% and performance conditions for 80% and breaks down as follows:

- a first tranche awarded by the Management Board in July 2020, subject to targets set for 2020, deliverable in March 2021;
- a second tranche that will actually be awarded by the Management Board in March 2021, subject to targets set for 2021, and deliverable in March 2022;
- a third tranche that will actually be awarded by the Management Board in March 2022, subject to targets set for 2022 and deliverable in March 2023.

In addition, the performance of the following plans was assessed in March 2020:

- LTIP 2019: the performance targets set for 2019 were 50% achieved;
- Sapient 2017, 2018, 2019 and 2019 plans: the performance targets set for 2019 were 50% achieved;
- Epsilon 2019-2021 replacement plans: the performance targets set for 2019 were achieved at an average of 66.5%.

Lastly, in December 2020, the Management Board decided to replace the 2019 Special Retention Plan with a new LTIP program from 2021. The shares to be delivered linked to the 2020 performance were therefore canceled.

Publicis Groupe share subscription or purchase option plans

/ Characteristics of the Publicis Groupe stock option plans as at December 31, 2020

Plans	Type[1]	Date of grant	Option exercise price (in euros)	Options outstanding at January 1, 2020	Options cancelled, lapsed or transferred[2] in 2020	Options exercised in 2020	Options outstanding at December 31, 2020	Of which exercisable at December 31, 2020	Deadline for exercise	Remaining contract life (in years)
Lionlead3 2013-2016 France and outside France options	A	04/30/2013	52.76	1,091,937	(13,726)	-	1,078,211	1,078,211	04/30/2023	2.33
Total of all tranches				**1,091,937**	**(13,726)**		**1,078,211**	**1,078,211**		

(1) A = stock options; S = share subscription options.
(2) These relate to any transfers between French and foreign plans due to the geographic mobility of beneficiaries.

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

	2020		2019	
	Number of options	Average exercise price (in euros)	Number of options	Average exercise price (in euros)
Options at January 1	**1,091,937**	**52.76**	**1,206,242**	**52.76**
Options exercised[1]	-		-	
Cancelled or lapsed options	(13,726)	52.76	(114,305)	52.76
Options outstanding at December 31	**1,078,211**	**52.76**	**1,091,937**	**52.76**
Of which exercisable	1,078,211	52,76	1,091,937	52,76
(1) Average share price on exercise (in euros)		n/a		55.78

Publicis Groupe free share plans

/ Characteristics of Publicis Groupe free share plans outstanding at December 31, 2020

Plans	Initial grant date	Shares yet to vest as of January 1, 2020 or shares granted in 2020	Shares cancelled, lapsed or transferred[1] in 2020	Shares vested in 2020[2]	Shares yet to vest at December 31, 2020	Vesting date	Remaining contract life (in years)
LTIP 2015 Plan – Outside France	04/17/2015	2,500	-	(2,500)	-	05/18/2020	-
LionLead3 2016-2018 Plan – France	06/16/2016	22,395	-	(22,395)	-	06/16/2019	-
LionLead3 2016-2018 Plan – Outside France	06/16/2016	568,664	(1,544)	(567,120)	-	06/16/2020	-
Sapient 2016 Plan (4 years)	04/15/2016	59,810	(2,806)	(57,004)	-	04/15/2020	-
LTIP 2017 Plan	05/18/2017	279,275	(7,450)	(271,825)	-	05/18/2020	-
Sapient 2017 Plan (4 years)	06/15/2017	81,485	(5,428)	(39,937)	36,120	06/15/2021	0.45
Sapient 2017 Plan (3 years)	06/15/2017	191,376	(27,287)	(164,089)	-	06/15/2020	-
LTIP 2018 Plan	04/17/2018	326,900	(20,250)	-	306,650	04/17/2021	0.29
Sapient 2018 Plan (4 years)	04/17/2018	134,079	(12,861)	(42,477)	78,741	04/17/2022	1.29
Sapient 2018 Plan (3 years)	04/17/2018	201,619	(53,007)	-	148,612	04/17/2021	0.29
Sprint to the Future 2018-2020 – Excluding Directoire	05/18/2018	48,340	-	-	48,340	06/01/2021	0.42
LTIP 2019 Plan	05/28/2019	327,450	(178,225)	-	149,225	05/28/2022	1.41
Sapient 2019 Plan (4 years)	05/28/2019	233,360	(24,746)	(54,715)	153,899	05/28/2023	2.41
Sapient 2019 Plan (3 years)	05/28/2019	335,014	(107,277)	-	227,737	05/28/2022	1.41
LTIP 2019-2021 Directoire Plan	06/14/2019	170,000	-	-	170,000	05/28/2022	1.45
Star Growth Performers Plan/2019 Special Plan	05/28/2019	251,200	(22,800)	-	228,400	05/28/2022	1.41
2019 Epsilon Replacement Plan	07/15/2019	597,135	(133,719)	(126,445)	336,971	03/31/2022	1.25
2019 Special Retention Plan[3]	11/15/2019	765,110	(255,040)	-	510,070	03/31/2023[3]	2.25
Sapient 2020 Plan (4 years)	05/19/2020	240,208	(16,091)	-	224,117	05/19/2024	3.38
Sapient 2020 Plan (3 years)	05/19/2020	345,295	(24,135)	-	321,160	05/19/2023	2.38
LTI Epsilon 2020 Plan	07/20/2020	1,264,420	(32,700)	-	1,231,720	03/31/2023	2.25
Total free share plans		**6,445,635**	**(925,366)**	**(1,348,507)**	**4,171,762**		

(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)It was decided to replace the 2019 special retention plan for with a new LTIP program from 2021.

The vesting of free shares under the above plans is conditional on continued employment throughout the vesting period. Vesting also remains subject to non-market performance conditions for the LTIP 2017 to 2019 plans, the LTIP 2019-2021 *Directoire* Plan, the Sapient 2017 to 2020 plans with a three-year vesting period, the 2019 Epsilon Replacement Plan, the 2019 Special Retention Plan and the LTI Epsilon 2020 Plan.

/ Movements in Publicis Groupe free share plans over the last two financial years

	2020	2019
Grants at January 1	**4,595,712**	**7,399,011**
Grants during the year	1,849,923	2,747,940
Vesting	(1,348,507)	(1,045,787)
Grants lapsed	(925,366)	(4,505,452)
Grants at December 31	**4,171,762**	**4,595,712**

24.1.4 Contractual guarantees given

- Joint and several guarantee of the debts of Publicis Groupe Holdings and Publicis Holdings;
- Guarantee given to Gare et Connections on behalf of Médiagare, relating to the provision of advertising space in the amount of euro 8,267,000;
- Counter-guarantee given to CACIB for the first demand guarantee given by the latter on behalf of Metrobus to RATP in the amount of euro 33,500,000;
- Guarantees given to multiple banks on behalf of MMS USA Investments Inc. and MMS Ireland to finance the acquisition of Epsilon for a total of USD 4,435,000,000 for maturities between 2022 and 2031;
- Guarantee given to OPG Bastille on behalf of Resources France and MMS France Holdings for euro 104,000,000 for the "Parisquare" building in the Bastille district.

Commitments given as part of the hedging of foreign currency loans granted to certain subsidiaries:

Forward **Amount in currency** (in thousands of units)	**USD 774**
Type of contract	Seller's hedge
Currency	USD/EUR
Maturity date	01/05/2021
Forward rate	1.223020
Equivalent (in thousands of euros)	633
Market value at December 31, 2020 (in thousands of euros)	631

24.2 Off-balance-sheet commitments received

Multi-currency syndicated credit lines for euro 2 billion maturing in July 2024:

- This line was not used at December 31, 2020.

Confirmed bilateral credit lines for euro 660 million:

- These lines were not used at December 31, 2020.

Note 25 Subsequent events

None.

Note 26 Fees paid to the statutory auditors

The fees paid by the Groupe for each of the statutory auditors of Publicis Groupe SA for the 2020 and 2019 financial years were:

	Ernst & Young		Mazars		Total	
	Amount (excl. taxes)		Amount (excl. taxes)		Amount (excl. taxes)	
(in millions of euros)	2020	2019	2020	2019	2020	2019
Statutory auditors						
Publicis Groupe SA (parent company)	**774**	**774**	**357**	**357**	**1,131**	**1,131**
Account certification	674	674	357	357	1,031	1,031
Other services	100	100	0	0	100	100

Note 27 List of subsidiaries and long-term equity investments at December 31, 2020

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 earnings brought forward	% interest	Gross carrying amount	Net carrying amount	Loans and receivables	Revenue	Net income	Dividends received
Subsidiaries									
Publicis Groupe Holdings BV Joop Geesinkweg 209 1114 AB Amsterdam Duivendrecht The Netherlands	517	11,254,309	100.00	5,344,146	5,344,146	-	-	(69,042)	100,000[(2)]
MMS France Holdings 133, avenue des Champs-Élysées 75008 Paris France SIREN 444 714 786	3,500	(44,331)	100.00	274,801	176,686	181,599	-	8,547	-
Metrobus 1 Rond-Point Victor Hugo 92137 Issy les Moulineaux SIREN 327 096 426	1,840	10,434	32.30	17,508	17,508	-	101,022	(19,487)	2,677

(1) Based on the unaudited provisional financial statements.
(2)Paid by Publicis Groupe Investments BV before the merger with Publicis Groupe Holdings BV.

B) General information with regard to all subsidiaries and long-term equity investments

	Subsidiaries		Long-term equity investments	
	French	Foreign	French	Foreign
Carrying amount of shares held:				
• Gross	292,535	5,345,362	2	-
• Net	194,420	5,345,362	2	-
Amount of dividends received	5,784	100,000	-	-

/ Detail of marketable securities at December 31, 2020

	% 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
Investments with a carrying amount less than euro 15,000 aggregate		3
Total French investments		**194,420**
B. Foreign long-term equity investments		
516,712 Publicis Groupe Holdings shares	100.00%	5,344,146
MMS Communications Saudi Arabia (under creation)	99.00%	1,216
Investments with a carrying amount less than euro 15,000 aggregate		-
Total foreign investment		**5,345,362**
Total investments		**5,539,782**
II- Other non-current securities		
Total other non-current securities		**-**
III- Other securities		
D. Other securities of French companies		
2,191,259 Publicis Groupe SA treasury shares(1)	0.88%	140,586
Money UCITS funds		12,290
Investments with a carrying amount less than euro 15,000 aggregate		5
E. Other foreign securities		**14**
Total other securities		**152,895**
Total securities		**5,692,677**

7.5 RESULTS OF PUBLICIS GROUPE SA OVER THE PAST FIVE YEARS

Information type	2020	2019	2018	2017	2016
I – Share capital at year-end					
Share capital (in thousands of euros)	99,108	96,175	94,100	92,251	90,378
Number of shares in issue	247,769,038	240,437,061	235,249,801	230,627,725	225,945,387
Maximum number of future shares to be issued:					
• under free share plans	625,875	1,106,125	2,706,043	5,602,010	8,937,201
• as a result of the exercise of warrants	947,297	957,813	1,104,916	1,178,932	1,485,599
II – Operations and results for the financial year					
Pre-tax revenue	24,650	27,016	19,549	11,604	26,722
Net income before taxes, depreciation, amortization and provisions	62,651	174,996	22,797	37,376	190,577
Income tax (credit)	(5,133)	(13,855)	(29,928)	(48,522)	(17,299)
Net income after taxes, depreciation, amortization and provisions	63,770	187,926	42,848	82,349	220,372
Income distributed for the financial year(1)	495,538	274,165	492,859	454,130	413,739
III – Earnings per share (in euros)					
Net income after taxes, but before depreciation, amortization and provisions	0.27	0.79	0.22	0.37	0.92
Net income after taxes, depreciation, amortization and provisions	0.26	0.78	0.18	0.36	0.98
Dividend per share	2.00	2.30	2.12	2.00	1.85
IV – Employees					
Average headcount	1	1	1	1	1
Payroll expense	2,299	2,450	1,780	4,175	3,968
Benefits (social security, other employee benefits, etc.)	593	635	517	795	795

(1) For 2020, estimate on the basis of shares outstanding at December 31, 2020, including treasury shares and subject to the approval of the General Shareholders' Meeting to be held on May 26, 2021. Payment will be made in cash or shares.

7.6 STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

Year ended December 31, 2020

This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.

This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to the shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Annual General meeting of Publicis Groupe SA,

Opinion

In compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying financial statements of Publicis Groupe SA for the year ended December 31, 2020.

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, 2020 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the statutory auditors' Responsibilities for the Audit of the Financial Statements' section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code *(Code de commerce)* and the French Code of Ethics *(code de déontologie)* for statutory auditors for the period from January 1, 2020 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014.

Justification of Assessments – Key Audit Matters

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of the audits.

It is in this complex and evolving context that, in accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code *(Code de commerce)* relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

Valuation of investments and related loans and receivables

(Notes 2 "Investments", 9.3 and 9.4 "Loans and receivables owed by associates and receivables" to the financial statements)

Risk identified	Our response
As of December 31, 2020, investments are accounted for at a net book value of €5,540 million, or 74% 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 €1,757 million, or 23% of the total assets. We believe that the valuation of investments and loans and receivables owed by associates and non-consolidated companies constitutes a key audit matter, given their materiality in the assets of Publicis Groupe SA, and because the valuation of their recoverable amount, often based on projected discounted future cash flows, involves judgements from management, and the use of numerous economic assumptions related to the Company's growth forecasts.	We assessed the process used to value the recoverable amount of the Company's investments and loans and receivables owed by associates and non-consolidated companies as well as the valuations carried out by the Company, and supported by an independent expert; we ensured that the assumptions and estimates used in the reporting were based on an appropriate assessment of the valuation method, and of the figures retained. We involved our valuation experts in order to assess the consistency of the assumptions used with the economic environment at closing and on the date the financial statements were prepared. We also compared the figures used for the impairment tests on Investments with the entities' source data, as well as the result of our audit work or analytical procedures on these entities. We have examined: • the compliance of shareholders' equity with the financial statements of the subsidiaries subject to audit or analytical procedures, and the evidence related to adjustments made, when applicable, on such shareholders' equity; • the consistency of projected future cash flows for the relevant subsidiaries' activities, as prepared by their operational management, with the companies' growth forecasts taken from the latest strategic plans; • the adjustments made to the present value of projected future cash flows to account for the indebtedness of the relevant company. We have assessed the recoverability of the related loans and receivables owed by associates and non-consolidated companies in the light of the analyses performed on the Investments. We have assessed the appropriateness of the information related to Investments and loans and receivables owed by associates and non-consolidated companies, as set out in the Notes to the financial statements.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations.

Information given in the management report and in the other documents with respect to the financial position and the financial statements provided to the shareholders

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Management Board approved on and d in the other documents with respect to the financial position and the financial statements provided to the shareholders.

We attest the fair presentation and the consistency with the financial statements of the information relating to payment deadlines mentioned in Article D. 441-6 of the French Commercial Code *(Code de commerce)*.

Report on Corporate Governance

We attest that the Supervisory Board's Report on Corporate Governance sets out the information required by Articles L. 225-37-4, L. 22-10-10 and L. 22-10-9] of the French Commercial Code *(Code de commerce)*.

Concerning the information given in accordance with the requirements of Article L. 22-10-9 of the French Commercial Code *(Code de commerce)* relating to remunerations 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 the voting rights has been properly disclosed in the management report.

Report on Other Legal and Regulatory Requirements

Format of presentation of the financial statements intended to be included in the annual financial report

In accordance with Article 222-3, III of the AMF General Regulation, the Company's management informed us of its decision to postpone the presentation of the financial statements in compliance with the European single electronic format as defined in the European Delegated Regulation No 2019/815 of 17 December 2018 to years beginning on or after January 1st, 2021. Therefore, this report does not include a conclusion on the compliance with this format of the presentation 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)*.

Appointment of the statutory auditors

We were appointed as statutory auditors of Publicis Groupe SA by Annual General Meeting held on June 25, 1981 for Mazars and on June 4, 2007 for ERNST & YOUNG et Autres.

As at December 31, 2020, Mazars and ERNST & YOUNG et Autres were in the 40th year and 14th year of total uninterrupted engagement respectively (ERNST & YOUNG Audit having served as statutory auditor of Publicis Groupe SA previously, from 2001 to 2006).

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Management Board.

Statutory auditors' Responsibilities for the Audit of the Financial Statements

Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code *(Code de commerce)*, our statutory audit does not include assurance on the viability 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, if any, significant deficiencies 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 such as they are set in particular by Articles L. 822-10 to L. 822-14 of the French Commercial Code *(Code de commerce)* and in the French Code of Ethics *(code de déontologie)* for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris La Défense and Courbevoie, April 7, 2021

The Statutory Auditors
French original signed by

MAZARS		ERNST & YOUNG et Autres	
Olivier Lenel	Ariane Mignon	Nicolas Pfeuty	Valérie Desclève

CHAPITRE

8

COMPANY INFORMATION AND CAPITAL STRUCTURE

8.1 INFORMATION ABOUT THE COMPANY

8.1.1 Company name and trading name

Publicis Groupe SA (the "Company") does business under the trade name Publicis.

8.1.2 Registration place and number, legal entity identifier (LEI)

542 080 601 RCS Paris; APE code – NAF 7010Z; LEI number: 2138004KW8BV57III342.

8.1.3 Date of incorporation and term

Incorporation date: October 4, 1938.

Term: October 3, 2037, unless extended.

8.1.4 Registered office, legal structure, applicable legislation, jurisdiction, address and telephone number of registered office, website

Publicis 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 Company's registered office is located at 133, avenue des Champs-Élysées, 75008 Paris, France. Publicis Groupe's registred office phone number is +33 (0) 1 44 43 70 00.

The Publicis Groupe SA website can be accessed at the following address: www.publicisgroupe.com. The information on said website does not form part of this Universal Registration Document, unless incorporated by reference.

8.1.5 Financial year

From January 1 to December 31 each year.

8.1.6 Deeds of incorporation and bylaws

Corporate purpose (article 2 of the bylaws)

The Company's corporate purposes is to:

- produce and derive added value in any manner from advertising and publicity in any format or of any type;
- organize shows and radio or television broadcasts, set up radio, television and other programming, use movie theaters, recording or broadcasting studios and projection and viewing rooms, publish paper documents and edit music, sketches, scripts and theater productions; and
- more generally, all commercial, financial, industrial and real and intangible property transactions of any type relating directly or indirectly to the above in order to foster the development and growth of the Company's business.

The Company may conduct operations in any country on its behalf or on behalf of third parties, either alone or jointly, with other companies or persons and carry out in any form, directly or indirectly, activities in line with its corporate purpose.

The Company may also acquire interests in any form in any other French or foreign businesses or companies, whatever their corporate purpose.

Management Board (articles 10 to 12 of the bylaws)

The Management Board oversees Publicis' 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 need not be a shareholder. Its members may be re-appointed. The terms of office of each Management Board member ends at the Annual Ordinary General Shareholders' Meeting following their 75th birthday. The Supervisory Board appoints one of the members of the Management Board as Chairman and may appoint one, several or all the other members of the Management Board as Chief Executive Officers.

The members of the Management Board may be dismissed either by the Supervisory Board or by a General Shareholders' Meeting.

Rights attached to each share (article 8 of the bylaws)

Each share confers the right proportionate to such share to a part of the corporate assets and benefits. The shareholders may be held liable, even with regards to third party, only up to the value of the shares that they hold. Each time that it is necessary to hold several shares to exercise any right, shareholders must be personally responsible for gathering the number of shares required.

Powers of the Management Board with respect to share buybacks (article 7 IV of the bylaws)

The Extraordinary General Shareholders' Meeting may authorize the Management Board to purchase a specified number of Company shares in order to cancel them by way of a share capital reduction in accordance with article L. 225-206 of the French Commercial Code.

In addition, the Company may acquire its own shares in accordance with the provisions of article L. 22-10-62 of the French Commercial Code.

General Shareholders' Meetings (article 19 of the bylaws)

General Shareholders' Meetings are open to all shareholders regardless of the number of shares held. The procedures for providing notice of meetings and holding meetings are prescribed by French law. Meetings take place at the Company's registered office or at any other location specified in the above-mentioned notice and set by the notifier. If so decided by the Management Board when calling the meeting, the meeting may be publicly broadcasted by videoconferencing or any other means of telecommunication, including over the Internet.

Representation and admission to General Shareholders' Meetings (article 20 of the Company bylaws)

Any shareholder may participate, personally or through an authorized representative, in Shareholders' Meetings, justifying his/her identity and his/her ownership of the securities, under the conditions provided for by the law.

Any shareholder may, if so permitted by the Management Board when calling the General Shareholders' Meeting, participate in the meeting by videoconferencing or any other means of telecommunication including over the Internet, subject to applicable laws and regulations. Any such shareholder is deemed present for the purposes of calculating the *quorum* and majority.

Voting rights (article 21 (5) to (8) of the bylaws)

Each member of the Meeting shall have as many votes as he or she owns or represents shares, without restriction. However, in accordance with a resolution approved at the Extraordinary General Shareholders' Meeting on September 14, 1968, shares registered with the same shareholder for at least two years or which have only been transferred during that period from one registered owner to another within the framework of an intestate estate, of testamentary succession, of division of community of property between spouses, of donation *inter vivos* for the benefit of a spouse or a relative entitled to inherit, are entitled to double voting rights. The Extraordinary General Shareholders' Meeting has the possibility to purely and simply cancel the double voting right. However this cancellation will only become effective after the approval of a special meeting of shareholders who hold double voting right shares.

In the event of the division of ownership of Company shares, the limited owners and bare owners of shares can freely distribute voting rights at Extraordinary or Ordinary General Shareholders' Meetings provided they notify the Company beforehand, by providing a certified copy of their agreement at least 20 calendar days before the first General Shareholders' Meeting is held following the above-mentioned ownership division by registered mail. Failing notification within this period, the distribution will be implemented *ipso jure* in accordance with article L. 225-110, paragraph 1, of the French Commercial Code.

Any shareholder may vote by post in accordance with and in the manner provided for in prevailing laws and regulations. When so decided by the Management Board, and indicated in the meeting notice published in the BALO (*Bulletin des annonces légales obligatoires*), shareholders may vote by any means of telecommunication including over the Internet, subject to the laws and regulations prevailing as of the moment of its use.

Amendments to the bylaws (article 23 of the bylaws)

An Extraordinary General Shareholders' Meeting may make any change to any provision of the bylaws that is permissible under the law. Such changes to the share capital include, but are not limited to: increasing or reducing the share capital, consolidating shares or splitting shares into shares with a lower par value.

8.2 SHAREHOLDING STRUCTURE

8.2.1 Major shareholders and voting rights

At December 31, 2020, to the best of Publicis' knowledge, no person held, directly or indirectly, individually or jointly, 5% or more of its shares (a "Major Shareholder") except those disclosed below. Publicis' bylaws state that all its shareholders have the same proportional voting rights with respect to the shares they hold, except that shares owned by the same shareholder in registered form for at least two years carry double voting rights. The Company has not issued any preferred shares or any securities without voting rights.

Distribution of the Company's share capital and voting rights

At December 31, 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 held	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.

Reminder of the distribution of the Company's share capital and voting rights for the prior two years

At December 31, 2019	Shares held	% of the share capital(1)	Voting rights	% of voting rights(2)
A/ Shareholders holding more than 5% of the share capital				
Élisabeth Badinter(3)	16,700,967	6.95%	33,401,934	12.85%
Harris Associates LP(4)	19,728,885	8.20%	19,728,885	7.59%
B/ Treasury shares held	3,480,234	1.45%	-	-
C/ Public (registered and bearer shares)	200,526,975	83.40%	206,729,723	79.56%
Total	**240,437,061**	**100.00%**	**259,860,542**	**100.00%**

(1) Percentages are calculated based on the total number of shares issued by the Company, including treasury shares.
(2) Percentages are calculated based on the total number of shares issued by the Company (percentage of voting rights that can be exercised at the General Shareholders' Meeting), excluding treasury shares with no voting rights, and counting the double voting rights attached to some shares.
(3) Élisabeth Badinter fully owns 2.43% of shares (4.49% of voting rights) and is the beneficial owner of 4.52% of shares with her children having bare ownership of the underlying shares (8.36% of voting rights).
(4) Acting as an investment adviser for managed funds and clients.

At December 31, 2018		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	7.10%	33,401,934	13.13%
	Harris Associates LP(4)	14,044,013	5.97%	14,044,013	5.52%
B/	Treasury shares held	4,009,493	1.70%	-	-
C/	Public (registered and bearer shares)	200,495,328	85.23%	207,039,904	81.35%
Total		**235,249,801**	**100.00%**	**254,485,851**	**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 2.48% of shares (4.59% of voting rights) and is the beneficial owner of 4.62% of shares with her children having bare ownership of the underlying shares (8.54% of voting rights).
(4) Acting as an investment adviser for managed funds and clients.

The Company and the AMF were notified, in accordance with article L. 233-7 of the French Commercial Code, that legal thresholds had been crossed in the following cases by:

- the company BlackRock Inc., acting on behalf of clients and funds under management, which declared by letter received on:
  - April 7, 2020, that it had crossed over the threshold of 5% of the Company's share capital on April 6,
  - April 30, 2020, that it had crossed over the threshold of 5% of the Company's voting rights on April 28,
  - May 11, 2020, that it had crossed under the threshold of 5% of the Company's voting rights on May 8,
  - May 14, 2020, that it had crossed over the threshold of 5% of the Company's voting rights on May 13,
  - May 18, 2020, that it had crossed under the threshold of 5% of the Company's voting rights on May 15,
  - June 3, 2020, that it had crossed over the threshold of 5% of the Company's voting rights on June 2,
  - June 4, 2020, that it had crossed under the threshold of 5% of the Company's voting rights on June 3,
  - July 14, 2020, that it had crossed over the threshold of 5% of the Company's voting rights on July 13,
  - July 15, 2020, that it had crossed under the threshold of 5% of the Company's voting rights on July 14,
  - July 16, 2020, that it had crossed over the threshold of 5% of the Company's voting rights on July 15,
  - July 17, 2020, that it had crossed under the threshold of 5% of the Company's voting rights on July 16,
  - July 21, 2020, that it had crossed over the threshold of 5% of the Company's voting rights on July 20,
  - July 22, 2020, that it had crossed under the threshold of 5% of the Company's voting rights on July 21,
  - September 9, 2020, that it had crossed under the threshold of 5% of the Company's share capital on September 8,
  - September 10, 2020, that it had crossed over the threshold of 5% of the Company's share capital on September 9,
  - October 14, 2020, that it had crossed under the threshold of 5% of the Company's share capital on October 13,
  - January 21, 2021, that it had crossed over the threshold of 5% of the Company's share capital on January 20,
  - January 25, 2021, that it had crossed under the threshold of 5% of the Company's share capital on January 22;
  - on March 15, 2021, that it had crossed over the threshold of 5% of the Company's share capital on March 12,
  - on March 17, 2021, that it had crossed under the threshold of 5% of the Company's share capital on March 16,
- the company JP Morgan Chase & Co., which declared by letter received on:
  - September 10, 2020, that it had crossed over the threshold of 5% of the Company's share capital and voting rights on September 4 and that JP Morgan Securities plc had individually crossed over the same thresholds,
  - September 11, 2020, that it had crossed under the threshold of 5% of the Company's share capital and voting rights on September 7 and that JP Morgan Securities plc had individually crossed under the same thresholds;
- the company Harris Associates LP acting on behalf of clients and funds under management, which declared by letter received on:
  - December 24, 2020, that it had crossed under the threshold of 5% of the Company's voting rights on December 21,
  - January 28, 2021, that it had crossed under the threshold of 5% of the Company's share capital on January 26.

The most recent exhaustive survey available at December 31, 2020, which looked at information on identifiable bearer shares and registered shares managed by CACEIS Corporate Trust, indicated that 3.5% of the share capital was held by individual shareholders.

8.2.2 Control of the Company

At December 31, 2020, to the best of its knowledge, the Company was not controlled and was not subject to any agreement nor commitment linking one or several shareholders, company, foreign government or other natural or legal person operating individually or conjointly with regard to the direct or indirect holding of its share capital or under its control, and there existed no agreement of which the fulfillment could cause a change in the Company's control at a later date.

8.2.3 Agreements concerning a possible change of control or that might influence a takeover bid

The information required by article L. 22-10-11 of the French Commercial Code can be found in this Universal Registration Document as follows: the capital structure is described in Sections 3.2.3, 8.2 and 8.3, the existence of double voting rights provided for in the Company's bylaws (article 21) is mentioned in Section 8.1.6, rules applicable to the appointment and replacement of members of the Management Board, as well as the amendment of the Company's bylaws, are specified in the Company's bylaws (articles 10 to 12 and 23) and summarized in the aforementioned Section 8.1.6, the existence of authorizations and delegations granted by the Company's General Shareholders' Meeting to the Management Board regarding share issuance and buyback is mentioned in Sections 8.3.1 and 8.3.3.

It is also specified that, to the best of the Company's knowledge, no agreements exist requiring payment of indemnities, in the event of a takeover bid, to the members of the Management Board or employees if their employment should end as a result of this takeover bid.

Certain loan agreements include change in control clauses.

8.3 INFORMATION ON THE SHARE CAPITAL

8.3.1 Issued share capital and share classes

Composition of share capital

On September 28, 2020, Publicis Groupe SA paid out the dividend voted by the Combined Ordinary and Extraordinary Shareholders' Meeting of May 27, 2020, with each shareholder having the option between cash and shares, which resulted in a capital increase of euro 2,814,198.40 through the creation of 7,035,496 new shares with a par value of euro 0.40.

During 2020, 274,325 new shares at a par value of euro 0.40 per share were created as a result of free share plans (under a regularization of the LTIP 2015 and for the LTIP 2017), representing a total capital increase of euro 109,730.

22,156 new shares with a par value of euro 0.40 were also created as a result of warrant exercises, representing a total capital increase of euro 8,862.40.

As of December 31, 2020, the share capital totaled euro 99,107,615.20, divided into 247,769,038 fully paid-up shares with a par value of euro 0.40, of which 24,746,058 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	Amount authorized	Used in 2020
Share buybacks				
Authorization to trade in the Company's shares*	May 27, 2020 (20th resolution)	18 months Maturity 11/27/2021**	No more than 10% of the share capital Maximum overall budget: euro 2,043,715,010 Maximum unit purchase price: euro 85	see details in Section 8.3.3
Cancellation of shares				
Authorizations to reduce share capital through the cancellation of treasury shares	May 29, 2019 (23rd resolution)	26 months Maturity 07/29/2021 **	No more than 10% of capital per 24-month period	None
Equity issues				
Delegation to increase share capital by issuing shares or equity securities convertible to equity with preferential subscription rights	May 27, 2020 (21st resolution)	26 months Maturity 07/27/2022	Maximum par value: euro 30,000,000(1) Maximum par value of debt securities: euro 1,200,000,000(2)	None
Delegation to increase share capital by issuing shares or equity securities convertible to equity without preferential subscription rights, through public offerings other than those made pursuant to article L. 411-2 of the French Monetary and Financial Code*	May 27, 2020 (22nd resolution)	26 months Maturity 07/27/2022	Maximum par value: euro 9,000,000(1)(3) Maximum par value of debt securities: euro 1,200,000,000(2)	None
Delegation to increase share capital by issuing shares or equity securities convertible to equity without preferential subscription rights, through public offerings made pursuant to paragraph I of article L. 411-2 of the French Monetary and Financial Code*	May 27, 2020 (23rd resolution)	26 months Maturity 07/27/2022	No more than 20% of the share capital per year Maximum par value: euro 9,000,000(1)(3) Maximum par value of debt securities: euro 1,200,000,000(2)	None
Delegation to increase the number of securities issued in the event of a capital increase, with or without preferential subscription rights decided pursuant to the 21st to 23rd resolutions of the General Shareholders' Meeting on May 27, 2020*	May 27, 2020 (24th resolution)	26 months Maturity 07/27/2022	No more than 15%(1)(3) of the initial issue and at the same price as this issue	None

Type of delegation or authorization	Date of the meeting	Duration of the authorization	Amount authorized	Used in 2020
Authorization to set the issue price of share capital increases carried out under the 22nd and 23rd resolutions of the General Shareholders' Meeting of May 27, 2020*	May 27, 2020 (25th resolution)	26 months Maturity 07/27/2022	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 27, 2020 (26th resolution)	26 months Maturity 07/27/2022	Maximum par value: euro 30,000,000(1)	None
Delegation to issue shares or other securities in the event of a public offering initiated by the Company*	May 27, 2020 (27th resolution)	26 months Maturity 07/27/2022	Maximum par value: euro 9,000,000(1)(3) Maximum par value of debt securities: euro 1,200,000,000(2)	None
Delegation to issue shares or other securities as consideration for contributions in-kind granted to the Company*	May 27, 2020 (28th resolution)	26 months Maturity 07/27/2022	No more than 10% of the share capital(1)(2)(3)	None
Issues reserved for Company or Groupe employees and managers				
Authorization to grant free shares to employees and/or corporate officers of the Company or companies within the Groupe	May 30, 2018 (27th resolution)	38 months Maturity: 07/30/2021 **	No more than 3% of the share capital (including 0.3% of the share capital for executive corporate officers)	None
Authorization to grant stock options to employees and/or corporate officers	May 29, 2019 (25th resolution)	38 months Maturity 07/29/2022	No more than 3% of the share capital (including 0.3% of the share capital for executive corporate officers)(4)	None
Delegation to increase capital for the benefit of subscribers to a company savings plan	May 27, 2020 (29th resolution)	26 months Maturity: 07/27/2022 **	Maximum par value: euro 2,800,000(1)(5)	None
Delegation to increase capital for the benefit of certain categories of recipients located outside France in order to establish a shareholder or savings plan for them	May 27, 2020 (30th resolution)	18 months Maturity 11/27/2021**	Maximum par value: euro 2,800,000(1)(5)	None

(1) This amount counts toward the euro 30,000,000 maximum ceiling for all capital increases set forth by the Combined Ordinary and Extraordinary Shareholders' Meeting of May 27, 2020 in its 21st resolution.
(2) This amount counts toward the euro 1,200,000,000 maximum ceiling for all debt security issues set by the Combined Ordinary and Extraordinary Shareholders' Meeting of May 27, 2020 in its 21st resolution.
(3) This amount counts towards the euro 9,000,000 maximum par value of capital increases without preferential subscription rights set forth by the Combined Ordinary and Extraordinary Shareholders' Meeting of May 27, 2020 in its 22nd resolution.
(4) This amount counts towards the 3% maximum set forth by the Combined Ordinary and Extraordinary Shareholders' Meeting of May 30, 2018 in its 27th resolution.
(5) This maximum amount applies to all possible capital increases under the 29th and 30th resolutions of the Combined Ordinary and Extraordinary Shareholders' Meeting of May 27, 2020.
* 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 Extraordinary Shareholders' Meeting of May 26, 2021.

It should be noted that the delegations that expired in 2020 and that were not used during that financial year are not included in the above table, namely the 20th to 27th resolutions of the General Shareholders' Meeting of May 30, 2018, and the 24th, 26th and 27th resolutions of the General Shareholders' Meeting of May 29, 2019. The share buybacks in 2020 under the authorization approved in the 22nd resolution of the General Shareholders' Meeting of May 29, 2019, which expired at the General Shareholders' Meeting of May 27, 2020, are discussed in Section 8.3.3.

8.3.2 Existence of non-representative shares, their amount and main features

All shares are representative of the Company's share capital.

8.3.3 Number, carrying amount and par value of shares held by the issuer itself or on its behalf, or by its subsidiaries

Treasury shares

The Combined Ordinary and Extraordinary Shareholders' Meeting of May 27, 2020, in its 20th resolution, authorized the Management Board to carry out, or to have carried out, purchases in order to fulfill the following objectives:

(1) to grant or transfer shares to employees and/or corporate officers of the Company and/or of its Groupe, in accordance with the terms and conditions and procedures provided for by applicable regulations, in particular as part of a statutory profit-sharing in the Company's expansion, by allotting free shares or granting stock options, or through company savings plans or inter-company savings plans, or by any other method of compensation in shares, in accordance with legal requirements;

(2) to deliver shares in order to honor commitments related to securities convertible to equity through redemption, conversion, exchanges, presentation of a warrant, or in any manner for the awarding of the Company's common stock;

(3) to hold and subsequently deliver shares for exchange in a merger, spin-off or asset contribution, for payment, or other, in external growth operations;

(4) to stimulate the secondary market or the liquidity of Publicis Groupe SA shares through the intermediary of an investment services provider acting pursuant to a liquidity contract and in compliance with market practices recognized by the Autorité des marchés financiers (as modified, where applicable);

(5) to cancel all, or some, of the shares acquired, under the conditions permitted by law, pursuant to the authorization granted by the 23rd resolution of the Combined Ordinary and Extraordinary Shareholders' Meeting of May 29, 2019.

This buyback program would also permit the Company to trade in its own shares with any other authorized purpose or accepted market practice or any that would become so by the law or regulations in force. In such a case, the Company would inform its shareholders through a press release.

The Company may, directly or indirectly, through an intermediary or an investment services provider, purchase, sell or transfer its shares as often as it wishes, at any time and by all means authorized now or in the future by the regulations in force, on regulated markets, multilateral trading systems, with systematic internalizers or over the counter, including by the purchasing or selling of blocks of shares (without limiting any part of the buyback program that may be conducted by this means), sale with option to repurchase, by public offering to purchase or exchange, by use of options mechanisms or by use of any derivative financial instrument, or by use of warrants or, more generally, securities convertible into the Company's equity. 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.

However, unless there is prior authorization by the General Shareholders' Meeting, the Management Board cannot use this authorization once a third party has filed a public bid for Company shares, until the end of the offer period.

The share purchases may involve a number of shares limited as follows:

- 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. When shares are redeemed to promote liquidity in accordance with the requirements of the General Regulation of the AMF, the number of shares taken into account to calculate the 10% limit is equal to the number of shares purchased, less the number of shares resold during the authorization period;
- the number of shares purchased with a view to their retention or future delivery in connection with merger, spin-off or contribution transactions shall not exceed 5% of the share capital of the Company.

The maximum amount of this authorization is set at two billion forty-three million seven hundred and fifteen thousand and ten (2,043,715,010) euros 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 Company or Groupe.

This authorization for a period of 18 months canceled, for the unused portion and the remaining time period, and replaced, that previously granted by the 22nd resolution of the General Shareholders' Meeting on May 29, 2019.

The description of the share buyback program was made available on the Publicis Groupe website.

Summary table of purchases under various buyback programs since 2016

	Amount	**Average purchase price** (in euros)
Period from 01/01/2016 to 12/31/2016	1,539,706	61.41
Period from 01/01/2017 to 12/31/2017	6,060,021	64.33
Period from 01/01/2018 to 12/31/2018	1,176,616	55.25
Period from 01/01/2019 to 12/31/2019	915,880	45.35
Period from 01/01/2020 to 12/31/2020	**4,064,184**	**31.53**

In 2020, the Company delivered 1,074,183 existing shares under free share plans.

Under the liquidity contract signed with Kepler Cheuvreux, the Company acquired 4,064,184 shares in 2020 at an average price of euro 31.53, and sold 4,278,976 shares at an average price of euro 31.77.

The trading fees and other expenses incurred by the Company during 2020 for transactions performed pursuant to the share buyback program, authorized by the 22nd resolution of the General Shareholders' Meeting on May 29, 2019, and then by the 20th resolution of the General Shareholders' Meeting on May 27, 2020, amounted to euro 70,000.

Summary table of trading by the Company in Publicis Groupe SA shares in 2020

	Deliveries, (free share plans)	**Purchases (liquidity contract)**		**Sales (liquidity contract)**	
At December 31, 2020	**Quantities** (in shares)	**Quantities** (in shares)	**Average price** (in euros)	**Quantities** (in shares)	**Average price** (in euros)
Under the 22nd resolution of the General Shareholders' Meeting of 05/29/2019	291,786	450,783	35.63	334,033	35.91
Under the 20th resolution of the General Shareholders' Meeting of 05/27/2020	782,397	3,613,401	31.02	3,944,943	31.42
Total	**1,074,183**	**4,064,184**	**31.53**	**4,278,976**	**31.77**

At December 31, 2020, Publicis Groupe SA owned 2,191,259 shares with a par value of euro 0.40, representing 0.88% of its own share capital, for an overall cost price of euro 140,630,778 and an average price per share of euro 64.18. These shares are broken down into 68,458 shares held under the liquidity contract and 2,122,801 shares allocated to free share plans or stock options.

8.3.4 Total amount of convertible or exchangeable securities and equity warrants, including the specified terms and conditions for conversion, exchange or subscription

The allocation of share capital at December 31, 2020, on the basis of full dilution resulting from financial instruments issued by the Company, is the following:

At December 31, 2020	Shares held	%	Voting rights	%
Élisabeth Badinter	16,700,967	6.70%	33,401,934	12.13%
Harris Associates LP[(1)]	13,255,005	5.32%	13,255,005	4.81%
Treasury shares held	2,191,259	0.88%	0	0.00%
Public (registered and bearer shares)	215,621,807	86.4%	223,666,898	81.21%
Free shares still to be delivered[(2)]	625,875	0.25%	4,171,762	1.51%
Stock warrants outstanding[(3)]	947,297	0.38%	947,297	0.34%
Total	**249,342,210**	**100.00%**	**275,442,896**	**100.00%**

(1) Acting as an investment adviser for managed funds and clients.
(2) Out of the 4,171,762 shares to be delivered under current plans, 3,545,887 are deliverable in existing shares and the remainder (625,875) in new shares (some can opt for existing shares).
(3) In-the-money instruments at December 31, 2020. A factor of 1,081 is applicable to these instruments for share subscription.

In addition, there are (existing) shares to be delivered related to 1,078,211 stock options still to be exercised at December 31, 2020. These options are exercisable but are not in the money at the closing date.

A shareholder, holding 1% of Publicis Groupe SA's share capital at December 31, 2020, 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 (stock warrants, free shares awarded but not yet delivered).

The terms of conversion of equity warrants are described in Note 27 to the consolidated financial statements in Section 6.6 of this document.

8.3.5 Pledges, guarantees and sureties

There is no indirect self-control of the Company. At December 31, 2020, 47,000 registered shares managed by the Company, and 1,207,347 registered shares administered by others, were pledged, representing a total of 1,254,347 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, 2020 were not significant.

It should be noted that the Publicis Groupe FCPE (mutual fund) held 348,334 Publicis Groupe shares at December 31, 2020. As a result, Publicis Groupe employees owned 0.14% of the share capital *via* the FCPE at that date.

At December 31, 2020, the total number of options outstanding for all beneficiaries was 1,078,211, all were purchase options and immediately exercisable.

In 2020, the Groupe did not renew its entire long-term incentive plans. Only the "Publicis Sapient 2020 Stock Incentive" and the "Epsilon Replacement Plan" were renewed. In addition, a "2020 Epsilon LTI plan" was put in place.

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 2020 Stock Incentive Plan" is based on two tranches with different periods, and presence and performance criteria. Launched in May 2020, this plan awarded 585,503 free shares to a certain number of Publicis Sapient managers. The first tranche stipulated an annual delivery of one-quarter of the free shares awarded spread over a four-year period. For the second tranche, the delivery of all the free shares takes place after a three-year period.

In July 2019, the Epsilon Replacement Plan awarded 628,681 free shares (including 188,068 free shares for the year 2020) to replace the awards made by the ADS group in 2019 to certain Epsilon employees, which lapsed following the acquisition of Epsilon by Publicis Groupe. One third of the shares are awarded each year over a period of three years, subject to continued employment (for 20%) and performance conditions (for 80%).

Another long-term incentive plan was set up for the exclusive benefit of Epsilon's managers and employees to facilitate their integration into the Publicis Groupe. 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, 2020, the total number of free shares yet to vest to Groupe employees on condition of employment and, in some cases, performance, amounted to 4,171,762.

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 Share capital transactions

Changes regarding the share capital in the last three years are shown below:

Dates	Share capital transactions	Number of shares	Par value (in euros)	Share capital (in euros)
12/31/2017	**Share capital at December 31, 2017**	**230,627,725**	**0.40**	**92,251,090**
02/28/2018 05/31/2018	Capital increase (equity warrant exercise)	87,984	0.40	35,193
03/20/2018 04/17/2018	Capital increase Deliveries (free share plans)	210,612	0.40	84,245
06/28/2018	Capital increase (payment of the dividend in shares)	4,323,480	0.40	1,792,392
12/31/2018	**Share capital at December 31, 2018**	**235,249,801**	**0.40**	**94,099,920**
02/28/2019 04/30/2019 05/31/2019 06/30/2019 07/31/2019 09/30/2019 10/31/2019	Capital increase (equity warrant exercise)	183,068	0.40	73,227
04/17/2019 06/24/2019	Capital increase (Delivery of free shares)	522,277	0.40	208,911
7/18/2019	Capital increase (payment of the dividend in shares)	4,481,915	0.40	1,792,766
12/31/2019	**Share capital at December 31, 2019**	**240,437,061**	**0.40**	**96,174,824**
02/29/2020 05/31/2020 11/30/2020 12/31/2020	Capital increase (equity warrant exercise)	22,156	0.40	8,862
05/31/2020	Capital increase Deliveries (free share plans)	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**

8.4 STOCK MARKET INFORMATION

8.4.1 The trading of Publicis Groupe shares

2020 has been a year of contrasts, with, on the one hand, a health crisis that caused a dramatic slump in the various Gross Domestic Products (GDP) – with the exception of the Chinese economy, which saw growth in 2020 – social riots (Black Lives Matter), an uncertain Brexit and high tension in the US elections, while, on the other hand, many equity markets set new historic highs.

The quantity of money in circulation is one of the main factors explaining the distortion between economic growth and fluctuations in stock market prices. The actions of the major central banks in response to the Covid-19 pandemic has thus authorized the surge in public and private debt and the famous "helicopter currency", specifically checks and transfers sent directly to consumers.

It was the "currency" factor that made it possible to avoid global bankruptcy and which protected the financial markets from the economic shock of the health crisis. The outlook given by the central banks themselves foresees that this policy could last several more years and the sharp rise in debt/GDP ratios has become an accepted, almost natural, fact.

In this context, the health crisis has boosted the technology and health sectors and those dubbed stay at home stocks, with investors favoring so-called growth stocks for a large part of the year. In 2020, the Nasdaq (US technology stock exchange) recorded its best year in 11 years, supported by GAFA with Alphabet (+31%), Apple (+80%), Facebook (+33%), Amazon (+76%) and Microsoft (+41%). The US equity markets thus set new records overall, with the Dow Jones also growing at +7.3% and an S&P 500 at +16.3%.

At the same time, European equities lagged behind for a large part of the year and only began to erase the shock of Covid-19 at the end of the year. As a result, CAC 40 shares have been catching up with Wall Street since the fourth quarter of 2020, with the strong rebound of European cyclical stocks that were severely affected last March. The CAC 40 thus ended 2020 down by 7.1% for 2020 after falling by 35% in mid-March and hitting a low of 3,800 points.

Media

Revisions to the earnings per share of the Stoxx 600 European Media securities showed a decline of almost 30% in 2020, compared to almost 40% for the Stoxx 600 as a whole. However, in terms of stock market performance, the sector fell by -7.7% in 2020 compared to -4% for the Stoxx 600 Global, suggesting poor relative performance.

European advertising agency stocks ended up at least 50% higher than their lows in March, and almost doubled in the case of Publicis. Publicis (+1%) and Interpublic (+1.8%) recorded the best performance of the agencies, contrasting with the fall of -25% of WPP, -23% of Omnicom and -19% for Dentsu. The organic performances of Publicis and Interpublic are the best in the agency sector based on the first nine months of the year. Publicis also demonstrated control over its costs and cash flow in 2020, while having acquired Epsilon 18 months earlier.

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 2020, Publicis Groupe met with close to 500 institutional investors at roadshows and industry investor conferences. Due to Covid-19, all meetings from March 2020 took place virtually.

8.4.3 Securities market

The following information regarding the shares and financial instruments comes from the Euronext and Bloomberg websites.

Publicis Groupe shares

- Listed on: Euronext Paris (ISIN code: FR0000130577).
- First day listed: June 9, 1970.
- Shares traded on Euronext Paris: all shares in the share capital.

On December 27, 2007, Publicis Groupe SA was informed that Publicis Groupe SA shares were now no longer listed on the New York Stock Exchange. This delisting followed the Company's notification on September 17, 2007 to the US market authorities that it no longer wanted Publicis Groupe SA shares listed on the New York Stock Exchange (listed in the form of American Depositary Receipts; ratio: one ADR for every one Publicis share), with average annual trading volumes rarely exceeding 1% of all shares in the share capital.

By default, the share can be traded on the New York Stock Exchange OTCQX market as an American Depositary Receipt; ratio: 4 ADRs for one Publicis share (ticker: PUBGY). The OTCQX platform is an information tool that provides access to US investors, while guaranteeing price transparency.

Changes in the trading price on Euronext Paris during 2020:

- high: euro 43.70 on January 14;
- low: euro 20.94 on March 13;
- average: euro 31.9189 (based on closing prices).

Trading volume and Company share price over the last 18 months on Euronext Paris

Period		Number of trading sessions	Average volumes traded per session[1]: Number of shares	Average volumes traded per session[1]: Share capital (in thousands of euros)	Monthly price (in euros): First listing	Last listing	Highest	Lowest
2019	October	23	1,075,679	41,877	45.38	38.55	46.04	35.98
	November	21	717,581	28,347	38.57	39.94	40.78	38.52
	December	20	677.029	27,041	40.12	40.36	41.70	38.69
2020	January	22	703,349	29,366	40.60	40.03	43.70	39.86
	February	20	1,168,491	45,742	40.10	34.98	42.50	34.00
	March	22	1,523,841	40,861	35.56	26.12	35.67	20.94
	April	20	1,310,717	36,102	25.50	27.13	30.55	23.75
	May	20	860,311	21,932	26.90	25.52	28.31	23.18
	June	22	1,187,168	35,058	26.03	28.81	32.97	25.99
	July	23	990,347	27,890	28.82	27.25	31.37	26.03
	August	21	754,259	22,195	27.30	29.37	31.30	27.02
	September	22	898,018	25,286	29.48	27.58	30.72	25.64
	October	22	1,132,543	34,170	27.70	29.80	32.45	26.93
	November	21	1,112,042	40,133	29.86	38.09	39.58	29.37
	December	22	880,902	35,694	38.25	40.76	42.63	37.94
2021	January	20	925,582	39,736	41.20	42.76	46.20	40.44
	February	20	798,663	37,487	43.06	48.54	49.36	42.59
	March	23	989,452	50,149	49.00	52.04	53.68	48.02

(1) Volumes traded on Euronext (excluding alternative platforms).

Publicis Groupe share warrants

- Listed on: Euronext Paris (ISIN code: FR0000312928);
- First day listed: September 24, 2002;
- Changes in the trading price on Euronext Paris in 2020:
  - high: euro 16.20 on January 13,
  - low: euro 2.76 on March 17,
  - average: euro 7.9657 (based on closing prices).

As at December 31, 2020, 876,315 warrants, exercisable until 2022, were outstanding.

Euro 1.3 billion Eurobond issued in two tranches on December 9, 2014 with maturity in 2021 and 2024

Publicis Groupe

- Listed on: Euronext Paris;
- First day listed: December 11, 2014;
- Changes in the trading price on Euronext Paris in 2020:
- euro 700 million tranche maturing on December 16, 2021, with an annual coupon of 1.125% (ISIN code: FR0012384634):
  - high: euro 102.042 on March 4,
  - low: euro 100.645 on May 27,
  - average: euro 101.250 (based on closing prices);
- euro 600 million tranche maturing on December 16, 2024, with an annual coupon of 1.625% (ISIN code: FR0012384667):
  - high: euro 107.436 on March 5,
  - low: euro 101.950 on March 25,
  - average: euro 105.302 (based on closing prices).

Euro 500 million Eurobond issued on October 28, 2016 with maturity in 2023

Publicis Groupe

- Listed on: Euronext Paris;
- First day listed: November 3, 2016;
- Changes in the trading price on Euronext Paris in 2020:
  - high: euro 102.110 on December 11,
  - low: euro 98.216 on April 8,
  - average: euro 100.657 (based on closing prices).

Euro 2.25 billion Eurobond issued in three tranches on June 5, 2019 with maturity in 2025, 2028 and 2031

MMS USA Financing Inc.

- Listed on: Euronext Paris;
- First day listed: June 7, 2019;
- Changes in the trading price on Euronext Paris in 2020:
- a euro 750 million tranche maturing on June 13, 2025, with an annual coupon of 0.625% (ISIN code: FR0013425139):
  - high: euro 102.447 on December 11,
  - low: euro 94.085 on May 27,
  - average: euro 98.818 (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 105.524 on December 11,
  - low: euro 92.343 on May 27,
  - average: euro 99.658 (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 109.727 on December 11,
  - low: euro 99.108 on March 25,
  - average: euro 101.572 (based on closing prices).

CHAPITRE

9

GENERAL SHAREHOLDERS' MEETING

In view of the Covid-19 pandemic and the measures taken by the authorities to limit its spread, **the Combined Ordinary and Extraordinary Shareholders' Meeting of Publicis Groupe SA will be held behind closed doors, without the physical presence of the shareholders** and other persons entitled to attend on May 26, 2021, at 133, avenue des Champs-Elysées, 75008 Paris.

This decision was taken in accordance with the provisions of Order No. 2020-321 of 25 March 2020, as amended, adapting the rules for meetings and deliberations of general shareholders' meetings and governing bodies of legal persons and entities without legal personality under private law in light of the Covid-19 pandemic.

Prior to this Meeting, in accordance with the legislation in force, the legal documentation and information will be communicated to the shareholders, namely made availablle by electronic consultation on the Publicis Groupe's website (www.publicisgroupe.com).

The procedures for voting at and conducting the Combined Ordinary and Extraordinary Shareholders' Meeting will be specified in the notice of meeting documents, and available on the website. These procedures could change in accordance with developments in the health situation. Shareholders are invited to regularly consult the section dedicated to the General Shareholders' Meeting on the Company's website: www.publicisgroupe.com.

CHAPITRE

10

ADDITIONAL INFORMATION

10.1 DOCUMENTS AVAILABLE TO THE PUBLIC

During the validity of this Universal Registration Document, the Company's bylaws, minutes of the General Shareholders' Meetings, as well as reports of the Management Board and the statutory auditors, and all other documents addressed or available to shareholders as required by law are available at the registered office of Publicis Groupe SA, 133, avenue des Champs-Élysées, 75008 Paris.

The Company's bylaws are also available on the Publicis Groupe's website (www.publicisgroupe.com).

The parent company financial statements and the consolidated financial statements of Publicis Groupe SA for the financial years ended December 31, 2018, December 31, 2019 and December 31, 2020 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 years ended December 31, 2018, December 31, 2019 and December 31, 2020 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 9, 2021

Arthur Sadoun,

Chairman of the Management Board

10.3 STATUTORY AUDITORS

10.3.1 Principal statutory auditors

Ernst & Young et Autres

Member of the Versailles Regional Company of statutory auditors

Represented by Valérie Desclève and Nicolas Pfeuty

1/2, place des Saisons, 92400 Courbevoie – Paris La Défense 1

Appointed at the General Shareholders' Meeting of June 4, 2007; appointment renewed most recently at the General Shareholders' Meeting of May 29, 2019, for a term of six years expiring at the end of the General Shareholders' Meeting called to approve the financial statements for the 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 years expiring at the end of the General Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2022.

10.3.2 Alternate statutory auditors

Gilles Rainaut

61, rue Henri-Regnault, Tour Exaltis, 92400 Courbevoie

Appointed at the General Shareholders' Meeting on June 1, 2010; appointment renewed at the General Shareholders' Meeting of May 25, 2016 for a term of six years, expiring at the General Shareholders' Meeting that will be called to approve the financial statements for the year ending December 31, 2021.

10.3.3 Resignation, termination or non-reappointment

Auditex's term of office as alternate statutory auditor expired at the end of the General Shareholders' Meeting on May 29, 2019. In accordance with article L. 823-1 I of the French Commercial Code, the Company has not appointed a new alternate statutory auditor.

10.4 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) 2019/980 of March 14, 2019, supplementing Regulation (EU) 2017/1129 dated June 14, 2017.

		Page number	Chapter
10.	**Trend information**	197	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 73	3.1.1; 3.1.2
12.2.	Conflicts of interest	73; 132	3.1.1.4; 3.3.1
13.	**Compensation and benefits**		
13.1.	Amount of compensation paid and benefits in kind	84 to 128	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	102 to 112; 236 to 241; 262	3.2.2.3; 3.2.2.4; 3.2.2.5; 3.2.2.6; 6.6 (Notes 22 and 32)
14.	**Board practices**		
14.1.	Date of expiry of terms of office	50 to 71	3.1.1.1; 3.1.1.2
14.2.	Service contracts between members of the administrative, management or supervisory bodies	73	3.1.1.4
14.3.	Information about the Audit and Compensation Committees	74 to 83	3.1.4
14.4.	Compliance with the applicable corporate governance regime	83 to 84	3.1.5; 3.1.6
14.5.	Potential material impacts on corporate governance	50 to 65; 72 to 73	3.1.1.1; 3.1.1.3
15.	**Employees**		
15.1.	Number of employees and breakdown	137 to 138; 219	4.1.1; 6.6 (Note 4)
15.2.	Shareholdings and stock options	128 to 129	3.2.3
15.3.	Agreement on employee share ownership	314 to 315	8.3.6
16.	**Main shareholders**		
16.1.	Shareholders holding more than 5% of the share capital or voting rights	306 to 307	8.2.1
16.2.	Existence of different voting rights	304 to 305	8.1.6
16.3.	Control of the issuer	307	8.2.2
16.4.	Agreements known to the issuer, the application of which may result in a change in control	308	8.2.3
17.	**Related-party transactions**	132; 262	3.3; 6.6 (Note 32)

		Page number	Chapter
18.	**Financial information on assets and liabilities, financial position and results**		
18.1.	Historical financial information	200 to 268; 276 to 298	6; 7
18.2.	Intermediate and other financial information		N/A
18.3.	Auditing of historical annual financial information	269 to 274; 299 to 302	6.7; 7.6
18.4.	Pro forma financial information		N/A
18.5.	Dividend policy	196	5.6
18.6.	Legal and arbitration proceedings	44; 235	2.1-9; 6.6 (Note 21)
18.7.	Significant change in financial position		N/A
19.	**Additional information**		
19.1.	Share capital	309 to 315	8.3
19.2.	Memorandum of incorporation and bylaws	304; 307 to 308	8.1.2; 8.1.6; 8.2.2; 8.2.3
20.	**Major contracts**	38	1.5
21.	**Documents available**	322	10.1

10.5 CROSS-REFERENCE TABLE FOR THE ANNUAL FINANCIAL REPORT

In order to facilitate the reading of the annual financial report, the following thematic table makes it possible to identify the main information required by article L. 451-1-2 of the French Monetary and Financial Code in this Registration Document.

10.6 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	22 to 35	1.1; 1.2; 1.3
Business results of the Company and the Groupe	200 to 202; 276 to 278; 296 to 297; 298	6.1 to 6.3; 7.1; 7.2; 7.4 (Note 27); 7.5
Objective and exhaustive analysis of business developments, results and financial position of the Company and the Groupe	35 to 37; 186 to 196	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	136 to 184; 188 to 193	4; 5.2; 5.3; 5.4
Key events occurring between the reporting date of the financial year and the date the report is prepared	40; 71; 72	2.1; 3.1.1.2; 3.1.1.3
Foreseeable development of the Company and the Groupe	37; 197	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	196	5.6
Investments or controlling interests in companies headquartered in French territory	27; 35 to 37	1.2.2; 1.4.1

Presentation of the Groupe

	Page number	Chapter
Description of the main risk factors and uncertainties faced by the Company and Groupe	40 to 44	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	169; 173 to 177; 179	4.4.2.6; 4.5; 4.6
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)	44; 191 to 193; 211 to 212; 241 to 246; 250 to 252; 253 to 255	2.1; 5.4; 6.6 (Notes 1.3, 23, 28, 29)
Declaration of non-financial performance	136 to 184	4
Duty of Care plan to identify risks and prevent serious infringements in the areas of human rights, fundamental freedoms, health, security and the environment, resulting from the activity of the Company and of the companies it controls and from the activities of sub-contractors and suppliers	166 to 169	4.4.2
Research and development activities	38; 209	1.6; 6.6 (Note 1.3)
Existing branches		N/A

Company information and capital structure

	Page number	Chapter
Transactions in the Company's shares by managers and related persons	130 to 131	3.2.4
Details of purchases and sales of treasury shares during the financial year	312 to 313	8.3.3
Any adjustments for securities giving access to the share capital or stock options	249; 290	6.6 (Note 27); 7.4 (Note 24.1.2)
Major shareholders and treasury shares	306 to 307	8.2.1
Employee shareholding	258 to 261; 291 to 294; 314 to 315	6.6 (Note 31); 7.4 (Note 24.1.3); 8.3.6
Notice given to another joint-stock company that the Company owns over 10% of its share capital		N/A
Disposal of shares carried out in order to rectify any situation of reciprocal shareholding		N/A
Injunctions or fines issued by the French Competition authority for anti-competitive practices, and which the authority has ordered, as an additional measure, to be mentioned in the management report		N/A

Elements pertaining to the financial statements

	Page number	Chapter
Company's results over the past five years	298	7.5
Information on payment periods for suppliers and customers: number and total amount of unpaid invoices received and issued	194 to 195	5.5
Amount of loans granted in accordance with article L. 511-6 of the French Monetary and Financial Code		N/A

10.7 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	54 to 71	3.1.1.1; 3.1.1.2
Content of, and conditions for preparing and organizing, the Supervisory Board's work	50 to 65; 72; 74 to 83	3.1.1.1; 3.1.1.3; 3.1.4
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		
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 54; 73 to 74; 138 to 145	3.1.1.1; 3.1.3; 4.1.2
Potential limitations which the Supervisory Board imposes on powers of the Management Board	76	3.1.4.4
Provisions deviating from the Afep-Medef Code and reasons for this	83	3.1.5
Particular terms and conditions of shareholder participation in General Shareholders' Meetings or provisions in the bylaws covering these terms	304 to 305; 320	8.1.6; 9
Observations of the Supervisory Board on the Management Board report and the financial statements for the financial year	79	3.1.4.8
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)	132; 133	3.3; 3.4
Description of the procedure put in place by the Company for assessing ordinary arm's-length agreements and its implementation	79	3.1.4.7
Summary table of current delegations of authority and authorizations in the area of share capital increases	309 to 312	8.3.1

Elements relating to compensation

	Page number	Chapter
Compensation policy for corporate officers	84 to 100	3.2.1
Report on the compensation of corporate officers	100 to 128	3.2.2
Conditions for exercise and retention of stock options by the executive corporate officers	258 to 261	6.6 (Note 31)
Conditions for retaining free shares attributed to executive corporate officers	87 to 92; 258 to 261	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	128 to 129; 306 to 308; 309 to 315	3.2.3; 8.2; 8.3
Limitations in the bylaws on the exercise of voting rights and transfer of shares or clauses in agreements brought to the attention of the Company in application of article L. 233-11 of the French Commercial Code		N/A
Direct or indirect ownership of the Company's share capital of which it is aware, pursuant to article L. 233-7 of the French Commercial Code	306 to 307	8.2.1
List of holders of securities with special rights of control and a description of these rights		N/A
Control mechanisms in a potential employee shareholding system, when controlling rights are not exercised by employees		N/A
Agreements between shareholders of which the Company is aware and which might hinder the transfer of shares and the exercise of voting rights		N/A
Rules applicable to the appointment and replacement of members of the Management Board as well as changes made to the bylaws	304 to 305	8.1.6
Powers of the Management Board, in particular regarding the issuance or buyback of shares	304 to 305; 309 to 312; 312 to 313	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	308	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	308	8.2.3

Observations of the statutory auditors

	Page number	Chapter
Report by the statutory auditors on the corporate governance report	299 to 302	7.6

10.8 CROSS-REFERENCE TABLE FOR THE DECLARATION OF NON-FINANCIAL PERFORMANCE

Cross-reference table with articles L. 225-102-1 and R. 225-104 *et seq.* on the declaration of non-financial performance, as specified in article R. 225-105 of the French Commercial Code.

	Page number	Chapter
I. The Company's business model	10 to 11; 28 to 34	Introduction; 1.3
II. Analysis of company risks	40 to 47; 166 to 171	2.1; 4.4.2
Main risks associated with the Company's business activity	40 to 47; 166 to 171	2.1; 4.4.2
Policies implemented to mitigate, and prevent the occurrence of, these risks	40 to 47; 166 to 171	2.1; 4.4.2
Outcome of these policies, including key performance indicators	40 to 47; 166 to 171	2.1; 4.4.2
III. A – Declaration of relevant disclosures associated with the main risks/measures mentioned in II	40 to 47; 166 to 171	2.1; 4.4.2
1 – Employee-related information		
Employment		
Total headcount and breakdown of employees by gender, age and geographic region	13; 137	Introduction; 4.1.1
Hiring and layoffs	137	4.1.1
Compensation and trends	84 to 127; 151	3.2; 4.1.6
Organization of work		
Organization of working hours	137	4.1
Absenteeism	138	4.1
Health and safety		
Health and safety conditions in the workplace	8 to 9; 146 to 151	Introduction; 4.1.4
Frequency and severity of workplace accidents and occupational illnesses	149	4.1.4
Labor relations		
Organization of social dialog, employee information, consultation and negotiation procedures	150 to 151	4.1.5
Review of collective agreements	150	4.1.5.3
Training		
Training policies implemented, including on environmental protection	145 to 146	4.1.3; 4.5.3
Total number of training hours	145 to 146	4.1.3
Gender equality		
Measures taken to promote gender equality	52; 73 to 74; 139 to 144	3.1.1.1; 3.1.3; 4.1.2

	Page number	Chapter
Measures taken to promote the employment and inclusion of people with disabilities	143	4.1.2.1
Anti-discrimination policy	52; 139 to 144	3.1.1.1; 4.1.2.1
2 – Environmental information		
General environmental policy		
Environmental issues taken into consideration	166 to 170; 173 to 174	4.4.2; 4.5.2
Environmental assessment or certification	171	4.4.5
Resources devoted to the prevention of environmental risks and pollution	166 to 170; 173 to 177	4.4.2; 4.5.2
Circular economy		
Waste prevention and management	174 to 176	4.5.2; 4.5.4
Preventive measures, recycling, reuse and other forms of waste recovery and disposal	174 to 176	4.5.4
Measures to combat food waste	176	4.5.4
Sustainable use of resources		
Water consumption and water supply	176	4.5.4
Consumption of raw materials	175 to 176	4.5.4
Measures taken with the aim of using raw materials more efficiently	175 to 176	4.5.4
Energy consumption and measures taken to improve energy efficiency	175	4.5.4
Use of renewable energy sources	175	4.5.4
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	176	4.5.5
Measures taken to adapt to the consequences of climate change	173	4.5.1
Voluntary medium and long-term reduction targets set to reduce greenhouse gas emissions, and means implemented	173; 177	4.5.1; 4.5.4
Protection of biodiversity		
Measures taken to protect or restore biodiversity	174	4.5.2
3 – Societal information		
Societal commitments to sustainable development		
• Impact of the Company's business activity in terms of local employment and development	13; 137	Introduction; 4.1
• Impact of the Company's business activity on neighboring or local communities	164	4.3.4
• Relations with the Company's stakeholders and means of dialog	16; 136; 164	Introduction; 4; 4.3.4
Partnership or philanthropic initiatives	145; 163	4.1.2.3; 4.3.3

	Page number	Chapter
Subcontracting and suppliers		
Consideration of social and environmental issues in procurement policy	158 to 160	4.2.5
Consideration of social and environmental responsibility in relations with suppliers and subcontractors	158 to 160	4.2.5
Fair trade		
Measures taken to promote consumer health and safety	161	4.3.1
Specific information		
Information on combating corruption and measures taken to prevent corruption	169 to 170	4.4.3
Information on combating tax evasion; measures taken to prevent tax evasion	164	4.3.4.6
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	150 to 151	4.1.5
Ending discrimination in respect of employment and occupation	138 to 144	4.1.2
Ending forced or compulsory work	167 to 168	4.4.2.4
The effective abolition of child labor	167 to 168	4.4.2.4
Other human rights initiatives	167 to 168	4.4.2.4
Information not published as not relevant – See Compliance	171	4.4.6
• *Animal welfare*		
• *Food safety*		
• *Prevention, reduction or reparation of air, water and soil pollution seriously affecting the environment*		
• *Consideration of any form of activity-specific pollution, especially noise and light pollution*		

10.9 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 2020 Universal Registration Document:

- the consolidated financial statements for the 2019 financial year drawn up in accordance with IFRS, the statutory auditors' report relating thereto, as well as changes in the financial position and earnings from Groupe operations for the 2019 financial year, which are shown respectively on pages 183 to 255 and 170 to 178 of the 2019 Registration Document filed with the AMF on April 27, 2020, under no. D. 20-0361;
- the Company's annual financial statements for the 2019 financial year drawn up in accordance with French accounting standards, the statutory auditors' report relating thereto, as well as the statutory auditors' special report on related-party agreements for the 2019 financial year, which are shown respectively on pages 257 to 284 and 124 of the 2019 Registration Document filed with the AMF on April 27, 2020, under no. D. 20-0361;
- the consolidated financial statements for the 2018 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 2018 financial year, which are shown respectively on pages 175 to 255 and 162 to 170 of the 2018 Registration Document filed with the AMF on April 16, 2019, under no. D. 19-0344;
- the Company's annual financial statements for the 2018 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 2018 financial year, which are shown respectively on pages 257 to 285 and 118 to 120 of the 2018 Registration Document filed with the AMF on April 16, 2019, under no. D. 19-0344.

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PUBLICIS GROUPE

2020

Publicis Groupe SA

French limited liability company (société anonyme) with a Management Board
and a Supervisory Board, with a share capital of euro 99,107,615.20

Registered office: 133, avenue des Champs-Élysées, 75008 Paris – Paris Trade and Companies Registry no. 542 080 601