

Communication on Progress

Year 2014-2015

STATEMENT OF CONTINUED SUPPORT

Publicis continues to support the ten principles of the Global Compact with respect to human rights, labor, environment and anti-corruption. We express our intent to advance those principles within our sphere of influence. We are committed to making the Global Compact and its principles part of the culture and day-to-day operations in our company. Publicis is aware of the influences upon the society and the environment, taking care of our corporate social responsibilities seriously, committed to managing and monitoring our social impact, further reinforcing and developing the Ten Principles of Global Compact, as a set of core values.

Publicis understands social corporate responsibility in our business manner as an opportunity to demonstrate our values. Our employees and our clients want to know that we share their beliefs. We pay great attention to the corporate governance and management ethics, two fundamental questions that aims to build and protect the reputation of the brands and create relationships with clients based on fairness, honesty and loyalty, respecting their independence and identity.

Our initiatives encourage employees to more responsible attitude, identifying directions of our corporate development, strategic projects and activities for implementation.

We are committed to ensuring that Publicis Skopje is conducted in all respects according to the highest ethical, professional and legal standards as essential attributes for sustainable development.

HUMAN RIGHTS

Principle 1. Businesses should support and respect the protection of internationally proclaimed human rights within their sphere of influence; and

Principle 2. Businesses should make sure they are not complicit in human rights abuse.

Our Commitment and brief description of our Systems

Publicis clearly and distinctively participates in creating the image of a desirable employer, recognized by employees and clients. We know that our success depends upon more than merely

being good communication and advertising experts. We recognize that there is a suitable role for our business in challenging some of the issues affecting our society.

As a part of Publicis Group we support the universally accepted human rights and contribute to achievement of a higher level of social responsibility, striving for equality, diversity and inclusion.

By putting our expertise at service for social and community issues we actively participate in improving and respecting internationally proclaimed human rights, offering our professional services for free and participating in charitable initiatives.

Respect for people, whether they are clients, suppliers or employees is a base of our everyday practise. We try to be a good corporate citizen recognizing our responsibility to work for the community in which we operate. In that spirit we refuse to cooperate with companies that use any kind of human rights abuse.

Practical actions implemented and Outcomes

In the spirit of respecting the individual rights, Publicis Macedonia participates and supports NGO involved in campaigns for human rights and the rights of disadvantaged people.

As experts in the communication field we give full support to their communication pro-bono and we believe that it is the best way to make difference and contribute to a better society.

Our aim as well is to give support to young artists and organizations that promote cultural values and traditions by developing and nurturing art, film, music and literature.

All our employees are encouraged to give their full personal and creative support that makes the campaigns even more successful.

Children with autism are treated as black sheep in their everyday life, rejected and stigmatized, so we challenged ourselves to raise awareness about this big society unfairness. In Macedonia 37% of people do not want to live near autistic child and 70% don't want their child to go to school with autistic child, nor to be friend. Thousands of autistic children are discriminated and marginalized on daily bases. Nobody talks about it, neither the media, nor the governmental officials.

Our goal was to change the status-quo, to initiate discussion how children with autism are treated by the society, to educate, to inform, to involve, to initiate contacts, in order to provoke change that will lead to bigger social inclusion. We used the biggest National children masquerade in Macedonia, April Fool's day (in Macedonia it is like Halloween), widely covered by media and take over the media attention on the 2nd of April, the World's Autism Day.

The children with autism for the first time took part in the National mask-parade. But their mask was different, they put masks that are wearing each day.... a group of small black sheep - to clearly show how they feel in our society... rejected, discriminated and ignored.

Results were remarkable. "The mask" was main news on 5 National TV stations and on the cover pages in the leading newspapers. We had 50+ web sites coverage and a lot of impact on the social media. The most important: The institutions reacted - the National Ombudsman - started initiative for legally binding inclusion of autistic children in the schools.

We give pro bono support five years in a row to Cinedays - festival of European film by creating a unique artistic platform for the festivals, design and DTP of all promo materials.

With every successive edition of the festival we tried to go beyond ourselves, having in mind ever hungry audience for the most charming designs and ideas. The International European film Festival "Cinedays" became a major film happening in our country.

French film festival was organized by the French Institute of Skopje and supported by the Ministry of Culture. Our task for this campaign was creation of communication and creative platform and production of all campaign materials as well as organization of event, extended PR coverage and engaging celebrities that will raise the awareness of this events, all done pro bono.

This cultural event was attended by famous French film artists of world cinema scene and had huge impact and attendance.

LABOUR STANDARDS

Principle 3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4. Elimination of all forms of forced and compulsory labor;

Principle 5. Effective abolition of child labor; and

Principle 6. Eliminate discrimination in respect of employment and occupation.

Our Commitment and brief description of our Systems

In 2015 Publicis continued its intensive and dynamic business development, which was reflected in the number and structure of our employees. Publicis had total of 40 employees at beginning of 2012. By the end of the 2015, the total number of employees was 50. Average age is around 39 years, ratio of female and male employees is 60/40 among which 90% have college and university degrees, 10% high school degrees and 60% of the employees in managerial positions are women. We attach great significance to recruitment of people and apply selection procedures that secure employment of the

candidates with abilities, skills and features required for successful job performance. Publicis is in close cooperation with local universities, whose students have the opportunity to complete their work experience in our company. The possibilities of volunteering and completing student practice have also proven to be excellent channels of recruitment and we ensure that the priority in employment is given to local workforce.

We want to attract, retain and develop people of the highest skills. Thereby we promote identical opportunities and respect all positive regulations which forbid child labor, forced or obligatory work that protects the employees' dignity in a way that the employee is protected from mobbing or sexual harassment from their employers, superiors, associates and others with whom they may work.

Practical actions implemented and Outcomes

- 100% of our employees have a full time contract. All of our employees, regardless of the contract they have, are guaranteed equal rights
- Our employees' salaries and rewards depend on the complexity of their job, necessary competencies for fulfilling tasks & results
- Publicis secures quality individuals with broader knowledge and skills to continue to nurture the concept of career, we encourage activities focused on developing employee competencies
- Our business policy excludes any form of forced work and discrimination on all the levels and each employee has a contract
- Career moves and advancements are result to achieved progress and performances and are not influenced by potential discrimination
- High performing employees and excellent results are recognized by management and rewarded by trips, spa & treatments for relaxation, vouchers for purchasing luxury items or financial awards (every year top 5 workers are pronounced)
- Employees have opportunity to participate in creating and changing the employment relationship and have full freedom of making a choice whether to leave or stay in the company, as their freedom to leave the company is not contractually limited
- We support the development of good practice by collecting and sharing with other offices examples of practical activities that contribute the progress, creating cases with key ideas, development and execution of the specific projects
- The rights and obligations arising from the employment are not influenced by the gender, nationality, race, sexual orientation, religion or political beliefs. The equality is clearly visible on all working and managerial positions: from 7 senior managers - 6 are female; many of the employees have non-Macedonian origin (1 Albanian, 1 Turk, 2 Serbs, 1 Montenegrin and 2 Croats);

- We are always open to hire young people with no work experience and invest in their further education and professional development, like engaging young PR and Design students to have access to our projects, advices and practical mentoring support
- Since 2006 every year we have annual medical examination for all employees which includes advanced examinations more detailed and extensive then those required by law, specially for the categories of women and men above 40 years old
- We organize team building events 3-4 times a year for all employees , provoking them to create teams and collaborate solving tasks and challenges together
- We pride ourselves on trying to be flexible towards the needs of our people on an individual basis, creating opportunities for every individual to contribute under their conditions like their time management
- Additional benefits offered to encourage health is delivery of fresh fruit & salads to our offices
- We are committed to maintaining the highest standards of health and safety in all of our offices. All incidents and accidents are reported to the Facilities Manager, who ensures that they are investigated and that any necessary steps are taken to prevent recurrence
- Special procurement for female needs in every toilet in our company
- Pharmacy supply with preventive kits for acute medical conditions of the employees
- Employees are actively encouraged to use their full holiday allowances each year
- All of our employees receive a generous holiday entitlement
- We organize regular social activities on a departmental and company-wide level
- We encourage our employees to socialize understanding the importance of getting to know each other outside of the office setting

ENVIROMENT

Principle 7. Business should support a precautionary approach to environmental challenges;

Principle 8. Undertake initiatives to promote greater environmental responsibility; and

Principle 9. Encourage the development and diffusion of environmental friendly technologies

Our Commitment and brief description of our Systems

Publicis is naturally excellent and naturally different.

We are committed in selecting recycling packaging and rational use of natural resources, minimizing any potentially adverse effects of our business activities on the environment and efficient use of

natural resources aligning the criteria for planning, implementing, verifying and reviewing all environmental impacts and environmental protection measures. The community and environment in which Publicis operates, and the clients and suppliers we do business with, are increasingly affected by sustainability issues. We take great pride in our commitment to reducing our carbon footprint, and have adopted the principles and practices in a manner to promote greater environmental responsibility, encouraging sustainable methods starting with office environment.

Practical actions implemented and Outcomes

We all benefit from environmental enhancement; our company and also our employees as individuals. We are proud of what we and our employees contribute by environmental related operations and we support their continued and further involvement.

- We implemented system for selection of paper and plastic packing with organized transportation of the collected quantities for recycling
- Reducing the unnecessary paper usage, through reusing, supporting internal use of recycling paper, where appropriate including double-sided printing and photo-reduction and internal electronic communication
- Non-printing policy - majority of the materials are presented, distributed and archived in electronic format
- Not usage of plastic materials
- Encourage employees to use re-usable kitchen utensils instead of disposable ones
- Installation of bike racks, encouraging employees to use bikes in preference to personally owned cars
- When possible we encourage meetings through the use of audio & video conference
- Including environmental considerations in our purchasing and procurement processes
- Improvement of the lighting systems by using saving energy lighting equipment
- We implemented 'switch off' policy, strive for energy efficiencies and minimize our use of electricity, by ensuring appliances are turned off when not in use
- Internal communication for responsible attitude towards energy
- We donate dilapidated electronic equipment to charity or arranging the machines to be recycled
- We encourage our office suppliers and our employees to use environmentally friendly products
- Restrain supporting environmentally harmful projects

FIGHT AGAINST CORRUPTION

Principle 10. Business should work against corruption in all forms, including extortion and bribery.

Our Commitment and brief description of our Systems

Publicis is committed to the fight against corruption, no matter in which forms it appears.

The laws and regulations must be respected by all our employees, conducting policies and all applicable laws, regulations and professional conduct standards.

We avoid personal or financial conflicts of interest and handle actual or perceived conflicts honestly and ethically, making all appropriate disclosure.

Our company competes with the quality of the service and has highest ethic standards: no corruption; no fraud; no conspiracy; no compulsion.

Practical actions implemented and Outcomes

- Publicis has strengthened the Procurement procedures based on highest standards
- All our dealings and negotiations with suppliers are transparent and based on “best offer” criteria which are properly recorded and documented
- The company does not accept payments in cash and all transactions have to be recorded and back-upped with invoices and receipts
- We implemented new financial protocol for better protection and control over procurement processes to avoid nepotism and conflicts of interest
- All our suppliers have equal rights for cooperation based on the offer
- We strive to improve the processes we use considering value, risk and control in decision making
- Our company never uses its position for personal gain and never interfere with anti-corruption efforts
- We act within the limits of our authorization at all times and we are not compromising through any preferential treatment given to or accepted from clients, suppliers or other associates with whom we deal

Brief description of nature of business

Publicis Macedonia is established in 1996 and is a fully-fledged agency on the market.

Owned by one of the biggest communication groups in the world Publicis Group, we have incorporated the group standards and corporate policies in our daily work.

We are a full-service agency and our activities include advertising, strategic planning, brand consulting, creative concepts development, corporate communication, media counseling and buying and various marketing services like public relations, direct marketing, event management and other.

Publicis Macedonia operates as multi door operation of several group brands: Publicis, Saatchi & Saatchi and media agency Zenith Optimedia.

In 20 years we have grown into one of the biggest advertising agencies in the country with 50 employees and many co-workers.