



# PUBLICIS GROUPE

## 2014 REGISTRATION DOCUMENT

CORPORATE SOCIAL RESPONSIBILITY EXTRACT  
CHAPTER 2.4 - ANNUAL FINANCIAL REPORT





# PUBLICIS GROUPE

## 2014 REGISTRATION DOCUMENT ANNUAL FINANCIAL REPORT

This Registration Document contains all the elements of the annual financial report

### PROFILE

**3<sup>rd</sup>** ranked global communications group

Publicis Groupe offers its local and international clients a complete range of analog and digital communication services

Present in **108 countries** on 5 continents,  
Publicis Groupe has approximately **64,000** employees

Leader in digital communications leader  
**42%** of 2014 revenue

Recognized creativity



This Registration Document was filed with the Autorité des marchés financiers (AMF) on April 8, 2015, in accordance with Article 212-13 of the AMF general regulations. It may be used in the framework of a financial transaction only if supplemented by a Transaction Note certified by the AMF.

This document has been prepared by the issuer and involves the liability of its signatories.

Copies of the Registration Document are available from Publicis Groupe SA, 133, avenue des Champs-Élysées, 75008 Paris, and on the website of Publicis Groupe SA: [www.publicisgroupe.com](http://www.publicisgroupe.com) and on the AMF website: [www.amf-france.org](http://www.amf-france.org).

## 2.4 CORPORATE SOCIAL RESPONSIBILITY (CSR)

2014 marked the end of a second cycle, focusing on stabilizing the Publicis Groupe CSR strategy. (2009/2010/2011: CSR reporting building phase; 2012/2013/2014: consolidation and integration phase, and external audits)

Significant progress has been made in six years, in three areas: firstly, the Group's agencies have embraced CSR; secondly, all quantitative and qualitative indicators have been strengthened to enable more reliable monitoring of the projects and progress made; lastly, these activities have been thoroughly consolidated to ensure more fruitful cooperation in terms of shared experiences and initiatives. However, much remains to be done in different areas, in terms of both methods and outcomes.

The Publicis Groupe CSR report focuses on four major areas: Social, Cultural/Communities, Governance & Ethics, and Environment.

2014 was the third fiscal year checked by independent external auditors. In accordance with its internal objectives, the Group continued to extend the scope of its external audits; SGS was tasked with auditing and verifying 54 agencies (on-site audits) as well as the entire Group consolidated scope. A more detailed version of the 2014 CSR report is published separately as in previous years (available at [www.publicisgroupe.com](http://www.publicisgroupe.com)).

This non-financial report was prepared according to the directions set out by Decree 2012-557 dated April 24, 2012, based on Article 225 of the Grenelle II Act, 2010-788 dated July 12, 2010 pertaining to corporate social and environmental transparency obligations, and it covers 2014 (January 1 - December 31, 2014).

Starting in 2009, Publicis Groupe has voluntarily chosen to follow the Global Reporting Initiative - (GRI - [www.globalreporting.org](http://www.globalreporting.org)) indicators and standards by taking into account the GRI G4 indicators. The Group has been a signatory of the UN Global Compact since 2003 ([www.unglobalcompact.org](http://www.unglobalcompact.org)), and has chosen to abide by ISO 26000 ([www.iso.org](http://www.iso.org)) guidelines in order to improve its CSR reporting in relation to the way stakeholders are taken into account. Publicis Groupe became a signatory to the United Nations "Caring for Climate" initiative in 2007, and has also been endorsing the CDP on a voluntary basis since 2009 ([www.cdp.net](http://www.cdp.net)) to contribute to the general effort to reduce greenhouse gas emissions.

### METHODOLOGICAL FRAMEWORK

Preparing the CSR report is complex and hinges on two converging flows of internal data, in addition to analysis carried out by the Group's networks, according to their priorities and outcomes, which serves as basis for the annual review.

- Quantitative data are collected in accordance with financial reporting rules and processes, via the financial information system across 750 entities\* in the dedicated module (HFMCSRGI). These data are the responsibility of the network Financial Directors;
- Qualitative data are collected via a dedicated internal tool (NORMA), accessible to all of the agencies, which are thus able to present their initiatives in a central tool. Qualitative data are placed under the responsibility of the Human Resources Directors of the networks;
- Both of these tools are combined in order to ensure consistency and run materiality tests.

Prior to the reporting process, the shared services center teams (Re:Sources) are closely involved throughout the process, especially during the preparatory phase of data collection. An internal guide titled "2014 CSR Guidelines", drafted each year based on the improvements made to CSR reporting, sets out all collection and validation processes at the different levels, as well as the content of the various indicators taken into account (over 90 quantitative and qualitative indicators). This manual was distributed to a cross-functional working group attached to the CSR reporting process (close to 150 members throughout the various networks). It was also presented during webinars sessions in November and December 2014 during the preparation stage (over 850 participants).

All of the quantitative data and qualitative information are then checked and analyzed by the Group CSR department, which coordinates and carries out the consolidated reporting. This department is supported by an internal CSR Steering Committee consisting, whose members hold key corporate functions. Moreover, the Internal control teams make sure during their assignments that agencies correctly implement the CSR reporting processes.

\* Entities are Group agencies named after one of the Group's networks and linked to it, based in different locations within the same town; entities also comprise Shared Service Centers (SSC), mainly based in different locations to the agencies.



Reporting scope: The 2014 CSR report covers 98% of Group employees which is similar to previous years. (2% = most recent acquisitions still undergoing integration.) For certain indicators, the 2014 coverage rate [\*2014 CR] was recalculated with certain exclusions to include the entities that had complied with the indicator, for improved robustness. SGS' mission included on-site audits in 54 agencies in six countries (United States, United Kingdom, France, Germany, Brazil and China), accounting for 32% of employees, representing a wider scope of work compared to 2013 (25%). Random controls on quantitative and qualitative indicators were carried out; audits were performed across all indicators in the final consolidation phase. The SGS external assurance report can be found at the end of this chapter.

Note: This chapter regularly makes reference to other parts of this Registration Document for more comprehensive information.

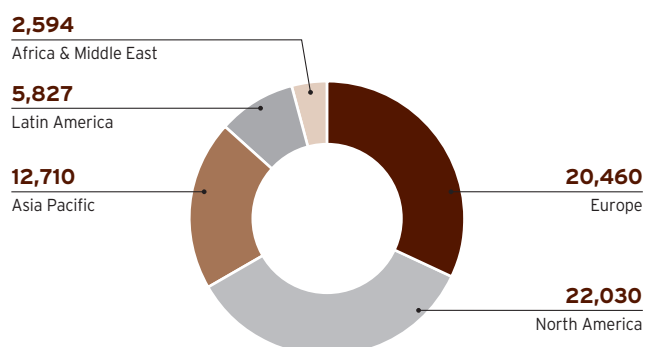
## 2.4.1 CORPORATE

### 2.4.1.1 TEAMS: KEY FIGURES

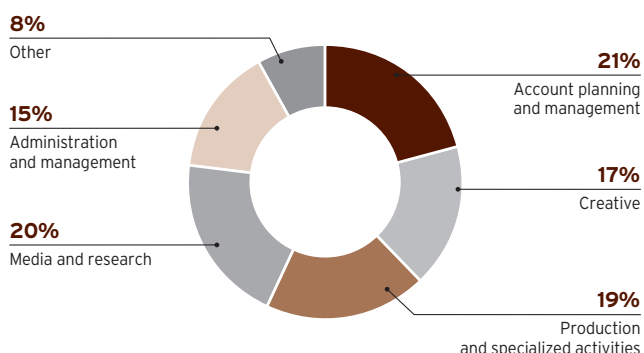
Publicis Groupe, the third-ranked global communications group, is present in 108 countries.

2014 Headcount: 63,621 employees (62,553 in 2013).

● Geographical distribution



● Breakdown by main job category and functions



- The Group's staff turnover was 33.1% (2013: 30.5%). (The staff turnover rate is the total number of departures for the year divided by the annual average number of employees. NB: due to their activities, some entities are subject to a high turnover, which does not reflect operations of the agencies.)

This rate remained high, in an industry with high turnover rates for structural reasons, albeit with significant differences between agencies and, most significantly, between countries. Over the last few years, features specific to digital activities have come into the mix; such activities often have very high staff turnover rates.

- Employment: total headcount is 63,621 employees. The Group now reports this change under the terms 'arrivals' and 'departures' (instead of new employees and terminations), as this better reflects actual operations and staff movements.
  - arrivals: there were 25,078 arrivals in 2014 (2013: 24,415 arrivals). No net recruitments in 2014 based on the number of departures. (2013: 301 jobs were created - 'net' recruitments, i.e. excluding acquisitions). The Group remained a net job creator in several countries, such as the United States, Latin America (Argentina, Costa Rica, Guatemala, etc.), in Asia (Hong Kong, Vietnam, Singapore, New Zealand, Australia etc.) and in Europe (Germany, Sweden, Romania, etc.),
  - departures: 27,025 departures (2013: 24,114 departures). The number of departures in 2014 was mostly due to the closure of the Yong Yang agency in China, as well as to the constant adjustment of staff numbers based on business, in particular Razorfish, following the occasional loss of key accounts.



## GOVERNANCE AND COMPENSATION

### Corporate Social Responsibility (CSR)

- The Group's absenteeism rate was estimated at 2% (2013: 2%). (*The absenteeism rate is equal to the total number of days lost for reasons other than paid leave or maternity/paternity leave, divided by the total number of business days in the year*). This absenteeism rate remained stable and is standard with regard to the Group's activities.

The Group's employee contracts are drawn up according to local laws and regulations for permanent contracts or temporary contracts, or contracts freelance. Within the agencies, work is often organized based on project management requirements and in line with customer needs.

Communication is part of intellectual services activities and requires high levels of responsiveness, availability and speed for the clients needs, even more so as working methods have become increasingly digitized. Time management is another growing challenge faced by employees and managers who must both incorporate flexibility into their schedules to better serve customers who are facing the same issues.

### Health and Security

- 100% of employees are covered by some form of social security (social security health insurance), irrespective of local social security provisions (state, state-company-employee or private company-employee contribution plans, self-funded, etc.);
- The workplace accident rate <sup>(1)</sup> was estimated at 0.4% (2013: 0.4%), the main causes of workplace accidents were related to transportation (home-work commuting and work-related travel). The estimated accident frequency <sup>(2)</sup> and severity rate <sup>(3)</sup> were 1.93 and 0.03 respectively;
- In terms of preventative health measures and occupational illness prevention, in addition to the standard practices, such as seasonal vaccinations or support of national screening initiatives and disease-specific campaigns, the agencies have rolled out many different initiatives to prevent occupational stress (and/or psycho-social risks (PSR)) and muscular-skeletal disorders (MSD). The vast majority of employees work sitting in front of a screen and are therefore rather sedentary, with intense use of their vision, often across multiple screens. In recent years, local network and agency management has committed to more comprehensive programs to better address stress prevention (and stress factors), and more generally, to prevent health problems in response to specific needs (posture and healthy lifestyle). Many actions were implemented and adapted to meet expectations: an ergonomist came on site to sensitize employees to the impacts of problematic seated working postures, sometimes leading to changes of equipment; where possible, massages were also offered several times during the year by health professionals (physiotherapist, chiropractor, masseur, etc.), eye exercises were promoted by a specialist (orthoptist, etc.) and webinars were held to raise awareness on how to make the eyes work or rest; fitness (or yoga, relaxation, etc.) classes were available at the agency in the lunch hour (or through exclusive access to local gym clubs, or even in certain buildings hosting the agencies, or nearby facilities); interviews with nutritionists, even fresh fruit and juice was on offer. For the real athletes, groups were set up for running and bike races (even marathons and half marathons) or to play various team sports. Agencies have created quantitative and qualitative indicators to measure "wellbeing" and "quality of life" at work. However, the level of inconsistency is significant and makes it hard to keep track of the figures. Over the last several years, there has been an increasing number of activities which have become part of the agency's ordinary business operation;
- 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.

(1) Work accident rate [\*2014 cr = 91%].

(2) Calculation of work accident frequency rate: total lost days of work multiplied by 1,000,000, divided by actual worked hours for the year [\*2014 cr = 91%].

(3) Calculation of work accident severity: total lost hours of work multiplied by 1,000, divided by actual worked hours for the year [\*2014 cr = 91%].



### 2.4.1.2 DIVERSITY POLICY

Non-discrimination has always been an integral part of the Group's Principles and Values, and has regularly been upheld and affirmed as crucial to Publicis Groupe in several internal documents, in particular Janus (the internal Code of Ethics) and the Code of Conduct (public extract can be viewed at [www.publicisgroupe.com](http://www.publicisgroupe.com)).

Teams in every country are naturally multicultural, and employee profiles (training, background, experience, etc.) are richly diverse. A proactive policy is nonetheless still necessary. The Group has defined eight priorities on which to concentrate its efforts (one more compared to previous years) in order to promote diversity within its teams: gender equality, age, disability, culture and ethnicity, education, sexual orientation, religious practices and veteran status. The agencies carry out initiatives shaped around these priorities in accordance with local regulations or good practice, either alone or in partnership with other agencies. Monitoring the integration of disabled employees remained an area impossible to quantify at Group level, due to the different regulations applicable to this type of personal information. Unfortunately, French entities are still far from meeting legal requirements, which is not satisfactory.

The approach adopted in the United States and France is presented by way of example, as an indication of the tangible activities in this area.

#### Gender equality in the Group

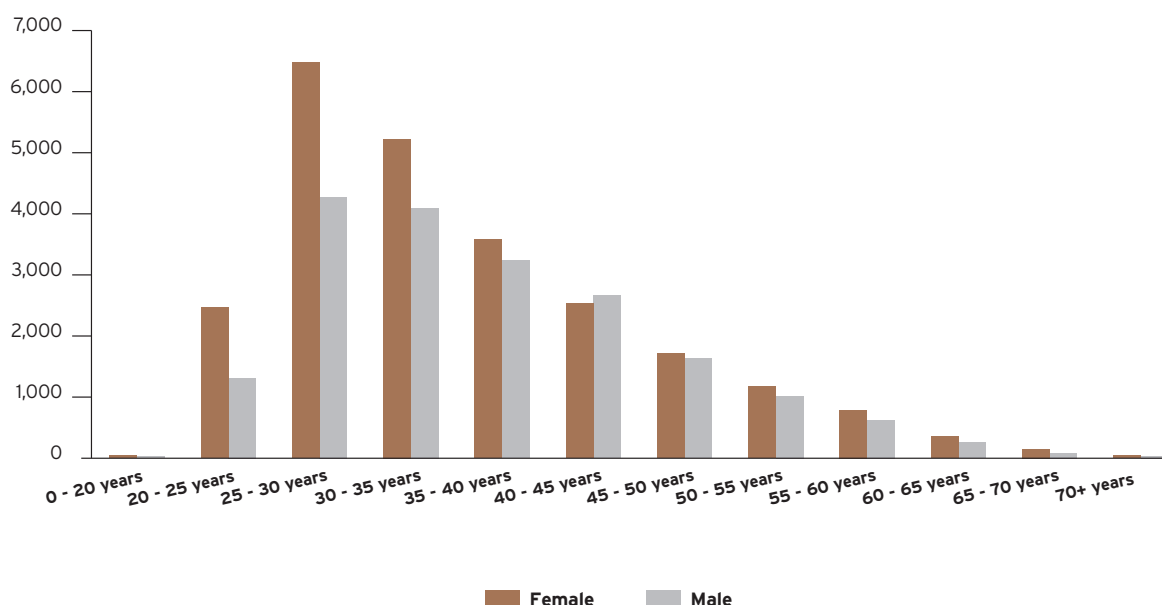
- Total headcount: 52.3% women - 47.7% men (2013: 53.4% - 46.6%);

The headcount remained balanced; however, digital agencies are mainly composed of men;

- Agency Management Committees: 39% women (2013: 39%);

(Figures calculated at agency or entity management level);

- Network Management Committees (*calculated at the Group network management level*): 26% women (2013: 32%); this figure has been affected by the growing importance of digital activities, whose Executive Committees comprise fewer women, and by reorganizations at the top level of certain networks, with resizing of the Executive Committees. Therefore, it is difficult to make comparisons with 2013;
- The Publicis Groupe Supervisory Board, chaired by Élisabeth Badinter, comprised 14 members (50% women - 50% men), until the passing of Michel Halpérin;
- Both chaired by Maurice Lévy, the Management Board comprised four members - one woman and three men (25% female) -, and the "Management Board +" consisted of two women and six men (25% female) in 2014. The Group Executive Committee "P12" is a forum for discussion, strategic exchanges and operational coordination. In 2014, it had 18 members, including two women (11%). (See Sections 2.1.2 and 2.1.3 of this document);
- Average employee age: 35 years; 35 years for men - 34 years for women (2013: 35 years M - 34 years W);
- Age pyramid: it is only indicative, as this year it was calculated on just 70% of employees (using the P-Talent in-house tool), with a part of staff from digital activities not accounted for.





## GOVERNANCE AND COMPENSATION

### Corporate Social Responsibility (CSR)

- Group internal networks, inter-agency:
  - **VivaWomen!:** is the Group's internal women's network. At the end of 2014 it covered 9 countries and 18 cities. Initiated by the Group CSR department at the end of 2011 incorporating all the Group's networks, it spreads across large cities, from Los Angeles to Shanghai, via Mumbai, Madrid, Paris, London, New York and Chicago as well as Toronto and Sao Paulo. VivaWomen! now brings together over 2,500 voluntary, motivated female employees of the Group to take action and support other women in the Group, regardless of their position or function within the Company. Its primary objective is to promote the professional and personal development of women in an environment of gender cooperation. The four mutual key areas are shared: 1) Leadership, 2) Mentoring, 3) Professional Development and 4) Work-life Balance. A dedicated team oversees the activities in each city, in accordance with its own roadmap and local priorities. This network also took part in external activities with other intra- or inter-company women's networks defending the rights of women and girls. The agencies have embraced VivaWomen! and built mini networks on a local scale to team up on certain projects. In addition to this internal program, Publicis Groupe is involved in various institutions and local non-profit organizations dealing with themes relating to gender equality, such as the Laboratoire de l'égalité (Equality Laboratory) in France as well as other similar local organizations. Lastly, inspired by VivaWomen!, delegations of Group female employees attend international conferences, such as the Women's Forum in Deauville, as well as other local and national meetings,
  - **Égalité:** this network was launched three years ago in the United States. It brings together agency employees supporting LGBT (Lesbian, Gay, Bisexual and Transgender) causes and is supported by the Group CSR management team. All agencies have now joined this network which is present across all the main cities in the United States, from Boston to Los Angeles. In addition, *Égalité* started a new chapter in London in 2013. *Égalité* also serves as an internal resource (as an ERG - Employee Resource Group). Each year, a Group delegation attends the Work & Equal Workplace Summit in the United States. Lastly, *Égalité* also operates as an external expert on LGBT issues, in particular as regards certain clients.

### Diversity policy in the United States

American regulations strongly encourage the active promotion of diversity. The Group Diversity Council brings together the various network managers in charge of Diversity & Inclusion activities. It meets quarterly to share best practice and organize joint workshops and activities. In parallel, each network keeps its autonomy when carrying out local or very specific actions based on their hiring and business needs.

The Group continued to pursue the activities launched in recent years, for instance its participation in programs such as Ad Color Awards (ethnic diversity), Most Promising Minority Student (program for ethnic diversity in the advertising industry), Black Enterprise Women of Power Summit (African-American women), or SAMMA (South Asians in Media, Marketing and Entertainment), a program supporting communities of Asian background.

Many agencies have established ERGs (Employee Resources Group), adapted to meet the needs of their employees. Some are inter-agency, such as the MOCA (Men of Color Alliance), launched in 2013. Other ERGs, for instance Black Employee Summit Attendees (BESA), and Link (for African-American employees); or Adelante (The Latin Culture Group) and Hola (for Hispanic employees); PanAsian (for employees of Asian origin), or MERG (Multicultural Employee Resource Group), have been active throughout the year. The challenges and objectives are still the same: within the Group, to support employees from varied backgrounds in their professional development; and from outside the Group, raise awareness regarding the many different profiles and talents that can be found within the Group.

### Employee relations and Diversity policy in France

The Group continued its activities in France, in particular with a view to facilitating access to and retention of employment, irrespective of age, by promoting the transfer of knowledge and skills. Negotiations around the "generation contract" should lead to an agreement very soon, focusing on: training and long-term employment for young people and developing career opportunities for older employees.

The Group implemented two collective agreements in the different entities - one on health, life and disability insurance, and another on the reimbursement of medical expenses.

With respect to diversity, the Group pursued its relationship with several associations such as:

- the "Baisser les barrières" association, which helps people with visual disabilities throughout their university studies as well as in joining the workforce;
- the "Nos quartiers ont des talents" association helps young graduates raised in sensitive "priority districts" or from socially-disadvantaged backgrounds to find employment;
- the association "B.A.ba Solidarité" of which the Group is a founding member. This private initiative inter-company non-profit organizations brings together companies wanting to promote access to reading and writing in-house and fight employee illiteracy by implementing actions throughout the Group, primarily aimed at cleaning personnel.



### 2.4.1.3 TRAINING, ASSESSMENT AND EMPLOYEE RELATIONS POLICY

#### Training

- 63% of employees received training [\*2014 cr = 87%], an increase (2013: 57%) which reflects the effort made to train the teams in spite of high personnel turnover;
- Over 1 million training hours were delivered in 2014 through approximately 4,200 sessions (2013: 3,600 sessions). E-learning (or self-learning) remained very significant and appropriate for certain types of training, in particular all digital activities; face-to-face training is still important, as interactions are different. The total breaks down as follows:
  - 829,000 hours of face-to-face training (2013: 100,450 days of approximately 8 hours, stable year-on-year),
  - 275,000 hours of e-learning (2013: 174,000 hours).

Training remains a key area of work for network Human Resources Directors. The Group's employees, irrespective of their activities, have access to different types of programs to ensure their advancement and regular professional development. Improving the skills level in the digital field (basic skills and multiple fields of expertise) is at the core of these programs. Virtually all agencies provide continuous training for employees to learn and master all new digital applications and uses (across all jobs). The goal is to ensure that each employee is able to acquire basic know-how, by familiarizing themselves with rudimentary coding or understanding the operation of the major digital platforms the Group has partnered with. The boom in mobile device usage and the new challenges of interconnectivity (connected objects) have led the agencies to organize continuous education on mobile and digital topics. Lastly, a number of modules have been developed to work with data (big data and data mining), so that teams may better face the issues, opportunities and challenges brought about by these new disciplines and fields of expertise. The traceability of e-learning is still difficult at times, because there are a lot of modules and the pace of change is very quick. The concept of in-house skill sharing is part of the spirit of cooperation between teams.

In parallel, the agencies are continuing their efforts to offer support around the themes of management and leadership, as well as the challenges of corporate culture. The constant development of agency culture is a true management issue, taking into account the high staff turnover and the radical changes affecting certain businesses. Management and leadership are essential topics, as management practices are bound to evolve and managers must adapt and support their teams in an ever-changing environment. Lastly, creativity, and its driving force associated with digital media, remains a key area for young and old alike, who need to be encouraged and assisted in growing their pool of resources. More conventional training (languages, presentation techniques, learning to establish a fruitful cooperation with clients, but also new writing formats, or further studies in functional subjects such as finance or human resources, etc.) is included in the training program offered to junior roles.

Lastly, greater attention was paid to regulatory themes (or self-regulation) and data protection.

#### Employee assessment

65% of employees had an annual assessment [\*2014 cr: 87%]. This lower rate (2013: 69%) is in line with the Group's turnover rate. Employees are obligated to attend a performance review meeting in line with the internal human resources regulations set out in the Janus Code of Ethics. However, some agencies run the assessments over a longer period of time (18 months). Moreover, in order to take into account the rapid changes in our digital activities, some agencies are testing other assessment models, more frequent and slightly different in nature, in order to better monitor the development of employees.

#### Employee relations

Janus clearly highlights the need to foster dialogue and listen to employees. The medium size of agencies (between 50 and 100 people) allows for simple and frequent exchanges between managers and their teams regarding Company matters and projects in progress.

The Group also fully respects the fundamental rights of freedom of association and negotiation. Employee representative bodies and employees in general are regularly consulted on and informed of projects and developments affecting their agencies and the Group. (See Chapter 1, "Diversity, France").





## GOVERNANCE AND COMPENSATION

### Corporate Social Responsibility (CSR)

# 2

#### 2.4.1.4 EMPLOYEE SATISFACTION SURVEYS

Approximately 50% of the total headcount took part in an internal survey (people survey or climate survey) (2013: 58%). The difference between 2013 and 2014 is normal, as some large networks did not carry out an internal survey in 2014. The networks are free to decide as to whether to conduct an internal survey, as some matters are shared and can be tracked across the Company. Some networks have a long-standing tradition of conducting regular consultations every year or every other year, and other networks wait more than two years before conducting this type of survey; this makes it difficult to make year-on-year comparisons. Lastly, some agencies have also been able to conduct very local surveys. The common goal is, of course, the same: to regularly consult the employees.

#### 2.4.1.5 COMPENSATION POLICY

All of the information pertaining to the compensation of Publicis Groupe senior executives is detailed in Section 2.2 of this document. (Note: *Publicis Groupe stock option plans and free share plans are detailed in Chapter 4, Note 28.*)

Permanent and temporary Group employees in every agency have an employment contract in compliance with local labor laws. The Group does not have a consolidated indicator for the compensation of all employees because the variations between countries mean that comparisons are of little relevance. Thus the approach remains local. It takes industry trends into account, ensuring, at the same time, that the following criteria are met: on the one hand, preserve competitiveness and appeal on a local level and operate in line with Group practices and, on the other hand, avoid inequalities within the same market. Lastly, where appropriate, strengthen social security.

It is not possible to present an overall assessment of wage trends, in light of the Group's strongly decentralized organization. France can be looked at by way of example. In France, the Group continues to pursue a development policy in regards to profit-sharing and employee savings schemes. 2014 gave the Group the opportunity to prove its willingness to work with the employees in order to improve its economic performance. A profit-sharing agreement had been signed for 2013, 2014 and 2015. (The amount of this premium is determined based on organic growth in France and globally). In addition, the Group encourages its entities to promote employee savings by improving the conditions of the existing savings schemes. Each year, the entities offer additional employer's contributions: in 2014, 2,750 employees in France benefitted from these contributions.

With regard to gender pay equality, the Group has always held up as a fundamental principle equal pay between men and women for equal skills and work. The Group and management remain on the lookout to ensure its application in practice, including in crisis periods.

#### 2.4.1.6 HUMAN RIGHTS POLICY

Publicis Groupe is a signatory to the United Nations' Global Compact and is committed to remaining vigilant on these fundamental issues.

The Janus Code of Ethics compels managers and their teams to abide by local laws and regulations, and refers to the fundamental principles of the International Labor Organization (ILO), paying special attention to gender equality in terms of employment and compensation, the scope and effectiveness of social security and improved employee relations.

Taking into account its services activities, the Group believes that the best way to effectively tackle these issues, in a concrete and tangible manner, is to use its know-how to serve this cause. Pro-bono campaigns (see below) in support of organizations or general interest causes promoting the human rights of women, men and children and opposing all forms of exclusion and discrimination, serve as a clear demonstration of the Group's commitment, as a whole and through its agencies and employees, to defending human rights. The Group and its agencies are committed to upholding human rights through these campaigns conducted for major international organizations, such as the United Nations, or in support of local and national organizations and associations.

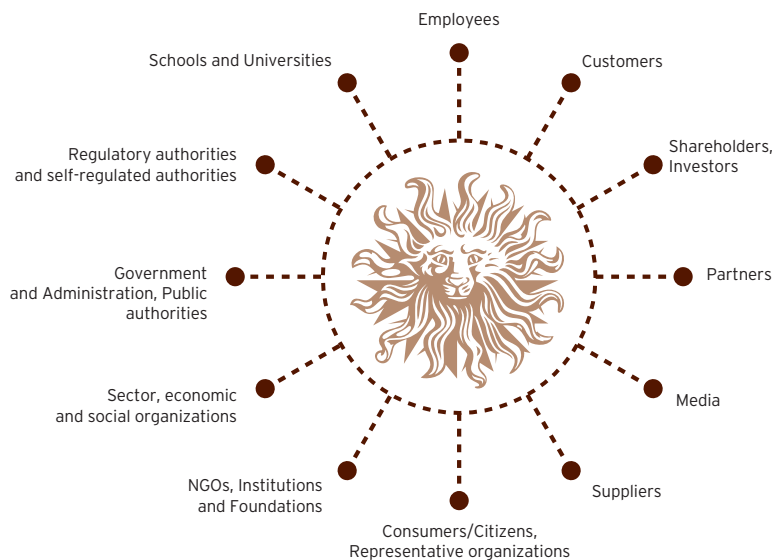
Suppliers' contracts signed with the Group's major partners (at a central or regional level) include various criteria related to human rights. In addition to the internal CSR Procurement Charter, which binds the Group's buyers in relation to these issues, for several years now, suppliers have been asked to complete the CSR Procurement Questionnaire when responding to calls for tender and on an annual basis subsequently (see 1.4.3 below).

### Elimination of all forms of forced and compulsory labor and abolition of child labor

The Group's activities bear no risk on these issues. The Janus Code of Ethics explicitly prohibits forced, compulsory and child labor, and calls for their eradication. As a signatory to the UN Global Compact, the Group cherishes these fundamental principles, which are also reiterated in the Procurement management guidelines, in particular via the CSR Procurement Questionnaire sent to the Group's suppliers (see 1.4.3. below).

## 2.4.2 SOCIETAL

The mapping of stakeholders (as shown in the diagram below) remains virtually unchanged at both the local and global level. It integrates a clear and pragmatic approach for each relationship often backed by collaborative projects or based on cooperation. In 2014, the Group wanted its CSR approach to better integrate ISO 26000 guidelines and started to work on different strategies to further involve stakeholders in the drafting of the CSR report. To reach this goal, this year the Group asked representatives of these stakeholders to present their expectations in terms of "responsible communication", a true challenge for the industry and the activities of the Group's agencies (see 2014 CSR report.).



### 2.4.2.1 AGENCY INVOLVEMENT IN THE CITY AND LOCAL COMMUNITIES

Traditionally, the agencies have two ways of being involved in their communities in a meaningful, effective manner: either by undertaking pro bono campaigns or by playing an active role in volunteering initiatives.

The agency management decides which causes it will support during the year and the local not-for-profit organizations or bodies that will benefit from a pro bono campaign or support through dedicated volunteering initiatives, in line with the Group's Sponsorship Charter (available at [www.publicisgroupe.com](http://www.publicisgroupe.com)). Local proximity and commitment to the issue naturally play a role in selecting the causes to support. Apart from the work to be carried out, the assignment entrusted to the agency in one form or another, these initiatives benefit from strong internal commitment. Whatever the position or the responsibilities of the personnel, taking part in this type of campaign or project is an integral part of an agency career and has been warmly welcomed by the teams.



## GOVERNANCE AND COMPENSATION

### Corporate Social Responsibility (CSR)

# 2

#### **Pro bono campaigns**

Close to 320 pro bono campaigns have been carried out by the Group's different agencies without forgetting all the assistance provided from time to time which is not categorized as campaigns. This lower figure (*360 in 2013*) is in line with the Group's business in 2014 and with the agencies' intention to focus their efforts on a limited number of causes (very often by means of a multichannel approach). Some of them are also involved with public fundraising. The pro bono campaigns conducted by the Group's agencies address the following major themes: child protection; local community initiatives; general health and specific health prevention measures (preventing cancer, fighting AIDS, combating drugs, preventing major diseases, etc.); and environmental protection.

Many of these campaigns can be found on the Group's website ([www.publicisgroupe.com](http://www.publicisgroupe.com)), or on individual agency sites; some of them have been listed in the CSR reports since 2009. The teams are also very proud of the awards won by these campaigns, as they often enjoy great creative freedom, which is acknowledged at many professional festivals.

#### **Volunteering initiatives**

Also referred to as skills-based sponsorship, this practice is becoming more widespread; this year there were more than 230 initiatives of this type (*315 in 2013, not 750, as incorrectly stated in the 2013 documents*). This figure reflects better traceability of the agencies' commitments with associations, NGOs, foundations or general interest causes which benefitted from volunteered time. On a practical level, one or two teams are made available for a limited period of time to provide operational support for certain projects run by associations or organizations in favor of general interest causes. These actions may be in addition to a pro bono campaign. Certain operations sometimes include fundraising involving employees.

Beyond the significant contribution for the beneficiary organization, there is also a real internal benefit, as these campaigns promote internal cohesion and are greatly appreciated by the teams.

A large selection of examples of the many organizations and associations with which agencies have carried out these projects has appeared in previous Group CSR reports since 2009, (on [www.publicisgroupe.com](http://www.publicisgroupe.com)), or the sites of individual agencies.

The total number of the Group's initiatives, through pro bono campaigns and voluntary work exceeded 550 initiatives (*2013: 675 - not 1,100 as incorrectly stated in the 2013 documents*) with an estimated value of euro 19.1 million euro (excluding free media space worth an estimated euro 32.3 million) in 2014. This equals an estimated total of euro 51.4 million (*2013: estimated euro 50.5 million*), a slight increase despite of a rather tense economic environment.

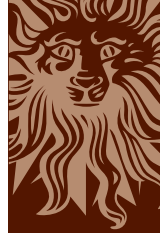
#### **Community charity work and donations**

Some of our agencies continue to participate in charity events, but priority is given to specific commitments such as *pro bono* campaigns, or skills-based sponsorship (see above), because this is the best way of ensuring that the Group's agencies provide the most efficient and effective possible help to organizations working on general interest issues. The agencies, employees and managers alike, always respond very quickly whenever a dramatic event occurs in their country, a region, a town or city (nearby or not) and it is necessary to organize help urgently. Natural disasters and large-scale serious accidents lead to spontaneous acts of generosity, with employees and management working side by side. Under this type of extraordinary circumstances, local presence is a key factor for success. This is why the Group prefers a decentralized approach. These amounts remain modest in relation to the actions made possible by pro bono campaigns, dedicated volunteering initiatives or skills-based sponsorships.

#### **2.4.2.2 RELATIONS WITH SCHOOLS AND UNIVERSITIES**

Schools and universities located near to the agencies are the preferred partners with which very close cooperation has been established for years now. A good number of employees join our teams not just as they reach the end of their studies, but also because they have been able to understand and develop an interest in the careers we offer through internship opportunities during their studies. There are four major types of relationships with schools and universities:

- 1) Job Fairs (or Careers Fairs): these are key events for recruiting; the types of training and skills the agencies need change very rapidly, and education provision is often unable to keep pace with business requirements. Sometimes several agencies participate jointly in these major events;
- 2) Open days at agencies: in various countries, specific dates have been set to welcome students, helping them to find out about our jobs, sometimes in conjunction with inter-professional organizations. Open days offer great opportunities for mutual discovery;



- 3) Education: lectures and courses are presented by a number of managers on a regular or occasional basis. The Group agencies strive to develop these relationships over time and diversify them in order to make them open to students with different profiles originating from atypical courses and to become active in new technology specialties;
- 4) Internships: an integral part of training programs, they are necessary to validate acquired skills in order to be awarded a qualification. Most of the Group's agencies take on interns either for mandatory course internships, end-of-studies internships, or during sabbaticals. Given the increasingly complex nature of our jobs where technology plays a significant role, internships help young graduates gain a better understanding of the reality of a position so that they then can make an informed decision on which career to choose.

Each agency cultivates its own relational network with a certain number of local educational institutions. A list of the main institutions with which agencies have formed relationships over time can be found in the CSR reports since 2009.

### 2.4.2.3 RELATIONS WITH TRADE ORGANIZATIONS AND INSTITUTIONS

Agency managers are extremely involved in their national professional organizations. Ad hoc inter-professional collaborations, bringing together different jobs and business sectors and in which communications agency professionals are closely involved as stakeholders in the actions and ideas of organizations and associations at a local level, have been growing in number.

In addition to numerous local initiatives, the Group is upholding its commitments over the long term (see the CSR reports since 2009); in particular in relation to two topics:

- Education: the Group participates in MediaSmart, a European program (Pub Malin in France [www.pubmalin.fr](http://www.pubmalin.fr)) designed to help primary school educators to teach 8-11 year olds critical thinking skills relative to advertising, in partnership with media representatives, teachers, consumer associations and regulatory authorities, among others. The Group also participates in the MediaSmart Plus program aimed at high-school students and their teachers;
- Self-regulation: at the national level, agency managers are involved in their professional organizations. At the international level, work continues on the International Chamber of Commerce - ICC's Code of Ethics ([www.iccwbo.org](http://www.iccwbo.org)). This ICC Code (Advertising and Marketing Communication Practice - Consolidated ICC Code) sets the international standard for good practice in advertising and marketing, also including digital communication and mobile apps. In the same spirit, in relation to data protection, for instance, the Group's experts are involved in the 4A's Privacy Committee and the Advertising Self regulatory Council in the United States as well as the European Advertising Standards Alliance; this shows the Group's active involvement in these platforms for dialogue and joint work on best practices in the industry with all the professionals and authorities concerned. The Group remains active in relation to standard ISO 26000, applicable to the communication industry focusing on the stakeholders, in the context of AFNOR's work in France.

## 2.4.3 GOVERNANCE, ECONOMY AND ETHICS

### 2.4.3.1 GROUP BUSINESS ACTIVITIES AND PRIMARY KEY FIGURES (SEE CHAPTER 1 OF THIS DOCUMENT)

- History: Publicis Groupe was founded in 1926 in Paris by Marcel Bleustein-Blanchet. It is led by Maurice Lévy, Chairman of the Management Board, and is one of the leading global communication groups. Its registered office is in Paris (*also see Section 1.2 "Group History" of this document*);
- Strategy and activities: The Group's strategy is presented with a high level of detail throughout Section 1.4.2 of this document. Publicis Groupe's communication business is organized around three major areas: advertising, Specialized Agencies and Marketing Services, media agencies; digital activities are becoming increasingly present across these businesses, with digital activities accounting overall for 42% of the Group's revenue in 2014;
- Clients: The list of the Group's main clients is included in Section 1.4.5 of this document;
- The key figures are presented in Section 1.1, and the consolidated financial statements are set out in Chapter 4 of this document;
- Section 1.7 of this document contains information on the Group's R&D policy.

#### 2.4.3.2 CORPORATE GOVERNANCE PRINCIPLES

Section 2.1 of this document outlines the Group's corporate governance principles.

Publicis Groupe is a company with a Supervisory Board and a Management Board.

The Supervisory Board had 14 members (50% women), reduced to 13 after the passing of Michel Halpérin. It is chaired by Élisabeth Badinter, daughter of the Group's founder, Marcel Bleustein Blanchet. The Management Board, chaired by Maurice Lévy, has 4 members (1 woman and 3 men). The members of the Supervisory Board and Management Board are presented in Section 2.1 of this document.

The Group has been listed on the Paris Stock Exchange since 1970.

Risk factors (industry-related, regulatory, mergers and acquisitions, globalization, financial risks, and risk hedging) are presented in detail in Section 1.8 of this document.

#### 2.4.3.3 ETHICS & PRINCIPLES

Janus, the Group's Code of Ethics, consists of a Code of Conduct and corporate operating rules. Janus applies to all managers and their teams, while the Code of Conduct applies to all employees (*see Section 2.1.8 of this document*).

The networks and agencies continue to enhance their internal programs designed to raise awareness and inform employees about the contents of Janus, through dedicated training sessions for all new arrivals, regardless of their position.

The Group's key values were established many years ago and focus on major areas, which are explained in the Janus Code of Conduct with, in the first few pages, details concerning the conduct of the teams and the fundamental rules that must be respected. This summary document is available at [www.publicisgroupe.com](http://www.publicisgroupe.com).

#### 2.4.3.4 ANTI-CORRUPTION POLICY & PROCEDURES AND BUSINESS ETHICS

The Janus code of conduct thoroughly addresses the issues of gifts, conflicts of interest and inappropriate or unethical relationships, either with clients or suppliers. The Group's legal experts play an important role in terms of awareness and the application of laws and regulations concerning corruption. Based in the shared services centers (Re:Sources) and functionally under the Group's Legal Department, these legal experts keep a constant eye on laws and regulations dealing with corruption. They keep agencies aware of the issues at stake and lay down compliance procedures adapted to local markets.

The Group continues to impose its very strict standards on corruption and ethics, in line with the applicable regulations. Continuous progress has been made in developing training programs and control systems to ensure that all employees comply with these rules. In addition, the internal audit teams regularly remind local managers of the Group's rules regarding corruption and ethical business conduct.

The Group established an anti-fraud alert system several years ago, which is included in Janus. All alerts received (mail, e-mails, etc.) are collected by the Group's Secretary General. If required, the Internal Audit Department investigates the matter, using the appropriate resources and preserving confidentiality.

The Internal Audit Director reports the findings of the investigations carried out to the senior management and a report is presented at each Audit Committee meeting.

#### 2.4.3.5 CLIENT RELATIONS

Section 1.4.5 of this document outlines the Group's relations with its clients.

The Group is very committed to the quality of the relations which are forged with all the clients, recent or long-standing, because it is the key to beneficial work. In respect of responsible communication, the work is done upstream, based on messages and representations, as well as when carrying out the campaign itself with the focus on eco-design issues.

Agencies conducted over 8,100 client surveys in 2014 (2013: 7,000). This figure only reflects a part of the client satisfaction surveys. These surveys are conducted either as questionnaires administered by agencies or as annual interviews or performance reviews. In addition, several key international clients also administer the customer satisfaction surveys themselves using their own (or third-party) tools. Consequently, it is hard for the agencies to collect accurate feedback on the procedure and the number of people surveyed on the client side to provide an assessment of the work supplied, as in general only a summary is shared with the agency. A portion of client surveys therefore fails to come to the attention of agencies.



### 2.4.3.6 SUPPLIER RELATIONS

At the end of 2014, the Group's Procurement Department launched, in close cooperation with the CSR Department, an initiative with EcoVadis, an assessment platform, to ensure closer monitoring of suppliers, by including CSR items. The pilot program involves 34 suppliers providing different goods and services of different sizes, based in four countries, mainly in the United States and Europe. (See 2014 CSR report).

The in-house charter (CSR Procurement Charter) designed for the Group's international team of buyers serves as a platform to increase internal mobilization around CSR criteria in calls for tender. In addition, the Group's major suppliers are systematically asked to complete the ad hoc questionnaire (CSR Procurement Questionnaire). The Group's Procurement Department monitors several indicators, including: a) the systematic inclusion of CSR questionnaires in the centrally and regionally managed ITTs (RFIs/RFPs); b) taking into account the responses to these questions in the final score given to the suppliers' bids; c) acceptance by suppliers of our own internal clauses about important issues concerning Human Rights and labor law, as well as the environmental impact.

The Group's Procurement Department is sometimes directly involved at the request of certain clients, when it requires its communications agency to commit to certain points with its suppliers. This trend is being encouraged by recent regulatory developments (see: Small Business Act in the United States as in Europe). Similarly, the issues related to diversity (and social policy) covered by the term Supplier Diversity - beginning to develop - are monitored internally either by dedicated teams in direct contact with clients (as several large Group agencies in the United States do), or with the support of outside experts working in the Group's agencies. The critical issue is encouraging and verifying that the profiles of the companies with which the Group's agencies may work are truly diversified (size, in particular SMEs/VSEs, diversified entrepreneur profiles, distinctive features, etc.).

At the same time, these issues concerning supplier relations result in establishing a closer dialogue between the clients' Procurement Departments and the Group's Procurement Department, which could lead to joint projects.

As for subcontracting, for communication activities managed directly by the agencies, outside experts, freelancers or small ultra-specialized entities are also called upon. This sub-contracting is often carried out under intense conditions imposed by clients; the Group is careful with respect to its service providers to limit reducing the time needed to complete the project and make payments on time.

### 2.4.3.7 CONSUMER HEALTH AND SAFETY MEASURES

Janus, the Group's Code of Ethics, sets out a certain number of key behavioral principles applicable to all employees in performing their job, such as respect for others, confidentiality, avoiding conflicts of interest, as well as the Group's refusal to participate in partisan campaigns, a stance that is quite rare in the communications sector. These rules (publicly available at [www.publicisgroupe.com](http://www.publicisgroupe.com)) apply to all employees and are the foundations of our corporate culture.

Publicis Groupe conducts business-to-business communications operations. The Group's direct issues linked to its communication work are also closely related to the nature of the clients' business (brand name/trademark, products, services, etc.). One of the challenges faced by digital communication is the protection of personal data, in particular with the growth of mobile communication. Group experts take part in different working groups, at both the national and international level, always comprised of several parties to discuss good practices and the issues concerning standards and regulatory changes, while practice standards are developing very quickly. The common objective is to improve the transparency of the new modes of communications and interactions with the end-user, with the Group being very concerned about the notions of free will and free choice of consumer citizens.

For example, the Group agencies apply the Self-regulatory Principles for online Behavioral Advertising in the United States, and in Europe the Best Practice Recommendation for Online Behavioral Advertising. In addition to that, in other countries, similar work and the application of rules that are essentially the same thanks to the collective work undertaken with the regulatory authorities or self-regulation. Other examples are found in the CSR reports from 2009 onwards.

### 2.4.3.8 INVESTOR AND SHAREHOLDER RELATIONS

Section 6.4.2 of this document details the financial information pertaining to the Group's shareholding.

The Investor Relations Department oversees everyday relations with investors and shareholders through 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) requirements.

The press releases and presentations circulated throughout the year are accessible on the Group site: [www.publicisgroupe.com](http://www.publicisgroupe.com).

### 2.4.3.9 GROUP COMMUNICATION

The Group's Communications Department is tasked with developing and implementing the Group communications strategy, both internally and externally. In addition to its advisory and assistance role towards the Group executives and agencies throughout the world, the Communications Department coordinates the whole network of communication managers.

It provides information to employees, shareholders, the general public and institutional players thanks to different international communication means (media, website, social media). It works in close contact with the Group's Corporate Departments: finance, investor relations, human resources, audit, legal, mergers and acquisitions and CSR.

## 2.4.4 ENVIRONMENT

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### 2.4.4.1 GROUP ENVIRONMENTAL POLICY

The Group's environmental policy remains based on the motto "Consuming better, consuming less". It was originally developed around the European 20-20-20 strategy by 2020\*. It was written several years ago based on four clear areas of focus in order to tackle the pragmatic challenges faced by the agencies:

- 1) Reducing consumption of raw materials, mainly paper and water (with changes in relation to the types of paper used and the printing techniques);
- 2) Reducing consumption of energy (by seeking to limit the impact relating to electricity, heating and air conditioning);
- 3) Reducing employee transport and its impact (with teleconference and conference call systems being put in place, etc.);
- 4) Putting in place recycling and organized waste management systems.

The Greenhouse Gas emissions reviews in the last few years enable the major impacts to be identified. However, the natural growth of the Group's business conceals the progress made in certain fields, in particular energy and travel where installing 50 tele-conferencing rooms worldwide has contributed to reducing traveling.

The Group's efforts to adapt to climate change have translated in the progressive implementation of its environmental policy; the Group has also been a signatory to the United Nations Global Compact 'Caring for Climate' initiative since 2007. The involvement of the Real Estate Department should be mentioned here. This department is also involved in a CSR approach in order to consolidate a rigorous approach which takes these issues into consideration during renovation work for agencies and when looking for new office space, ensuring preference is given to premises that meet environmental and energy efficiency criteria. (*See examples in the 2014 CSR report*).

- Certifications: the certification of agencies is dependent on the local context. Over 20 agencies are certified, primarily in the United States, the United Kingdom and France (ISO 14001 or ISO 9001), to better address clients' expectations or in connection with local regulations. There are other voluntary certifications that set standards and good practices in the advertising and communications industry, as well as more technical certifications obtained with technology partners.

### 2.4.4.2 RAISING THE TEAMS' AWARENESS OF CSR CHALLENGES

Over the last few years, there has been a true internal shift in terms of the joint mobilization of employees and management in relation to CSR issues. A few years back, very often priority was given to environmental action. But currently, societal themes are just as relevant. This spurred volunteer teams (Green or CSR teams) to converge on an international, cross agency group wide initiative under the motto "Create & Impact 2014". 2014 was the 4th year of action for this joint movement, while some agencies have had Green Teams since 2004. Driven by the CSR Department, these teams of volunteers are encouraged to implement different types of actions: in favor of employees, communities, and the environment, as well as other themes relevant to CSR, such as wellbeing at work. These teams (very active in more than 200 agencies) undertake effective local initiatives driven by a strong personal commitment. "Create & Impact 2014" brought together almost 120 agencies around June 2014. The aim of this program was to encourage and mobilize efforts on CSR issues, while leaving a large amount of leeway to agencies to determine their own local priorities. In addition to employees, some agencies have involved their customers, suppliers and partners.

### 2.4.4.3 MAJOR CONSUMPTION AND ENVIRONMENTAL IMPACTS

The Group's major sources of consumption and impacts were as follows (in order of importance):

- Transportation & Travel: (*calculation: business trips + personal travel (home/work)*) estimated at 1,062,713,000 km (2013: 1,034,110,000 km). Most of this is generated by business trips, which increased, due to the growth of the Group's business, as well as enhanced traceability of personal travel. Over the last few years, the Group has invested in tele-conferencing rooms in order to reduce business trips, with 50 new rooms now up and running and in increased use;

\* ("20-20-20" European strategy: 20% reduction in greenhouse gas emissions; 20% rise in the share of renewable energy; 20% increase in energy efficiency).

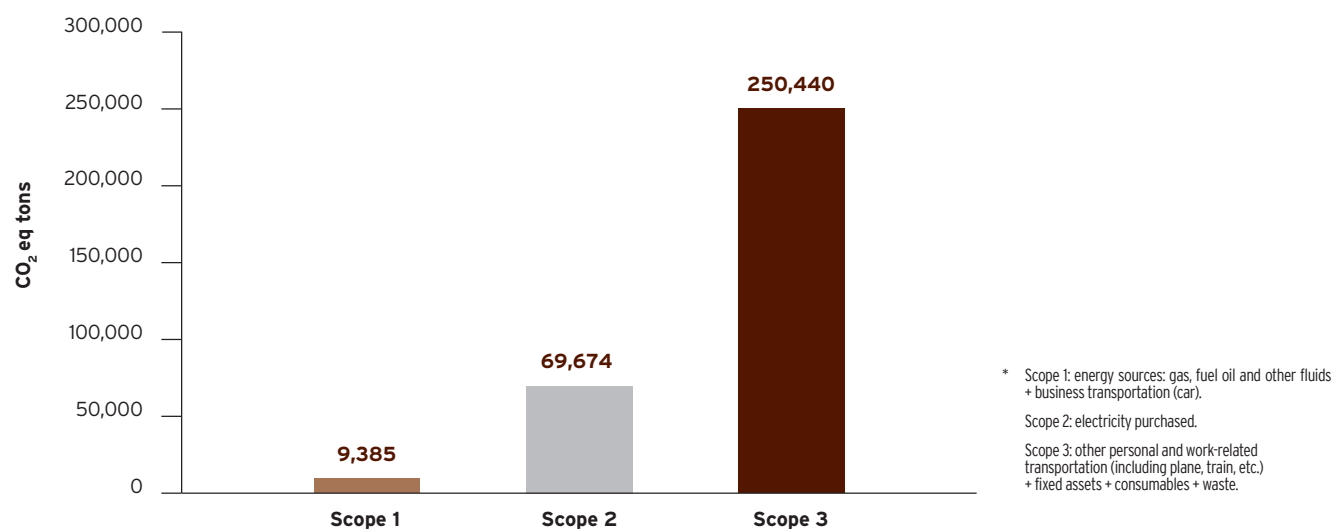
- Energy consumption is 167,982,000 kWh [95% 2014 cr] which is a decrease from 2013 down (2013: 173,201,270 kWh) including almost 26% from renewable energy sources (*on the basis of the statements provided by electricity suppliers*). This fall in consumption makes it possible to better assess the efforts made to improve energy efficiency and good practices (switch off policy for computers and machines such as printers, as well as night and weekend lighting). When the Group has to envisage moves, the energy efficiency of the future offices is part of the selection criteria;
- Fixed assets (buildings, office materials such as IT equipment and servers, etc.);
- Paper consumption: 1,400 tons were consumed [80% 2014 cr] (2013: 1,560 tons), including a share of certified or standard-compliant paper (FSC, PEFC or other); consumables (cartridges, office supplies, etc.).

**Additionally:**

- Water consumption is estimated at 697,197 m<sup>3</sup> or 12 m<sup>3</sup> per capita [92% 2014 cr] - down per capita on 2013 (777,020 m<sup>3</sup>, i.e. 12.4 m<sup>3</sup> per capita). Tracking these data is still a rather complex task, as agencies pass on the information received from their landlords. Given the Group's services, it is difficult to obtain information concerning the sources of supply;
- The volume of waste is estimated at 6,060 tons [96% 2014 cr], up on 2013 with 5,750 tons, which can be explained by enhanced traceability of data). Most of this waste is paper and cardboard, and is recycled with traceability (some agencies have traceability in place for 100% of these volumes depending on the local system in place and service providers used). Waste recycling is improving in the agencies through ad hoc cooperations that facilitate reprocessing of different types of waste other than paper (ink cartridges, cans, bottles, electronic waste, etc.).

**2.4.4.4 REVIEW OF GREENHOUSE GAS EMISSIONS**

For the sixth edition, the Greenhouse Gas emissions review based on the GHG protocol method was calculated with the assistance of Bureau Veritas based on the data collected by all the Group's entities (98%). The total for scopes 1+2+3\* was 329,499 TeqCO<sub>2</sub> (2013: 318,164 TeqCO<sub>2</sub>) appears to be up 3%, which is normal considering the Group's expanding business. This total is equivalent to 5.1 TeqCO<sub>2</sub> per capita (Average of services activities: from 5.3 to 8.8 TeqCO<sub>2</sub>, source: Bureau Veritas).



NB: The GHG protocol calculating method is based on average emission factors (and therefore include a certain degree of uncertainty), thus it only provides estimations by order of size, with its vocation being to encourage GHG emissions reductions and measure the progress made. The degree of uncertainty when making the Publicis Groupe GHG emissions assessment for 2014 is estimated at 20%.

**Comments - Environmental impacts not applicable to Publicis Groupe under Art. 225**

Given the Group's service-based industry and intellectual operations, certain information required for the implementation decree for Article 225 of the Grenelle II Act, is irrelevant, namely:

- resources dedicated to preventing environmental risks and pollution;
- prevention, reduction or reparation measures concerning air, water and soil pollution seriously affecting the environment;
- taking into consideration noise and all other forms of pollution relating to a specific business;
- land use;
- protection of biodiversity;
- provisions and guarantees pertaining to environmental risks.



## 2.4.5 EXTERNAL ASSURANCE - AUDIT REPORT

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At the request of Publicis Groupe, SGS ICS carried out an audit of the information included in the management report drawn up for the year ended December 31st, 2014 in accordance with Decree no. 2012-557 dated April 24th, 2012 relative to companies' social and environmental transparency obligations, with regard to the application of article 225 of law no. 2010-788 dated July 12th, 2010 and article 12 of law no. 2012-387 dated March 22nd, 2012, which amended article L. 225-102-1 of the French Commercial Code and the order of May 13th, 2013 determining the procedure to be used by the independent third-party organization when conducting its mission.

It is the responsibility of the Board of Directors to prepare a report concerning the management of the Company including social, environmental and societal information; to define the appropriate standards used for the collection of the quantitative or qualitative data, and to ensure their provision.

The responsibility of SGS ICS, as an independent body, accredited by COFRAC under No. 3-1086 (range available on [www.cofrac.fr](http://www.cofrac.fr)) is to attest to the presence in the management report of all information provided for in Article R. 225-105-1, express a reasoned opinion indicating one hand on the sincerity of information and, secondly, the explanations given by the company on the absence of certain information indicating the procedures implemented to accomplish our audit.

### TYPE AND SCOPE OF THE AUDIT

#### SGS ICS' audit consists of:

- reviewing the statement on sustainable development policies in relation to sustainable development as well as the social and environmental impacts of the Company's business activities, its cultural commitments and the actions that stem from these policies and commitments;
- comparing the list of information mentioned in Publicis Groupe's 2014 management report against the list set forth under article R. 225-105-1 and noting, where applicable, any missing information not accompanied by explanations as mentioned under the third paragraph of article R. 225-105;
- verifying that the Company has a data collection process in place to ensure that the information mentioned in the management report is complete and consistent, and identifying any irregularities;
- expressing, at the request of Publicis Groupe, a conclusion of reasonable assurance with regards to whether the CSR information is presented truthfully.

### TESTS

SGS ICS conducted its audit of Publicis Groupe on an international scale including its subsidiaries and controlled companies, which are included in the consolidated financial statements.

SGS ICS conducted its audit from December 17th, 2014 to March 6th, 2015 (63 days), by carrying out interviews with key individuals involved in the collection, validation and publication of quantitative and qualitative data from the Holding Company and several of its subsidiaries amounting to 54 agencies in France, Germany, the United Kingdom, the United States representing over 32% of the total headcount\*.

- SGS ICS reviewed the reliability of the internal CSR Reporting Guidelines, the internal control procedures and the data and information aggregation systems at each of the sites;
- With regards to quantitative data, we audited each site by using surveys, verifying the calculation formulas and comparing data with supporting documents for 22 indicators selected according to their degree of relevance (legal compliance and taking into consideration the business sector/industry), as well as their reliability, neutrality and comprehensive nature:
  - social indicators (87% to 98% of total headcount): training hours, number of employees trained, training fees, turnover rates, annual assessment interviews, employee wellbeing, frequency and severity of accidents at work, diversity,
  - environmental indicators (80% to 98% of total headcount): environmental prevention, recycling and waste disposal measures, energy efficiency and use of renewable energy, energy consumption / fuel - electricity - heating - cooling, use of videoconferencing, paper consumption,
  - cultural indicators (82% to 98% of total headcount): Pro-bono campaigns, employee volunteering, donations and charities, responsible procurement, actions taken to prevent corruption, stakeholder involvement, and socially responsible communication campaigns;
- Random checks were performed on quantitative and qualitative data during the final phase of consolidation of the 22 indicators, as well as on other required information;
- Ten auditors were assigned to this audit including a lead auditor;
- Seven interviews were conducted at Group level with the Financial Department, the Human Resources Department, Purchasing Department, the Communication Department, the Internal Audit Department and the CSR Department.

We believe that the chosen sampling method and sample sizes for the audit allow to formulate a conclusion of reasonable assurance.



## STATEMENT OF INDEPENDENCE AND COMPETENCE

SGS is the world leader in inspections, audits, assessments and certifications. Recognized as the global benchmark for quality and integrity, SGS employs more than 80,000 people and operates a network of more than 1,500 offices and laboratories around the world.

SGS ICS is a wholly-owned French subsidiary of the SGS Group. SGS ICS declares that its audit and findings were prepared in complete independence and impartiality with regard to Publicis Groupe and that the tasks performed were completed in line with the SGS Group's code of ethics and in accordance with the professional best practices of an independent third party.

Auditors are authorized and appointed to each audit assignment based on their knowledge, experience and qualifications.

## STATEMENT AND REASONED OPINION

Based on Publicis Groupe's presentation regarding sustainable development policies, the social and environmental impacts of the Company's business activities, its social commitments and the diligence implemented:

- we certify that the information included in Publicis Groupe's 2014 management report is in compliance with the list set forth under article R. 225-105-1 and that any exceptions have been duly justified;
- we declare that we found no significant irregularity that would call into question the fair presentation of the information included in the 2014 management report.

## OBSERVATIONS

- The data collection procedure regarding certain social indicators (annual performances interviews, training hours, climate surveys) as well as certain environmental indicators (waste and paper) must be reviewed in order to improve their traceability and in order to refine their granularity and scope;
- The quality and the reliability of the quantitative and qualitative data, with a boundary that encompasses over 750 sites is in constant progress. We can also note a better use of the information systems specific to CSR reporting.

Signed in Arceuil France, March 6<sup>th</sup> 2015

### SGS ICS France

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F- 94111 ARCUEIL Cedex

Technical Audit Director

**Stéphane LANGLOIS**

\* Audited sites: Arc USA - Bartle Bogle Hegarty UK - BBH Partners UK - Digitas Boston - Digitas Netalk China - DigitasLbi UK - Leo Burnett London - Leo Burnett Sao Paulo - Leo Burnett USA - Leo Burnett Beijing - Leo Burnett Shanghai - MSL France - MSL Consumer Paris - MSL Corporate Paris - MSL Influence Paris - Publicis Consultants Paris - MSL P.R. Consultancy Beijing - MSL Genedigi - MSL New York - MSL North America - Publicis New York - Publicis Blue Print - Publicis Brazil - Publicis Conseil - Publicis Dialog - Marcel Paris - Publicis UK - Digitas Health Philadelphia - Publicis Touchpoint Solutions - Razorfish USA - Rosetta USA - Rosetta New York - Re:Sources France - Re:Sources Germany - Re:Sources USA - Saatchi & Saatchi Nazca Brazil - Saatchi & Saatchi China Great Wall - Saatchi & Saatchi Germany - Saatchi & Saatchi Los Angeles - Saatchi & Saatchi New York - Saatchi & Saatchi North America - Saatchi & Saatchi Team One - Saatchi & Saatchi UK - Starcom USA - MediaVest USA - Starcom MediaVest China - Starcom UK - Zenith USA - Zenithmedia Dusseldorf - ZenithOptimedia France - ZenithOptimedia International UK - ZenithOptimedia UK - ZenithOptimedia Americas - Vivaki USA