08. Fraud & Fraud in the Context of Financial Reporting

▶ AT A GLANCE

- All reporting of financial information must be **accurate, honest, and timely.**
- If fraud occurs, we aim to detect, report, and address it **as promptly and effectively as possible.**
- Fraud constitutes serious misconduct and will result in **disciplinary action or other proceedings.**

FOR WHOM?

All Countries and Business Units.

WHY?

The Groupe wants to be in a position to detect, report and ultimately punish any fraud in the most effective way possible.

WHAT?

What is Fraud?

Fraud is defined as "the theft or improper use of company resources, or client resources, by management, employees or outside individuals; the intentional misrepresentation of the company's financial position or the intentional misrepresentation of information leading to financial loss or misleading financial reporting."

The Groupe is exposed to two scenarios of fraud:

- **Theft or improper use of company or client resources.** If proved following investigation, this constitutes serious misconduct and will give rise to disciplinary proceedings.

  This generally results in the employee's dismissal for cause and, if appropriate, to criminal and civil proceedings.
- **Fraudulent financial reporting** (includes auditing, financial reporting and accounting matters).

HOW?

- All reporting of financial information must be accurate, honest and timely, based on properly held books of account.
- Country and Business Unit CFOs must ensure that their financial reporting systems are designed in such a manner as to render any fraudulent financial reporting:
  - extremely unlikely; and
  - susceptible to be identified through the implementation of proper controls and segregation of duties within their departments.
- Country and Business Unit CEOs and CFOs must make formal written representations (representation letters and management certification letters) to the Groupe CFO at year-end as to the adequacy of their fraud prevention controls.
- Any person who is aware of any fraudulent activity or false information must submit a good faith complaint using the Groupe Ethics Concerns platform or to the Groupe Secretary General without fear of dismissal or retaliation.

Reporting Fraud Within the Groupe

- Employees may forward complaints on a confidential, or should they wish, anonymous basis.
- They may be reported via the Ethics Concerns platform operated by Whispli.

The platform can be accessed by clicking here, visiting *https://publicis.whispli.com/lp/ethicsconcerns* or using this QR code:

- They also may be sent to the Secretary General of Publicis Groupe:
  - Email: *anne-gabrielle.heilbronner@publicisgroupe.com*;
  - Mail: Publicis Groupe, 133, avenue des Champs-Élysées, 75008 Paris, France.

Investigation of Fraud Reports

- Groupe Internal Audit will analyze the matters brought to its attention by the Groupe Secretary General who will decide on the extent of potential investigations.

Under no circumstances may the Country or local management attempt to conduct its own investigations into incidents of suspected fraud. If local management is aware of such events, they must immediately inform the Groupe Secretary General.

- On completion of the investigation, the Groupe Secretary General will inform the Groupe Chairman and CEO, the Groupe CFO, and, as deemed relevant, any other Groupe or Country management function that would be required to implement remediation.
- Groupe Internal Audit will follow up the incident with local management to ensure that there is a sufficient level of internal control to safeguard against further incidents of a similar nature.

Complaints relating to accounting and financial reporting matters will be reviewed by a limited number of persons bound by strict confidentiality obligations. This is done under the direction of the Audit and Financial Risks Committee and the oversight of the Groupe Secretary General. Also, appropriate corrective action will be taken under the supervision of the Audit and Financial Risks Committee.

Notification and Access Rights of Persons Subject to a Complaint

- **Persons subject to a complaint** pursuant to this procedure will be notified when personal data concerning them are recorded, unless protective measures must be implemented.
- **Persons whose personal data is recorded** will have the right to consult and rectify their personal data. This is subject to certain restrictions pertaining to applicable laws and the protection of the rights and freedoms of other persons involved in the matter or its investigation. Under no circumstances will the concerned persons have access to the identity of the person who submitted the complaint.

WHO?

All employees, particularly Country and Business Unit CEOs and CFOs.

Policy available to the public on the Groupe website.