IPG 2023 ESG Report



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CEO Letter



As we look back on the past year, we continue to be gratified by IPG's progress when it comes to all facets of ESG. An important component of our success is the focus on integrating our ESG priorities and practices into the ways we operate, how we partner with our clients and how we foster a sense of fairness and belonging across our company. This report details much of the work we have done in this space during the last year and highlights a number of key examples and accomplishments.

Over the course of the year, we continued to focus on how we can **reduce our greenhouse gas emissions**. To that end, we were pleased to see our near-term reduction targets validated by the Science Based Targets initiative, the best-practice framework in this area. We were also proud to have achieved our near-term target of a 50% reduction in our Scopes 1 and 2 emissions and to have made significant progress towards a 30% reduction in our Scope 3 emissions during the year. This reduction positions us strongly to deliver our long-term net-zero goal, which we aim to reach across our operations by 2040.

2022 also saw us publish our first **Responsible Media & Content** Principles, which codify many key tenets to which we have long subscribed. These principles ensure we deliver socially and environmentally responsible, non-stereotyped and accessible content for all marketers. We continued to collaborate with clients on this key topic in industry forums that address how individuals, agencies, clients, creators and platforms can each play a role in responsible media, technology and innovation. And, we further built on our industry-first and industry-leading Media Responsibility Index, which assesses platforms on safety, inclusivity, sustainability and data ethics, and is consistently re-evaluated to ensure accuracy and relevance.

As we continue to understand how artificial intelligence (AI) can, in conjunction with human expertise, unlock value and opportunity for the solutions we deliver to our clients, we are always mindful of the technology's implications on **data ethics and privacy**, misinformation and biases. Which is one of the reasons that IPG and McCann Worldgroup became the first global marketing and advertising services companies to join the Partnership on AI to Benefit People and Society (PAI). PAI is a multi-stakeholder, non-profit partnership that works to advance responsible governance and best practices in AI and guides efforts to ensure that AI equitably enhances quality of life.

Our company is powered by our talent, and so we are always focused on **human capital** management and work to ensure fairness and equal access for our people across the business. In the past year, this has included a continued transition to policies that enable our people to better manage time off, and continued support for employee assistance programs that provide emotional and practical support for employees and their families. In addition, we worked to achieve WELL certification for our major sites in North America to provide our employees with working environments that support health and well-being.

All of this activity is underpinned by a long-term, industry-leading commitment to **diversity, equity and inclusion**. Notably, in 2023, we expanded and re-branded our employee inclusion survey to cover our global population and provide an opportunity for employees to share feedback regarding their experience within our various agencies. Survey results were presented to all global employees through regional town halls and are being used to inform further enhancement to our talent management, recruitment and client service practices.

As we move forward on our ESG initiatives, we will look to continuing our work with clients on solutions that further their businesses and align with our mutual values. While we are proud of the range of **honors and recognitions** we have received as a result of these efforts, we understand that there is much left to do on this ongoing journey.



Philippe Krakowsky
IPG Chief Executive Officer

About IPG

Interpublic Group of Companies (IPG) is a values-based, data-fueled and creatively-driven global provider of marketing solutions. Guided by a purpose-driven strategy, we use human-centered marketing to connect, engage and interact on a personal level to drive performance and make a difference in communities around the world. We are regularly recognized for our creative work, for our ESG contributions, for being a leading advertising holding company and for being a best place to work.

2022 IPG Overview

Holding Company
100+ companies

Locations
100+ countries

Revenue
$10.93 billion

Headquarters
New York City

Employees
58,400

Stock Ticker
NYSE:IPG

*Additional company-related data can be found in the **Appendix**.*

Company Overview

IPG is a publicly traded global holding company with over 58,000 employees in all major world markets. Our companies combine the power of creativity and technology to provide services in consumer advertising, digital marketing, communications planning, media, public relations, specialized marketing and data management. In recent years, IPG has acquired companies across the marketing spectrum, including firms specializing in data and technology, commerce, immersive and augmented experiences, social media and healthcare communications. Our recent investments contribute to IPG's expertise in data-fueled creativity, which helps brands connect with consumers in highly efficient and relevant ways.

Our solutions vary from project-based activity involving one IPG company to long-term, fully integrated campaigns created by multiple IPG companies working together. We specialize in human-centered marketing, a data-driven approach to identify real people with a finely tuned set of passions, behaviors and motivations far beyond their demographics, and build compelling marketing experiences that connect, engage and interact with people on a personal level.

As our CEO Philippe Krakowsky said following IPG being named lead creative agency for Pfizer in 2023, "we earned the chance to create work that is meaningful, engages consumers and professional audiences, delivers business results and wins awards, as well as communications that help improve the quality of life for countless people across the planet."

Role of the Holding Company

IPG's key role as a holding company is to support and invest in our company brands so they can produce the best work for our clients. We provide resources to ensure that our companies can best meet clients' needs, and we selectively facilitate collaborative client service among our companies. Supporting our brands allows us to attract and retain talented people who are passionate and want to develop their careers with a company that has a strong culture and a unique value proposition that aligns with their own.

The holding company sets company-wide financial objectives and corporate strategy, establishes financial management and operational controls, guides personnel policy, directs collaborative inter-agency programs, conducts investor relations, manages ESG programs, provides enterprise risk management and oversees mergers and acquisitions. In addition, we provide certain centralized functional services that offer our companies operational efficiencies, including accounting and finance, information technology, executive compensation management and recruitment assistance, employee benefits, marketing research, internal audit, legal services, real estate expertise and travel services.

It is a strategic principle of IPG to provide clients with access to the best and most appropriate IPG resources to drive their success. IPG's Open Architecture® model enables clients to access the diverse capabilities across our holding company. **Open Architecture** provides single management solutions to multidisciplinary teams and leverages consulting and advisory services to ensure we efficiently drive business results for our clients.

To facilitate seamless integration, IPG's brands are grouped into reportable segments based on their primary capabilities:

- **Media, Data & Engagement Solutions**

  (e.g. **IPG Mediabrands**, **UM**, **Initiative**, **KINESSO**, **Acxiom** and our digital and commerce specialist agencies **Huge**, **MRM** and **R/GA**)

- **Specialized Communications & Experiential Solutions**

  (e.g. **DXTRA Health**, **The Weber Shandwick Collective**, **Golin**, **Jack Morton**, **Momentum** and **Octagon**)

- **Integrated Advertising & Creativity Led Solutions**

  (e.g. global networks **FCB**, **IPG Health**, **McCann Worldgroup** and **MullenLowe Group**, and domestic integrated agencies **Campbell Ewald**, **Carmichael Lynch**, **Deutsch LA**, **The Martin Agency** and **Tierney**)

2022 IPG Brand Highlights

- Acquired **RafterOne**, a leading provider of commerce solutions on the Salesforce platform, and aligned it with **MRM**, which shares its expertise in providing enterprise marketing solutions.
- Created the **Marketing Intelligence Engine** establishing a strategic advantage for each IPG company.
- Two of our companies – **Mediabrands** and **Rogers & Cowan PMK** – launched a technology platform called **UpstreamPOP** to provide brand integration for clients.

In 2022, IPG was once again ranked Top Holding Company of the year at the Effie U.S. Awards

All our brands leverage IPG's data and tech offerings to connect brand marketing and performance marketing, driving accelerated growth for our clients.

IPG also maintains **Collective Intelligence**, which curates perspectives from experts across IPG's global network to inform and illuminate opportunities for brands to stand out. Collective Intelligence delivers actionable insights and ideas for IPG and its companies that impact brand strategy for our clients.

Locations

IPG's clients range in scale from large global marketers to regional and local clients. Our comprehensive global services are critical to effectively serve our multinational and local clients in markets throughout the world as they seek to build brands, increase sales and gain market share.

Based in New York City with offices in over 100 countries, we are able to focus on a single region as well as deliver global integrated programs. In 2022, IPG had over 58,000 global employees, with approximately 25,000 employees operating in the United States (U.S.). While the majority of IPG operations are based in the U.S., operations outside the U.S. represent a significant portion of our net revenues – approximately 43% in 2022.

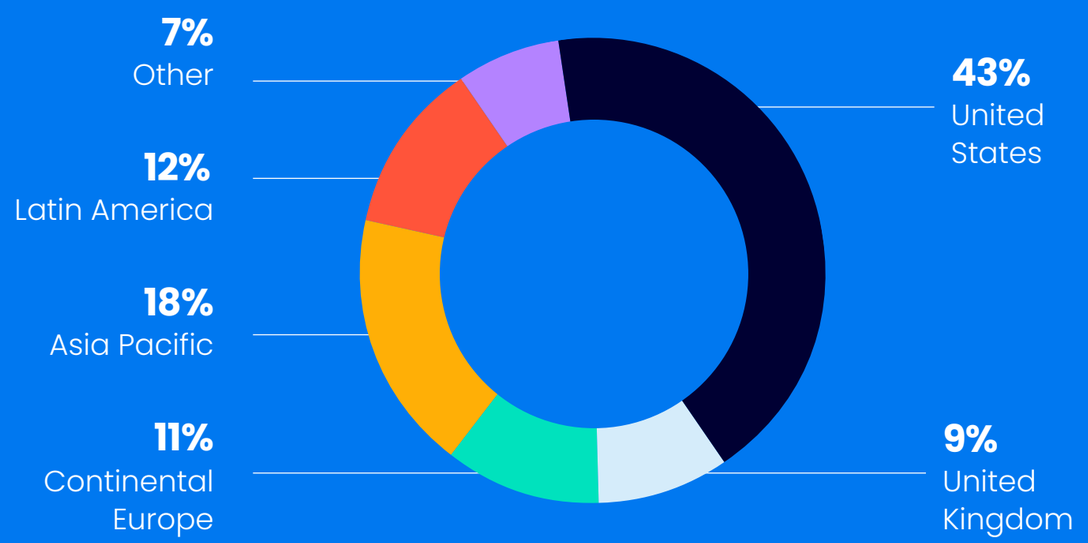


COLLECTIVE INTELLIGENCE

The Collective Intelligence podcast "**CI Conversations**" offers fresh perspectives from IPG's global network of marketing experts.

2022 IPG Employees by Region

As of 2022, IPG had over 58,000 employees across the world in over 100 countries. The majority of our operations are based in the U.S.[1]



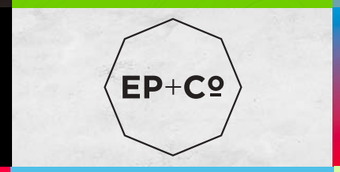
1 - Numbers are approximate and may not total due to rounding.

Our Brands

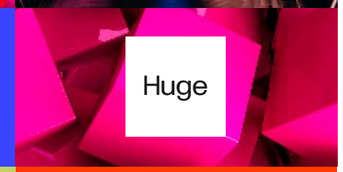


















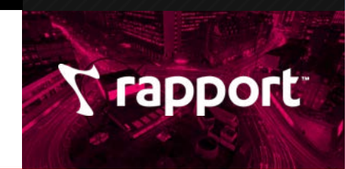






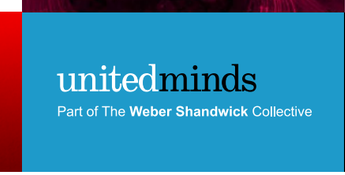













Awards & Recognitions

"At IPG, we understand that our success is rooted in our ability to deliver to a range of stakeholders while supporting the well-being of our people and the communities in which we live and work. We are proud to receive recognition for our ESG-related programs, though we also acknowledge that there is plenty of work left to be done."

– Jemma Gould,
IPG Chief Sustainability Officer

In recognition of our commitment to and implementation of sustainable business practices, IPG has been listed on several ESG-related indices and awards, including:

- IPG has been recognized as a "**Top-Rated ESG Performer**" by Sustainalytics.
- In 2022, IPG was not only listed as the highest ranked company in our industry, but also among the top five in the U.S. for "**Best Employers for Diversity 2022**" by Forbes and Statista.
- In 2022, IPG was on the **FTSE4Good Index** for the third consecutive year, which identifies companies that demonstrate ESG practices measured against international standards.
- In 2022, IPG was listed on the **Bloomberg Gender Equality Index** for the third consecutive year, a premier ranking of global companies that publicly demonstrate their commitment to equality and advancing women in the workplace.
- In 2022, IPG was listed on the Human Rights Campaign's Corporate Equality Index for the 13th year in a row and was named one of the "**Best Places to Work for LGBTQ+ Equality**."

Based on IPG's annual submission to S&P Global's **Corporate Sustainability Assessment** (CSA), we were included in several indices for 2022:

- IPG was listed on the **Dow Jones Sustainability Index** (DJSI) North America for the third consecutive year. The DJSI North America recognizes the top 20% of sustainability performers among the 600 largest U.S. and Canadian companies.
- IPG is also listed on two additional S&P indices that recognize companies' work in the ESG space — the **S&P 500 ESG** and the **S&P Global 1200 ESG**. The S&P 500 ESG is based on the S&P 500 Index and includes only U.S.-based companies, while the S&P Global 1200 encompasses companies from around the world.

IPG's inclusion on these indices continues into 2023.

ESG Strategy

IPG is a purpose-driven company, committed to achieving the highest standards on environmental, social and governance (ESG) issues. IPG understands that our success is not only grounded in our growth and financial health, but also in the health of our people, our planet and the communities where we live and work. As an integral part of our business, IPG and our companies have invested significant time, effort and resources in support of our ESG programs for several years.

Along our ESG journey, we have seen how the many facets of sustainability are tied to one another. The water crisis in U.S. cities, for example, has both climate change and racial equity at its center, with impacts on public health and education as well. Awareness of intersectionality among these issues is growing, and we strategically select our areas of impact to account for their linkages.

Recent Highlights

- Named our first Chief Sustainability Officer
- Continued purchasing Renewable Energy Credits (RECs)
- Refreshed the IPG Environmental Sustainability Policy
- Updated supplier management practices to strengthen ESG requirements of vendors
- Conducted a refreshed ESG materiality assessment
- Received official SBTi validation of our short-term climate action targets
- Announced a climate review process for prospective clients in oil, gas and energy sector

In the past few years, IPG has mindfully evolved its ESG strategy, which now includes time-bound targets, diverse partnerships and implementation at every level of our business as well as in the work we provide to our clients. We organize our ESG work around five strategic priorities:



ESG Materiality Assessment

IPG engages **Governance & Accountability Institute** (G&A), a respected advisor on ESG issues, to conduct regular independent materiality assessments to identify the topics around which to build and expand our ESG strategy and reporting. The findings from the 2023 materiality assessment resulted in an updated list of ESG priorities since our last assessment conducted in 2021, and the results have been approved by IPG's senior management.

This process ensures that we focus on the key material issues for our business and our various stakeholders, supporting our strategic response to shifts taking place in the world around us, while operating in alignment with our company values.

Examining Key Stakeholders and Issues: The assessment began by compiling a list of ESG topics that were identified from a range of key stakeholders, including investors, clients, industry peers, ESG frameworks and rating organizations. Topics included each of the GRI Standards Topics, the 17 UN Sustainable Development Goals (SDGs), the SASB Advertising & Marketing Sustainability Accounting Standard topics, and other ESG topics important to investors and other key stakeholders. For material ESG topics identified that did not map directly to a GRI Standards Topic, an additional "Non-GRI Material Topic" was added to the materiality analysis. This initial step produced a list of over 40 topics of interest to different groups of stakeholders.

Conducting a Deeper Analysis: To evaluate which of these issues were material and where our company has an impact, we conducted a deeper analysis starting with an assessment of our industry peers and clients with high ESG ratings, and the leading ESG investor raters and institutional investors. We reviewed these identified stakeholders' strategic selection of material ESG topics for inclusion in their ESG disclosures, rating methodologies, investment decision-making, goal-setting and strategy.

Discovering the Greatest Impact: From this process, an overall materiality score was calculated for each ESG topic. Using this quantitative model, IPG identified the following ESG issues as most material to our business:

1. Diversity & Equal Opportunity
2. Customer Privacy & Data Security
3. Ethics & Integrity
4. Employment
5. Governance
6. Emissions & Climate Change
7. Energy
8. Responsible Media & Content
9. Training & Education
10. Local Communities
11. Human Rights
12. Occupational Health & Safety
13. Public Policy
14. Supplier Social Assessment
15. Waste
16. Sustainable Services, Products & Consumption

IPG ESG Materiality Matrix



ESG Tracking & Reporting

IPG pursues continuous improvement of our ESG programs by contributing to the global development of sustainability practices and reporting on those practices. Therefore, we are committed to transparency, including annual reporting on our ESG disclosures.

This 2023 ESG Report was prepared in alignment with various reporting frameworks and standards including the **Global Reporting Initiative** (GRI), the **Sustainability Accounting Standards Board** (SASB) and the **Task Force on Climate-Related Financial Disclosures** (TCFD). Our disclosures and initiatives are also mapped to specific **UN Sustainable Development Goals** (SDGs). This report details our progress on all of our ESG strategic priorities.

In recent years, we have obtained external assurance on certain greenhouse gas emissions and certain employee diversity metrics.

Additionally, IPG regularly responds to annual ESG surveys including the **CDP** Climate Change questionnaire, **UN Global Compact's** Communication on Progress, S&P Global's **Corporate Sustainability Assessment** (CSA), **EcoVadis** and **Ecodesk**, which support our engagement with clients and investors.

ESG Governance & Oversight

IPG's Board of Directors is involved in the oversight and governance of ESG issues in a variety of ways. The entire Board, including our CEO and our Chairman, has overall responsibility for the oversight and management of the company's risks, including those related to ESG issues.

While the Board's Audit Committee has oversight of overall company risks, our Board's Corporate Governance and Social Responsibility Committee has primary oversight of IPG's sustainability-related policies and practices, and makes recommendations to the entire Board regarding the company's policies and practices on climate and social responsibility issues.

Our Board and its committees are kept informed on ESG-related issues through direct communication with our Chief Financial Officer (CFO) and our Chief Sustainability Officer (CSO).

The Board's specific oversight functions for each ESG area are outlined to the right, including the roles for the Board's committees.

Sustainable Operations	IPG's Environmental Sustainability Policy applies to all domestic and international offices across all of IPG's companies, agencies, subsidiaries, suppliers and affiliates. It is administered by the Chief Sustainability Officer (CSO).
Climate Action	IPG's Board of Directors, including our CEO and our Chairman, has overall responsibility for oversight and management of the company's risks, including those caused by climate change. The Board's Corporate Governance and Social Responsibility Committee has primary responsibility for IPG's ESG-related policies and practices, including climate change. Our Board is kept informed on climate change through regular reporting from our CSO as well as other company management.
Responsible Supply Chain	IPG's Board of Directors reviews and considers the implications of social responsibility issues that affect the company. The Board's Corporate Governance and Social Responsibility Committee oversees issues of global corporate citizenship and social responsibility and makes recommendations to the full Board regarding the company's policies and practices on these issues. With the support of the Board, IPG also implements a Third-Party Risk Management (TPRM) process to assist in identifying, assessing and managing risks that can arise when conducting business with third parties. With any supplier assessed as high-risk, the TPRM process involves an initial evaluation to assess any inherent risks. The supplier is then required to answer detailed questionnaires and provide supporting documentation, which are used to make a final assessment.

At the executive level, the CFO is the executive sponsor of IPG's ESG programs and oversees the ESG Steering Committee. The CFO collaborates with the General Counsel, and reports to the CEO on related risks and strategy.

In 2022, IPG **appointed** our first Chief Sustainability Officer (CSO) to spearhead the company's global sustainability programs. The CSO is designated with overseeing IPG's efforts on ESG-related issues at the consolidated corporate level. Her responsibilities include monitoring the company's ESG performance and assessing and managing related risks and opportunities. She formally reports to the Board on an annual basis, with written updates quarterly.

To coordinate and promote IPG's efforts across the company, IPG has established a management-level ESG Steering Committee. The Committee is responsible for identifying and remediating risks posed by ESG issues, and monitoring progress toward our ESG targets and commitments. The ESG Steering Committee includes representatives from IPG's various business functions including Human Resources; Diversity, Equity & Inclusion; Communications; Information Technology; Real Estate; Procurement; Investor Relations; Travel; Legal; Finance; and Controllers. The ESG Steering Committee meets regularly with our CSO and is overseen by our CFO.

Human Capital Management	IPG's Board of Directors is actively involved in talent management. Each year the Board reviews the alignment of our personnel and succession strategy with IPG's overall business strategy. This review includes detailed discussions of the company's global leadership bench and succession plans for senior officers and other key positions. The Board seeks opportunities for interaction with potential leaders through formal presentations and by periodically holding meetings of the Board and its committees at various IPG operating units. In addition, the Board receives regular updates on key talent indicators for the overall workforce, including work environment, diversity, recruiting and development programs. The Board's Compensation and Leadership Talent Committee is responsible for reviewing the company's initiatives to attract, develop and retain key employees. This includes establishing performance measures and goals and verifying their achievement. This Committee is also responsible for: establishing IPG's compensation philosophy and monitoring adherence to it; recommending compensation for the CEO; approving other compensation awards and overseeing equity performance incentive plans; and reviewing succession plans for key executive positions with the full Board.
Diversity, Equity & Inclusion	IPG's Board of Directors reviews progress on diversity metrics using measurable goals to assess performance each year. The Board is actively involved in talent management and is regularly updated on diversity as a key talent indicator for the workforce. The Board's Corporate Governance and Social Responsibility Committee has overall responsibility for oversight of diversity, equity and inclusion (DEI).
Community Engagement & Giving	IPG's Board of Directors reviews and considers the implications of social responsibility issues that affect the company. The Board's Corporate Governance and Social Responsibility Committee oversees issues of global corporate citizenship and social responsibility, including charitable and political matters. The Committee makes recommendations to the full Board regarding the company's policies and practices on these issues.

An enterprise-wide ESG Task Force is responsible for coordinating across the IPG network to involve all of IPG's companies in ESG action. Its work ensures that ESG-related issues are integrated into a multidisciplinary, company-wide process of risk identification, assessment and management. The ESG Task Force is comprised of individuals at various IPG companies who are charged by their agency CEOs with oversight for sustainability; it includes chief financial officers, executives and managers in the areas of client relationships, marketing, operations, human resources, strategy and data, and facilities representatives. The Task Force regularly meets with the CSO.

Each chapter in this ESG Report provides further details on management-level oversight of the respective ESG topics.

IPG sets annual high priority objectives (HPOs) for ESG goals, such as diversity metrics for talent management. At the end of each year, company performance is assessed against the HPOs and the results are directly tied to agency compensation.

Data Ethics & Privacy	IPG's Board of Directors oversees our cybersecurity and information security risk management and controls, with periodic cybersecurity updates made directly to the Board's Audit Committee.
Ethics & Integrity	IPG's Board of Directors, along with the CEO and management team, oversee a robust compliance program applicable to 100% of our operations. The Board's Audit Committee has oversight responsibility of our compliance program, including on anti-corruption.
Corporate Governance & Risk	IPG's Board of Directors oversees the company's risk assessment and risk management processes and performs an annual review and assessment of the primary operational and regulatory risks facing IPG, their relative magnitude and management's plan for mitigating these risks. The Board's Audit Committee oversees compliance with the company's Code of Conduct, legal and regulatory compliance, ethics programs, tax strategy, cybersecurity and information technology, data privacy, whistleblower hotline and internal audit. This Committee oversees many aspects of enterprise-wide risk management and reports on such matters to the Board. Other Board Committees are also involved in risk management, and they regularly inform the Board of any potential issues or concerns arising out of their risk management duties.

ESG-related Policies

Several of IPG's standard policies and procedures are informed by our ESG strategy. These policies and procedures support our ESG priorities and ensure that we are accountable to all of our stakeholders around the world, including investors, clients, employees, consumers, suppliers and communities.

The following policies can be found on our **Corporate Governance** page:

- Environmental Sustainability Policy
- Sustainable Business Travel Policies
- Anti-Harassment and Equal Opportunity Employment Policy
- Human Rights Policy
- Responsible Media & Content Principles
- Contributions Strategy & Policy
- Code of Conduct
- Supplier Code of Conduct
- Supplier Management Principles
- Corporate Governance Guidelines
- Policy on Board Diversity
- Board Committee Charters
- Anti-Corruption Policy
- Tax Policy



Partnerships & Frameworks

IPG strives to raise the ESG bar not just for our own company but across our industry in terms of monitoring and disclosing impacts, taking action at all levels and driving broader change through our work for clients. We support and participate in local and global initiatives and partnerships that bring together companies to advance diversity, equity and inclusion, responsible media and content, civic engagement and climate action.

In 2022, IPG joined the **American Association of Advertising Agencies** (4A's) Sustainability Task Force, which helps agencies in the industry develop solutions for climate action. We also joined **Green the Bid**, an industry initiative to make productions more sustainable.

In 2022, IPG renewed our adoption of the UN **Women's Empowerment Principles**. These seven actionable principles guide businesses to promote gender equality and women's empowerment, helping to achieve the SDGs related to gender equality.

We were the first U.S.-based advertising holding company to join the **UN Global Compact**, the world's largest corporate sustainability initiative.

United Nations Global Compact

A a participant in the Global Compact since 2015, IPG is committed to upholding its 10 principles on human rights, fair labor practices, environmental sustainability and anti-corruption. IPG submits an annual communication on progress on the actions we take to advance these principles.

Our annual ESG reporting is mapped to the SDGs to show how our work advances each Goal. For example, we deliberately partner with not-for-profit organizations and make charitable contributions in alignment with the SDGs, as outlined in our Global Contributions Strategy. IPG actively supports the SDGs and we have specifically adopted SDG 6: *Access to Water and Sanitation for All* as a focus for raising awareness and funds.

We also partner with the **Unstereotype Alliance** to implement best practices in creating work free from stereotypes. IPG is a founding member and Vice-Chair of the Unstereotype Alliance, which was convened in 2017 by UN Women, the United Nations' entity for gender equality. As part of this partnership, **Octagon** participated in the Unstereotype Alliance's 2022 **Global Member Summit** to discuss accelerating the commercialization of women's sports.



Organizations with which IPG partners on ESG issues:

Environmental

- Ad Net Zero
- AdGreen
- America is All In
- Business Ambition for 1.5°C
- The Climate Pledge
- Green the Bid
- IPA Media Climate Charter
- isla
- Science Based Targets initiative (SBTi)
- Scope3 Partnership
- UN Race to Zero

Social

- 30% Club
- Catalyst
- CEO Action for Diversity and Inclusion
- charity: water
- Coqual
- Disability:IN
- The Female Quotient
- Free The Bid
- FREE THE WORK
- National Gay and Lesbian Chamber of Commerce (NGLCC)
- National Minority Supplier Development Council (NMSDC)
- Partnership for New York City
- PFLAG
- Tanenbaum Center for Interreligious Understanding
- Unstereotype Alliance
- Women's Business Enterprise National Council (WBENC)

Governance

- American Advertising Federation (AAF)
- ANA Educational Foundation (AEF)
- American Association of Advertising Agencies (4A's)
- Business Roundtable's Privacy Working Group
- Center for Information Policy Leadership
- Civic Alliance
- Future of Privacy Forum
- Global Privacy Alliance
- Global Privacy Assembly
- Information Accountability Foundation
- International Association of Privacy Professionals (IAPP)
- Partnership for Responsible Addressable Media
- Privacy for America

More detail on how we work with partners is provided throughout the report.

Stakeholder Engagement on ESG

IPG brings our five strategic ESG pillars to life at our own company and through our partnerships and engagements with stakeholders. We also aim to drive change on priority ESG issues through our creative work.

More examples of how we engage with our stakeholders on ESG can be found throughout the report.

Employees

With 58,400 employees across the globe, IPG is dedicated to engaging and empowering our people. Our enterprise-wide ESG-related policies reinforce these principles for our employees, offering protections, guidance and tools for action. IPG also engages with our employees on ESG topics through a number of internal channels, including town halls, newsletters, employee engagement surveys, regular newsletters and the annual publication of our sustainability report.

Employee training is another essential part of ensuring that our operations advance our ESG goals. Beginning in 2022, our required Code of Conduct training includes ESG information and guidance, reflecting our revised Environmental Sustainability Policy. The training also includes guidance for employees on recycling practices in the office, establishing composting programs, procuring recycled goods and other ways to reduce waste.

IPG employees are encouraged to join our Business Resource Groups (BRGs) pertaining to dimensions of diversity as well as our Sustainability Allies group.

ESSENTIAL ESG

IPG issues a quarterly "Essential ESG" newsletter to keep employees updated on our ESG developments and highlight client work that demonstrates strong integration of ESG concepts and initiatives.

IPG SUSTAINABILITY ALLIES

The Sustainability Allies is an enterprise-wide group for employees who are interested in conservation, sustainability and environmental justice. Through the group employees help create sustainable solutions for IPG teams, communities and clients. They also host regular events on sustainability topics for the broader IPG community.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

In 2022, IPG produced a reel of recent ESG progress to further expand channels of communications to ensure all employees remain aligned with our commitments and up to speed on developments.

Clients

IPG regularly engages with clients on their ESG strategies. Clients are regularly informed on our performance and progress through meetings, our annual ESG report, as well as our responses to ESG surveys and questionnaires including CDP and EcoVadis.

We create client campaigns that deliver purposeful results, encourage behavior shifts among consumers and strive to minimize the environmental impacts of the work we do with clients.





In 2022, IPG supported the global roll-out of the Advertising Association's Ad Net Zero initiative, which helps advertisers track and mitigate the environmental impact of production, working toward zero waste and zero carbon.

Other carbon tracking tools we have made available to our clients include: the Media Consumption Carbon Calculator and augmented measurement and reduction of emissions from ad activity; net-zero media buying; the TRACE tool for measuring environmental impacts of events; and the Media Carbon Calculator for addressing the footprint of media buying and distribution.

We engage with rating agencies and benchmarking organizations including:

- Bloomberg GEI
- CDP
- EcoVadis
- S&P Global's CSA
- HRC's Corporate Equality Index
- FTSE Russell
- Vigeo Eiris
- MSCI ESG
- Sustainalytics
- Refinitiv
- Bloomberg ESG
- ISS ESG



Investors

As part of our investor relations program, IPG's Board of Directors and Investor Relations team regularly engage with investors on issues related to environmental, social and governance initiatives.

IPG regularly engages with various rating agencies and benchmarking organizations, where IPG's performance and strategy are scored and ultimately shared with investors.

Suppliers

IPG's supply chain is key to helping achieve our ESG goals, and we are committed to working with suppliers and partners who share our values. We seek to partner with suppliers who operate with the highest standards of integrity and with sustainable practices.

In addition to the requirements in our Supplier Code of Conduct and our Human Rights Policy, IPG engages with our key suppliers during business review meetings where we discuss supplier performance.



IPG is building out our existing supplier diversity program and working to continually increase our diverse spend while providing support to minority businesses.



In 2022, IPG expanded our vendor engagement with targeted outreach to our largest vendors regarding their climate action strategies and emissions data. This supports IPG in monitoring progress toward the target of reducing our Scope 3 emissions by 30% by 2030 (2019 baseline).



IPG has participated in the National Minority Supplier Development Council's **Centers of Excellence** mentoring program focused on fostering minority business development and enhancing successful business relationships by strengthening the corporate minority supplier development processes.



IPG regularly partners with **charity: water** to help provide access to clean water for communities in need. In 2022, we raised funds for a rainwater harvesting project through an employee matching drive.





Ahead of the 2022 mid-term elections in the U.S., IPG donated to the **League of Women Voters** and the **Civic Alliance** to support non-partisan work to protect and expand voting rights.



When Russia invaded Ukraine in early 2022, IPG helped our Ukraine-based agencies and our people in the country. We launched a fundraising drive and matched employees' donations to organizations helping with the refugee crisis. Our teams worked on logistics to enable refugees to access housing and medical services. Some of our companies provided direct monetary support to affiliates in Ukraine, as well as assistance with IT and other operational needs.



Communities

IPG is focused on health, well-being and social justice in the communities where we live, work and vote. IPG partners with civic associations to encourage voter participation by our U.S employees and community members. We also contribute to organizations focused on economic justice, environmental protection, health and social impact, and we engage in *pro bono* partnerships around these issues.

Policymakers

IPG regularly takes stands on issues affecting our world, as well as our business and our industry, with a view to promoting empathy and well-being in a changing world.

IPG is an active member in trade associations and advocacy organizations, including the ANA Educational Foundation and the American Advertising Federation.

In 2022, IPG signed a letter organized through **America is All In** to the U.S. president and legislative leaders, voicing support for ambitious climate legislation.

In 2022, IPG became the first advertising holding company to publish its decision not to support or engage in marketing or communications aimed at influencing public policy that seeks to extend the life of fossil fuels.

In 2022, amid the legislative and political uncertainty about the right to abortion in the U.S., IPG expressed support for women's fundamental human rights and announced it would fund travel to ensure employees and their families have consistent access to healthcare, including abortion care and other critical medical services.

In 2022, IPG leaders directly engaged with the U.S. Congress to advocate for a strong federal data privacy law – one that is balanced and includes personal data rights for all.

Our efforts on climate action and responsible consumption

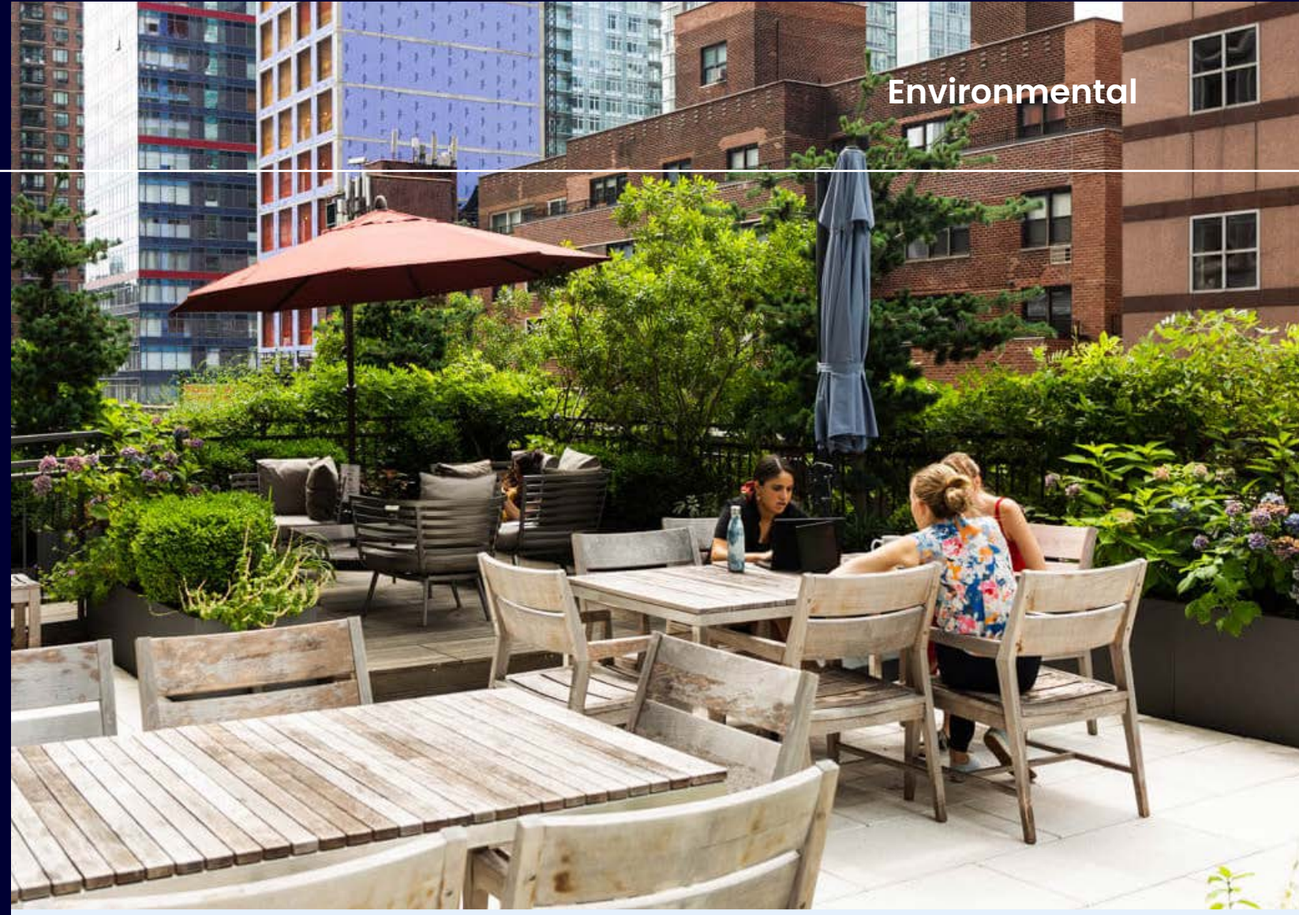


Environmental

Sustainable Operations

We are always exploring ways to fulfill our responsibility to the planet, ensuring our employees contribute to global sustainability by making smarter choices in how we conduct business. This chapter outlines our environmental impact strategy, including implementing sustainable practices at our facilities, promoting sustainability among employees and IPG companies, and supporting clients with creative work to advance responsible consumption and environmental sustainability among consumers.

*Details on IPG's specific approach to climate change strategy and emissions reductions can be found in the **Climate Action** chapter of this report.*



Recent Highlights

Updated our company-wide policy on environmental impact to reflect expanded commitments and practices

Introduced composting for organic material at corporate headquarters, diverting nearly 14,000 pounds from landfill

Policies Supporting Sustainable Operations

IPG maintains several policies that support our commitment to environmental sustainability across our operations and our work.

In 2022, IPG updated our policy on environmental impact to reflect our recently expanded commitments and practices. This newly revised **Environmental Sustainability Policy** establishes best practices by which IPG and individual employees can improve our impact on the environment, recognizing that this also brings mutual benefits to our people and the communities where we live and work. These choices can also lead to cost savings, help us align with our clients' expectations and demonstrate our responsibility to other key stakeholders.

The Policy is administered by IPG's Chief Sustainability Officer (CSO), with oversight from the Board, and applies to all domestic and international offices across every one of IPG's companies, agencies, subsidiaries, suppliers and affiliates. IPG will take appropriate corrective action in the event of any violation of the Policy.

In addition to the provisions shown on the right, the Policy also outlines an approach for IPG companies that are working with existing clients whose businesses are carbon-intensive and in reviewing prospective new clients that operate in the oil, energy and utility sectors.

IPG's Environmental Sustainability Policy includes specific provisions advising our companies and employees to:

- Use enhanced booking tools to choose the lowest-emissions travel itinerary and form of travel whenever possible, and use videoconferencing where appropriate
- Carpool, bike or use public transportation when commuting to work or meetings as much as possible
- Work with building management to maximize recycling, including collection of food scraps for composting
- Install low-energy lighting, upgrade to energy-saving lightbulbs and use lighting and climate-control sensors to save energy when offices are not in use
- Procure post-consumer recycled goods and minimize reliance on single-use plastic
- Occupy office spaces that use less energy, generate lower levels of carbon emissions and positively contribute to environmental protection wherever possible

*The full Policy is available on IPG's **Corporate Governance** webpage.*

Our domestic and international **Business Travel Policies** specifically address sustainability and reducing our carbon emissions associated with employee business travel and commuting, and other aspects of the environment that are affected by choice of local accommodations.

*The travel policies are discussed in more detail in the **Climate Action** chapter of this report.*

IPG also maintains policies to select properties for physical offices. Our **Real Estate Policies** call for seeking the most energy-efficient tenant spaces and office buildings, and they require IPG companies to seek real estate solutions within the existing portfolio before leasing additional office space.

*Our real estate policies and practices are discussed in more detail in the **Climate Action** chapter of this report.*



IPG Company Spotlight

Certifying a Sustainability Strategy

In 2022, **Momentum Worldwide** advanced its global **business plan** for climate action: "Make it Matter." This plan has been third-party certified to ISO 14001 and ISO 20121, globally recognized standards for environmental best practice. The certifications apply to both the company's business and its environmental management for the event industry.

The "Make it Matter" plan calls for:

- Reducing carbon emissions by 50% by 2030 and reaching net-zero by 2040
- Adopting a "Zero Waste to Landfill" approach across operations and events
- Embedding a circular economy strategy in design and production, including creating assets for reuse and exploring innovative materials
- "Greenskilling" the workforce with bespoke sustainability training
- Collaborating with suppliers through training and knowledge-sharing

Programs & Initiatives

IPG encourages more sustainable practices by providing concrete tools for action at both the individual and corporate levels, as well as by each IPG company.

Supplier Environmental Impact

IPG considers environmental impacts throughout our global activities and planning, and we expect our suppliers and business partners to do the same.

*For more information on how IPG engages with our supply chain on climate and environmental issues, see the **Climate Action** and **Responsible Supply Chain** chapters of this report.*

Employee Training & Awareness

Training is essential in ensuring that our operations are as sustainable as possible. Beginning in 2022, our required Code of Conduct training includes ESG information and guidance, reflecting our revised Environmental Sustainability Policy. The training also includes guidance to employees on recycling practices in the office, establishing composting programs, procuring recycled goods and other ways to reduce waste.

IPG is committed to building broad employee awareness of environmental impacts and best practices across our network. This increases our impacts on-site and extends positive behaviors beyond IPG offices, including into employees' remote workspaces.

IPG regularly communicates with employees about the value of individual responsibility to change behaviors and highlights client work across our network that advances climate action. The practices called for in our Environmental Sustainability Policy are promoted regularly throughout the company.

IPG's corporate communications team publishes "**Essential ESG**," a quarterly global employee newsletter with updates on our progress on climate action and sustainability campaigns for clients from across the IPG network.

Recent issues of the newsletter have updated employees on IPG's ESG strategy, our improved sustainable business travel policies and examples of client work to promote responsible consumption.

ESSENTIAL ESG



IPG Company Spotlight

Ensuring Green Claims are Accurate

McCann Worldgroup developed guidelines and held training workshops to help its employees partner with brands to avoid "greenwashing" and ensure that green marketing claims are accurate.



Empowering IPG Companies to Act

Each IPG company implements our sustainability strategy and values in ways that make sense for their cultures. Our worldwide employee portal includes a section dedicated to sustainability resources for our companies, such as:

- Information on IPG's climate action strategy to ensure our entire network is aware of our collective goals and ways to implement them
- An office guide to reducing waste to support other IPG offices in replicating our corporate waste reduction initiative, including a list of vendors for recycling and compost bins
- A scorecard for sustainable production of advertising campaigns created by **AdGreen**
- A factsheet on IPG's involvement with **Ad Net Zero** and how it affects our operations

Employee Engagement on Sustainability

The IPG **Sustainability Allies** is a group of employees who are interested in conservation, sustainability and environmental justice. This group provides opportunities to share information about environmental initiatives across IPG, brainstorms eco-conscious solutions for our work and hosts educational events.

IPG Sustainability Allies includes individual members with various disciplines and job functions from companies across IPG's global network.

IPG SUSTAINABILITY ALLIES

160+

Members from companies across IPG's global network

IPG Company Spotlight

Doing Good by Bus

Mediahub's Boston team participated in a clean-up and landscaping day for the Charles River Conservancy, partnering with MobileFuse and Givsly's "Do Good Bus."









World Water Day: For World Water Day 2022, the Sustainability Allies held a discussion on environmental justice and the water crisis in Flint, Michigan.

The **conversation**, moderated by IPG's Chief Sustainability Officer, Jemma Gould, featured Lee-Anne Walters. Walters helped uncover the contamination in public drinking water – and became a Goldman Environmental Prize winner for Outstanding Environmental Achievement in North America. Siddhartha Roy, a researcher at Virginia Tech who works on environmental justice, was also part of the conversation. The images below depict Lee-Anne Walters presenting during the event with a scene from community action in Flint.

Following the event, IPG made a donation to the Virginia Tech Water Research Center.



Earth Day: On Earth Day 2022, an internal campaign led by the Sustainability Allies offered small, easy steps on the theme "Don't Do Nothing":

- Local ways to volunteer in New York City
- Ways to donate household items or electronics instead of throwing them away
- An invitation to contribute to IPG's Earth Day campaign for charity: water
- Reading and podcasts to learn more and discover additional ways to act
- A template for an email auto-reply highlighting more ways to act for the earth

The Allies also circulated IPG's "ESG Reel," a short video featuring our recent environmental, social and governance initiatives, and shared an office guide to waste reduction.

*For more information on the impacts of clean water and sanitation, see the **Community & Social Impact** chapter of this report.*



Reducing & Diverting Waste

IPG is working toward greater responsibility for waste and consumption in the spaces we occupy. At every IPG location, the director of administration or office services is encouraged to work with building management to employ best practices to maximize recycling whenever possible, including collection of food scraps for composting.

- **Waste Reduction Guide:** IPG prepared a waste reduction guide for all offices, available on the Sustainability page of our internal employee website. The guide outlines steps for IPG offices to reduce the waste being sent to landfills.
- **Reusing & Recycling Electronics:** Our corporate headquarters building sponsors a quarterly electronics collection, with employees invited to bring items like computers, cell phones, wires/cables and audio equipment for donating or recycling.

  For our North America offices, IPG partners with the IT Asset Management Group to properly recycle electronics that are no longer usable. In New York City and Omaha, our corporate offices regularly donate functional workstations to augment higher education programming provided in prisons by **Hudson Link**.

  These initiatives support IPG's policy that electronic equipment that is broken or obsolete must be properly disposed of or sent for recycling to a recycling firm certified by the U.S. Environmental Protection Agency (EPA), and not placed in IPG trash or regular recycling. We also provide boxes or other materials to ship ink and toner to take-back programs.
- **Procurement:** Our Environmental Sustainability Policy encourages the procurement of post-consumer recycled goods wherever possible to minimize the impacts of our consumption. In 2022, we opened a coffee bar at IPG corporate headquarters, which is always stocked with reusable mugs and glasses, as well as compostable products.

  To source the most sustainable office supplies, IPG offices in the UK work with Commercial, an award-winning supply company that uses sustainable processes and incorporates the SDGs into its operations. Working with responsible suppliers adds value to our business strategy as we evolve our procurement practices to be as sustainable as possible while conserving financial resources.



Action at IPG Corporate: Diverting "Waste" from Landfill

In 2022, IPG instituted a new waste reduction program at our corporate headquarters office in New York City and other IPG companies/offices. We introduced composting for organic material like food scraps, compostable plates and utensils, and paper towels. We also removed waste bins from individual offices to encourage the use of four-stream waste sorting in common areas. A vendor collects our compostable materials to make fuel through a waste-to-energy process. This diverts organic matter from the landfill, where it would emit methane - a potent greenhouse gas that traps heat in the atmosphere. In 2022, IPG's corporate office and other IPG company offices located in the building diverted nearly 14,000 pounds of organic matter from landfill.

IPG Company Spotlight

Sustainable Production Sets

Momentum Worldwide produced several projects centered on reuse and durability in 2022, including:

- A modular pop-up stand for Verizon that toured at more than 2,000 events
- Microsoft exhibition stand for the UN Climate Change Conference (COP 27), which prioritized recycled materials and donated assets to charity
- Reclaimed shipping containers used for Coca-Cola's Ice House experience, which will be reused for at least five years



Client & Industry Initiatives

IPG actively engages with our clients by informing them of our environmental impact through commonly utilized annual reporting questionnaires, such as CDP and EcoVadis.

IPG is continually exploring ways to evaluate and improve the environmental impact of the advertising and marketing services we offer to clients. One major component of this approach is IPG's involvement with various industry groups and initiatives that focus on making advertising and media a positive force for environmental sustainability.

*For more information on AdGreen, Ad Net Zero and other environmental organizations we are involved in, see the **Climate Action** chapter of this report.*

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

① **INITIATIVE**

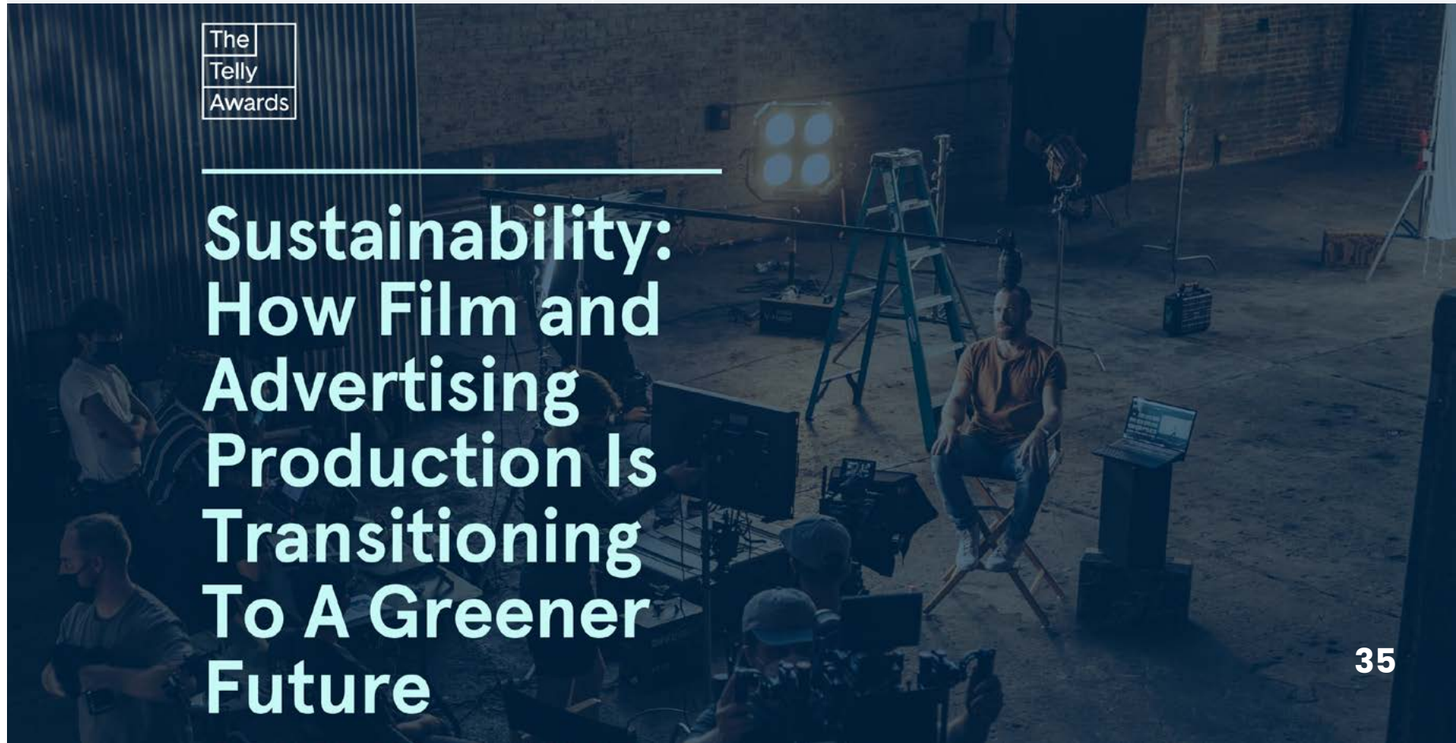
Green the Bid

Goal:

- Shift commercial advertising productions to zero-waste, carbon-neutral and other sustainable and regenerative practices.

What We Do:

- Member of Advisory Board
- In 2022, IPG was involved in a **panel** hosted by Green the Bid and the Telly Awards.



② **INITIATIVE**

American Association of Advertising Agencies (4A's)

Goals:

- Advance social and civic goals. Help agencies in the industry develop solutions for climate action.
- Facilitate *pro bono* efforts on the part of its members to support social and community causes.

What We Do:

- IPG's Chief Sustainability Officer (CSO) is a member of the Sustainability Task Force.
- In 2022, sustainability leaders from across IPG spoke at the **4A's Sustainability Summit** about eco-conscious industry practices. For example, our CSO interviewed Intrepid Travel about ways to sustainably travel, how environmental protection intersects with social justice, and the business advantages of growing a company with purpose.





"As marketers, we have a special role to play in terms of our impact, because of the global reach of our work. From this perspective, we need to ensure equity in terms of our process, we need to understand our impact on the environment, and we need to be sensitive to the messages we create and what they convey. Working with organizations like Ad Net Zero is a great way to realize our sustainability goals."

– Jemma Gould,
IPG Chief Sustainability Officer

③ **INITIATIVE**

Advertising Association's Ad Net Zero & AdGreen

Goals:

- Help advertisers track and mitigate the environmental impacts of production, working toward zero waste and zero carbon.
- Provides five-point action plan for reducing the environmental impacts of advertising (including operations, production, media, events and sustainable behavior change).
- Provides **training sessions** and offers **carbon calculator** and certification process for productions, providing data to support goal-setting and assessing progress.
- A sustainability-focused scorecard provides a checklist for each department related to production of an advertisement, including creative, post-production, location, facilities, construction, lighting, camera, costume, make up and hair, food styling and sound.

What We Do:

- Founding member of both Ad Net Zero and AdGreen
- **Member** of Global Leadership Group, working to globalize the initiative, beginning with U.S. and EU. The U.S. chapter was launched in February 2023.

As a member, IPG has committed to:

  - Take steps to apply Ad Net Zero Action Plan
  - Complete annual survey to track carbon footprint reduction industry-wide

- In 2022, contributed to **global roll-out** of Ad Net Zero at **Cannes Lions International Festival of Creativity** and the **Ad Net Zero Summit**.
- At the agency-level, **IPG Mediabrands** is the media chair for Ad Net Zero and the data collection chair for World Federation of Advertisers' (WFA) Global Alliance for Responsible Media, helping these two organizations as they work to identify a standard framework for measuring media campaign carbon emissions, with a target of taking it to wider industry consultation.

IPG Company Spotlight

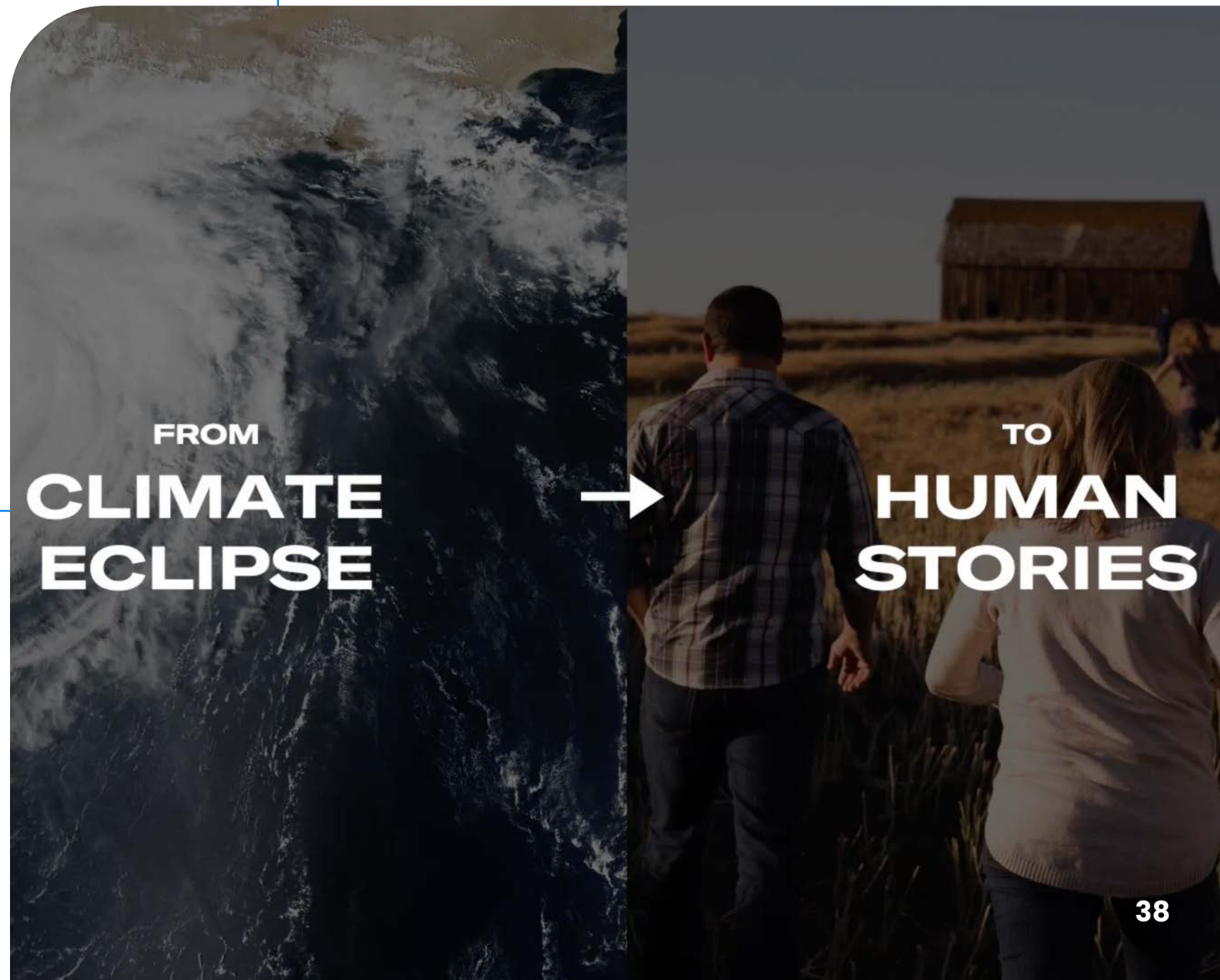
Rising Trust = Greater Responsibility

Leaders of **McCann Worldgroup** shared findings from their "Truth About Sustainability" survey in a Collective Intelligence **podcast**. They reported that people now trust brands nearly as much as they trust governments, which is "a huge responsibility that brands need to step up to." In particular, 85% of people globally believe companies should be required to protect and conserve nature.

Both brands and governments need to create the systems to enable people to live lower-impact lives.

85%

of people globally believe companies should be required to protect and conserve nature



Climate Action

A critically important part of our ESG program is our commitment to take action for a healthy climate. We see an opportunity to accelerate our transition to a lower-carbon future. The entire IPG network is working together to achieve an ambitious climate action plan with a goal to reach net-zero carbon across our global operations by 2040.



Recent Highlights

- Near-term targets validated by the Science Based Targets initiative (SBTi)
- Introduced climate-related criteria when considering new office leases
- Inaugurated supplier engagement program to better monitor and track our emissions
- Continued progress toward our climate targets

Oversight of Climate Strategy

IPG's Board of Directors, including our CEO and our Chairman, has overall responsibility for oversight of the company's risk management related to climate change. Climate-related issues are considered in the Board's review and guidance of risk management policy, review of annual budgets and oversight of progress against commitments for addressing climate change.

Within the Board of Directors, the Corporate Governance & Social Responsibility Committee has primary oversight for IPG's ESG-related policies and practices, including those specific to climate change. This Committee - and specifically its Chair - is responsible for overseeing and making recommendations to the overall Board regarding the company's policies and practices on ESG-related issues, including climate change. Meanwhile, the Board's Audit Committee holds primary responsibility for the company's management of risks, including those caused by climate change.

Our Board and its committees are kept informed on climate-related issues through direct communication with our **Chief Financial Officer** (CFO) and **Chief Sustainability Officer** (CSO).

- The CFO is the Executive Sponsor of IPG's ESG programs and oversees the ESG Steering Committee. The CFO collaborates with our General Counsel on climate-related issues, and reports to the CEO.

- The CSO is designated with overseeing IPG's efforts on ESG and climate action at the consolidated corporate level. Her responsibilities include monitoring climate action performance, while assessing and managing climate-related risks and opportunities. She regularly meets with IPG's ESG Steering Committee and ESG Task Force, and formally reports to the Board annually, with written updates quarterly. The CSO also reports to the Senior VP of Global Communications, where the ESG team sits, while managing its own financial budget related to ESG strategy, including the implementation of GHG reduction practices.

IPG's Global Assistant Controller oversees controls around our ESG data and manages our third-party data review.



IPG's ESG Steering Committee is a management-level committee, which meets quarterly and is responsible for:

- Identifying and remediating operational, financial and regulatory risks to IPG and its companies that may be posed by climate change and other ESG issues;
- Assessing and managing climate-related opportunities, including financial impacts; and
- Coordinating and promoting IPG's efforts on climate-related issues, including the review of our annual sustainability budgets and monitoring progress toward our climate targets and other commitments.

This ESG Steering Committee is overseen by the CFO and includes representatives from IPG's various business functions, such as: Human Resources; Diversity, Equity & Inclusion; Communications; Information Technology; Real Estate; Procurement; Investor Relations; Travel; Legal; Finance and Controllers. This mix of individuals and departments enables IPG to monitor and identify climate-related risks across all areas of our operations. The Committee's work ensures that climate-related issues are integrated into a multidisciplinary, company-wide risk identification, assessment and management process.



In addition to the ESG Steering Committee, an enterprise-wide ESG Task Force coordinates climate action across IPG companies. The ESG Task Force is composed of individuals throughout the IPG network who are charged by their CEOs with oversight for sustainability at their respective companies; it includes chief financial officers, executives, managers and facility representatives.

IPG Climate Oversight

Interpublic Group of Companies Board of Directors

Our Board, including our Chairman and our CEO, has overall responsibility for the oversight and management of the company's risks, including those caused by climate change. The Board is kept informed on climate change through several direct avenues, such as reports from the Board's Audit Committee, its Corporate Governance & Social Responsibility Committee, our CFO, our CSO and our Treasurer.

Board of Directors Audit Committee

This Committee has primary responsibility for the company's risks, including those caused by climate change.

Chief Financial Officer

Our CFO is the Executive Sponsor of IPG's ESG programs, and oversees the ESG Steering Committee. The CFO collaborates with our General Counsel on climate-related issues, and reports to the CEO.

ESG Steering Committee

This Committee monitors and oversees IPG's climate action performance and its progress toward our targets and other commitments. This management-level committee includes representatives from various business functions. It is overseen by the CFO, and members of the Committee meet with the CSO regularly.

Board of Directors Corporate Governance & Social Responsibility Committee

This Committee has primary responsibility for the company's ESG-related policies and practices, including climate change.

Chief Sustainability Officer

Our CSO is designated with overseeing the company's efforts on ESG and climate action at the consolidated corporate level. Her responsibilities include monitoring climate action performance, while assessing and managing climate-related risks and opportunities. She regularly meets with IPG's ESG Steering Committee and ESG Task Force, and formally reports to the Board annually, with written updates quarterly. Our CSO also reports to the Senior VP of Global Communications.

ESG Task Force

This Task Force coordinates climate action across the IPG network with representatives from our various companies. The Task Force meets with the CSO regularly.

- Chief Financial Officer
- Chief Sustainability Officer
- Chief Information Officer
- Chief Human Resources Officer
- Global Chief Diversity & Social Impact Officer
- General Counsel
- SVP, Treasurer
- SVP, Chief Commercial Officer
- SVP, Global Communications
- SVP, Investor Relations
- SVP, Corporate Services
- SVP, Global Business Transformation & Operations Management
- SVP, Global Assistant Controller
- VP, Associate General Counsel
- Global Chief Creative Officer, R/GA
- President, Powell Tate and Global Lead, Social Impact, Weber Shandwick
- Chief Financial Officer, McCann Worldgroup

Measurable Commitments & Targets

As part of IPG's ongoing commitment to environmental sustainability, we are pursuing an ambitious climate action plan formally adopted in 2021, which builds on previously set emissions reduction goals. The updated climate action plan is based on quantitative goals with both long-term and near-term milestones.

Our climate targets include:

- **Net-zero Emissions:** IPG is committed to reaching net-zero carbon emissions across our gloabl operations by 2040 – joining over 450 other companies and organizations as a signatory of **The Climate Pledge**.
- **Science-based Targets:** To achieve our long-term climate goal, we set the following science-based targets aligned with a 1.5°C trajectory to reach by 2030:
  - 50% reduction of Scope 1 and Scope 2 emissions (2019 baseline)
  - 30% reduction of Scope 3 emissions (2019 baseline)
- **100% Renewable Electricity:** IPG has committed to sourcing 100% renewable electricity across our portfolio by 2030.

IPG's Climate Commitments

2019 – Baseline year for science-based targets

2021 – New company-wide climate action targets announced

2022 – Current progress[1] against targets:

- Increased renewable electricity usage to approximately 20%
- Reduced Scope 1 and Scope 2 emissions by 58% $MTCO_2e$
- Reduced Scope 3 emissions by 20% $MTCO_2e$

Targets

2030

- SBT 50% reduction of Scope 1 and Scope 2 emissions
- SBT 30% reduction of Scope 3 emissions
- 100% renewable electricity sourced

2040

- Net-zero carbon emissions

1 - Progress reported using 2022 calendar year emissions data against the 2019 baseline.

SBT = Science-based target

Measurable Commitments & Targets

Continued

These commitments are aligned with limiting global temperature rise to 1.5°C above pre-industrial levels, which makes IPG a signatory to the **Business Ambition for 1.5°C** and a member of the UN-backed **Race to Zero** campaign. Our targets have been approved by the **Science Based Targets initiative** (SBTi), the best-practice framework for validating emissions reduction targets.

In 2022, we saw 116% progress toward reaching our Scope 1 and Scope 2 emissions target, 67% progress toward our Scope 3 emissions target, and increased our renewable electricity usage to approximately 20%. By the end of 2023, our renewable electricity usage is expected to reach 30%.

Considering our 2019 baseline, IPG experienced early progress in emissions reduction that was largely due to impacts of the pandemic on our work in 2020 and 2021. As our in-person work increased over the following few years, we intentionally adopted additional policies and solutions – related to our real estate practices and sustainable travel, for example – to continue reducing emissions.

*Read more about these under **Programs & Initiatives** below.*



BUSINESS AMBITION FOR 1.5°C

RACE TO ZERO

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Tracking & Reporting

In line with our commitment to transparency and accountability, IPG is committed to tracking performance against our targets and reporting on progress. We regularly monitor global emissions and energy data for 100%[1] of our locations. We publicly report on this data on a yearly basis through our ESG reports and CDP Climate Change responses, both of which can be found on **our website**.

More details on our methodology and approach to Scope 1 and Scope 2 emissions calculations are included in the management assertion in the back of this report.



IPG Company Spotlight

Visualizing Progress

McCann worked with its client Microsoft to create an internal sustainability dashboard that visualizes the agency's progress on emissions reduction.

In 2021, IPG expanded our Scope 3 inventory beyond our historical air travel emissions reporting, including **these relevant Scope 3 categories:**

Cat 1: Purchased goods and services
Cat 2: Capital goods
Cat 3: Fuel- and energy-related activities
Cat 4: Upstream transportation and distribution
Cat 5: Waste generated in operations
Cat 6: Business travel
Cat 7: Employee commuting

Cat 8: Upstream leased assets
Cat 9: Downstream transportation and distribution
Cat 10: Processing of sold products
Cat 11: Use of sold products
Cat 12: End-of-life treatment of sold products
Cat 13: Downstream leased assets
Cat 14: Franchises
Cat 15: Investments

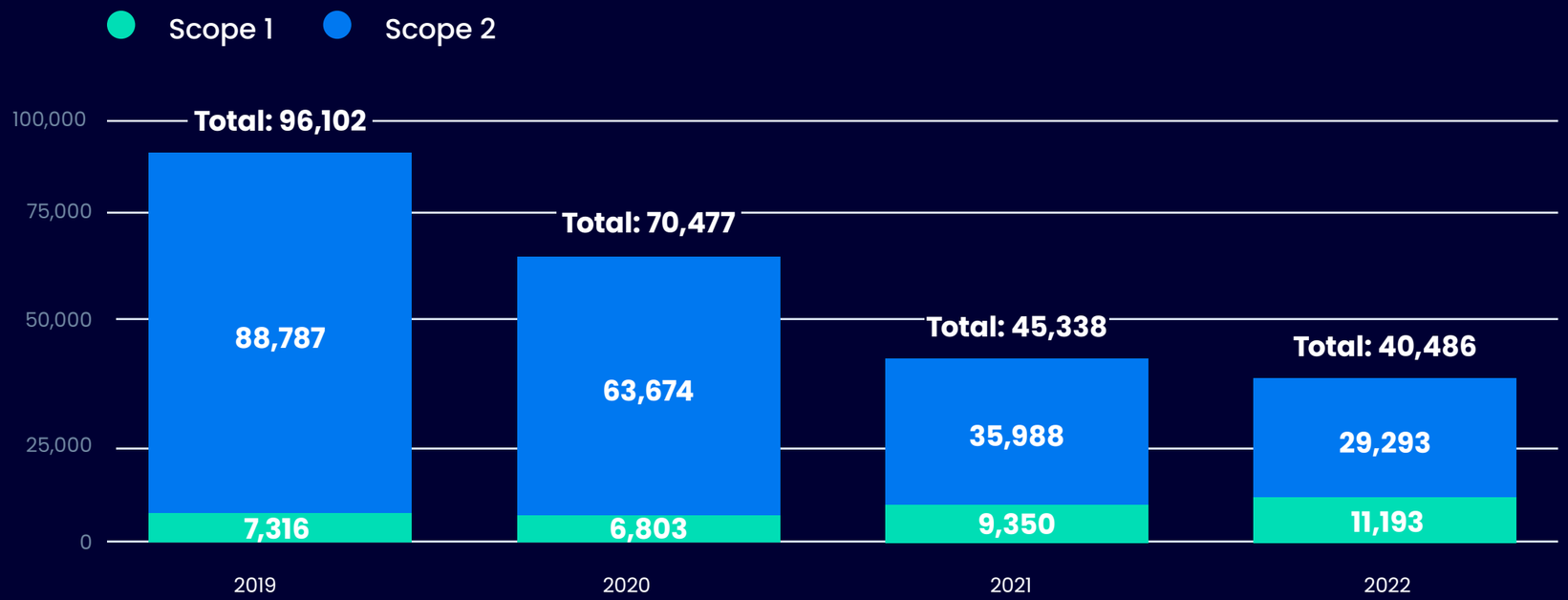
External Assurance

PricewaterhouseCoopers LLP (PwC) performed a limited assurance engagement on certain GHG emissions and certain employee diversity metrics for the year ended or as of December 31, 2022.

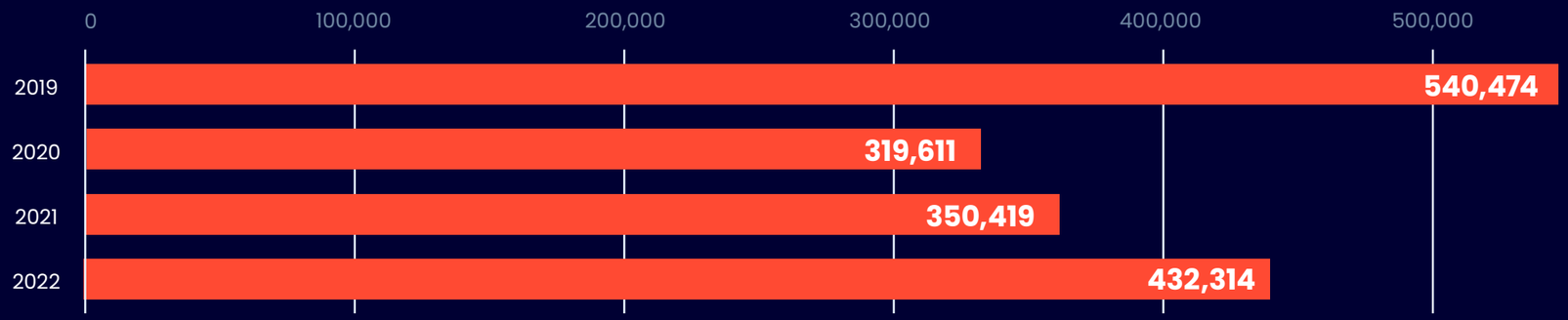
*See PwC's Report of Independent Accountants on **page 193**.*

1 - All data for RafterOne, which was acquired by IPG in October 2022, has been excluded from the reported 2022 metrics due to limited availability of data.

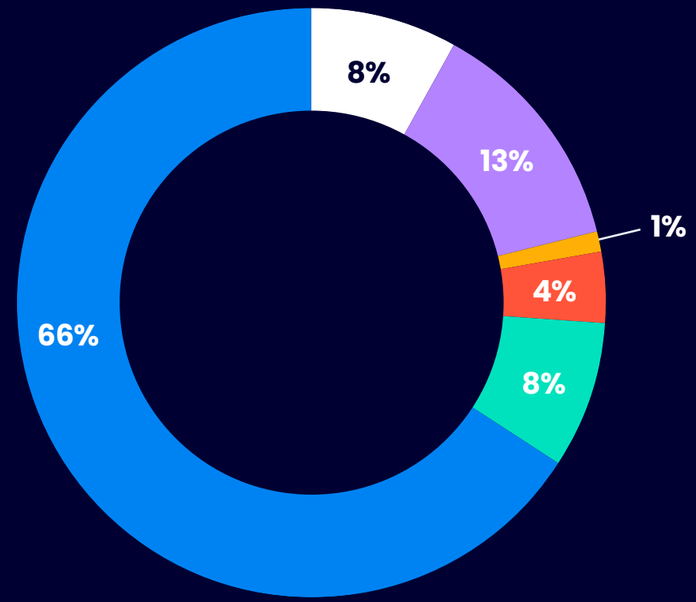
IPG's Global Scope 1 and Scope 2 Emissions[1] ($MTCO_2e$)



IPG's Global Scope 3 Emissions ($MTCO_2e$)



IPG's 2022 Global Scope 3 Emissions by Category[2]



- 66% **Cat 1:** Purchased goods and services
- 8% **Cat 2:** Capital Goods
- 4% **Cat 3:** Fuel and energy-related activities
- 1% **Cat 5:** Waste generated in operations
- 13% **Cat 6:** Business travel
- 8% **Cat 7:** Employee commuting (incl. teleworking)

Each year IPG may have slight updates and improvements to our GHG emissions inventory methodology which are detailed in each year of our reporting. Our 2022 data methodology is discussed in the management assertion letter at the back of this report, while prior years' methodology can be found in the management assertion letter of our prior reports.

*Additional GHG data is provided in the **Appendix** of this report.*

1 - Scope 2 data here represents market-based emissions.
2 - Category 4: Upstream transportation and distribution is included under Category 1: Purchased goods and services.

Note: Reported data may not total due to rounding to the nearest whole number.

Climate-related Risks & Opportunities

IPG has a robust framework for evaluating a wide range of risks and opportunities, including those related to climate change, and whether they have a substantive financial impact. At IPG, climate-related issues are integrated into multidisciplinary company-wide risk management processes, including monitoring and overseeing progress against related goals and targets.

*Our approach to risk management is described further in the **Corporate Governance & Risk** chapter of this report.*

Physical Climate-related Risks

IPG incorporates the short-term and long-term physical risks of climate change into our business continuity planning. These risks include the increasing likelihood of extreme weather events and rising sea levels, which might affect IPG's offices particularly in locations expected to be heavily affected by sea-level rise, such as New York City and Miami.

IPG's crisis preparedness approach includes emergency and incident management and is based on three priorities: safety of employees; protection of company and client assets; and continuity of business operations. For example, if a building in New York City was to be rendered unusable by an extreme weather event, nearby offices have plans and the ability to host displaced employees. Network infrastructure investments also enable the remote working capabilities of employees around the world in the event that office space is unusable due to extreme weather.

Transitional Climate-related Risks

IPG also considers transitional risks, such as shifting market preferences and evolving legal conditions associated with climate change. IPG remains proactive in our climate action strategy because we recognize the short-term and medium-term reputational risk for lack of action on climate due to our clients' and other stakeholders' increased emphasis on climate-related risks.



Climate-related Opportunities

Aside from climate-related risks, IPG has also identified opportunities related to climate change.

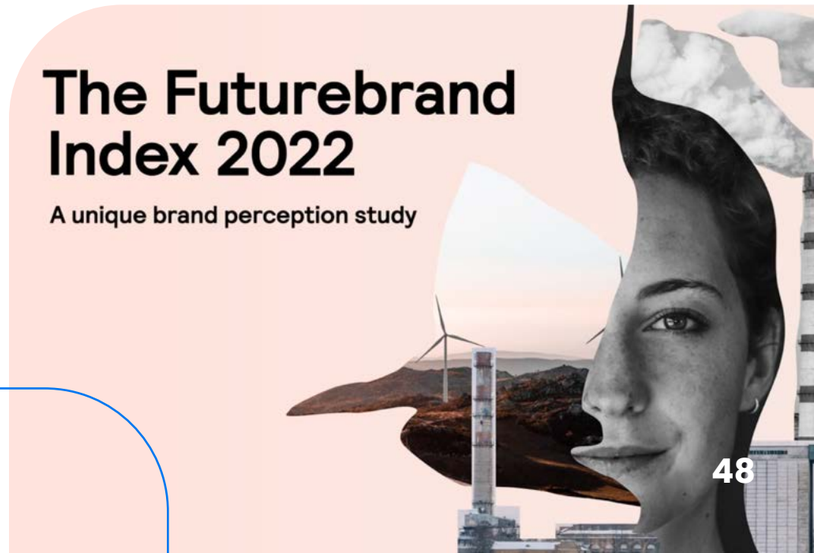
- **Shift in consumer and market preferences:** Consumer and business interest has been growing in technologies related to climate change mitigation and adaptation. IPG companies are actively identifying and pursuing opportunities presented by clients' responses to climate change-related challenges and their development and marketing of new products and services. In partnership with forward-thinking clients, the creative talent at IPG companies are driving sustainability efforts by developing campaigns that create new markets for sustainable products. These marketing efforts can shift demand toward more environmentally responsible products and catalyze consumer behavior changes that reduce environmental and social pressures on a meaningful scale.
- **Resource efficiency:** By relocating our offices into more energy-efficient buildings, IPG is investing in opportunities that we expect will lower operating costs associated with electricity, heating and air conditioning. Since 2016, all new tenant buildouts are required to conform to LEED-certified or better, wherever possible.
- **Talent:** Employees are increasingly interested in working at companies that share their values, especially when it comes to climate change and other ESG issues. IPG expects these changing preferences to affect the talent pipeline and is proactively communicating our climate commitments, performance and employee engagement on these issues to our employees, clients, investors and the general public.

*IPG discusses climate-related risks and opportunities in more detail in our 2023 CDP Climate Change response, available on our ESG reporting website **here**.*

IPG Company Spotlight

Tracking Climate Change in Consumer Perceptions

FutureBrand launched its annual perception study of leading companies, the FutureBrand Index. The **2022 edition** revealed extensive changes in how these companies are perceived, including an increasing focus on green energy innovation. FutureBrand also found that climate change "is now seen as the fastest growing threat to business success."



Programs & Initiatives to Reduce Emissions

Across the IPG network we are taking strategic action to address climate change. This takes place on three levels: reducing the environmental impact of our operations – such as employee business travel, supplier selection and how we manage our physical workspaces; supporting our clients' progress to reduce their own emissions and screening new clients to ensure a shared emphasis on climate action; and driving public consensus around the urgency of achieving a net-zero world, particularly through industry-wide initiatives.

Reducing Supply Chain Emissions

IPG's climate strategy includes a 30% reduction of our Scope 3 emissions by 2030 (2019 baseline). In connection with this target, IPG launched our inaugural supplier engagement program in 2022, allowing us to increase our understanding of this component of our emissions, and ultimately work to lower its contributions. IPG intends to continually grow this program each year to ensure we're actively monitoring progress toward our targets.

IPG recently expanded our Supplier Code of Conduct to better address environmental considerations by further encouraging our suppliers, wherever possible, to reduce their total emissions by 30% by 2030 (2019 baseline) and reach net-zero carbon by 2040. We request that suppliers have these targets validated with the Science Based Targets initiative (SBTi). All suppliers are also requested to disclose their emissions data on an annual basis by responding to the CDP Climate Change questionnaire, and to develop an emissions reduction roadmap. Employees who manage vendors were provided with a set of Supplier Management Principles to support climate action along our supply chain.

*More information can be found in the **Responsible Supply Chain** chapter of this report.*



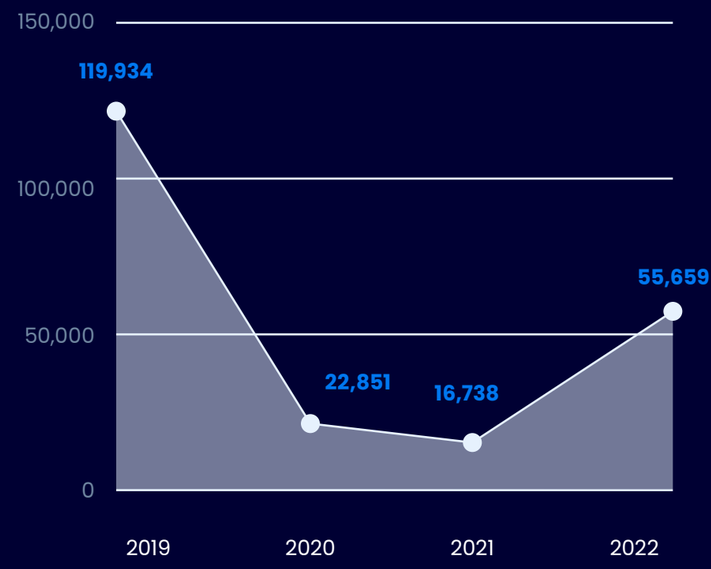
Promoting Low-Carbon Business Travel

As a client services business, IPG recognizes that travel and in-person collaboration often play a role in relationship-building and creativity. We seek to strike a balance between that need and the urgency of slowing global warming by promoting the use of appropriate alternatives to in-person meetings requiring travel and supporting employees to make lower-carbon choices when travel is necessary.

- **Encouraging less travel:** IPG encourages the use of virtual meetings, telepresence applications and other technologies when practical from a business perspective. Our domestic and international travel policies, updated in 2021, specifically address sustainability and reducing our carbon emissions associated with employee business travel and commuting. These travel policies provide detailed guidance for employees on each of these requirements and are available for review on our **website**.
- **Supporting lower-emissions travel planning:** In 2022, IPG introduced the Tripkicks platform, an environmental enhancement to our existing online booking program. The Tripkicks tool sorts travel options by carbon emissions, providing employees with as much information as possible before booking a trip. This helps our employees select travel options that are less damaging to the environment, including the consideration of rail travel over air and carefully selecting air travel class. The tool also displays eco-friendly booking options and hotel health/wellness amenities.

  The tool is available in almost all IPG countries globally, and our travel department has produced a reference guide with a training video and sessions for employees. The changes were also announced in a communication to all employees to ensure awareness. The training course on IPG's Code of Conduct for new hires now includes guidance on reducing emissions from business travel.
- **Supporting SAFs and using offsets:** IPG has begun to support the development of sustainable aviation fuels (SAFs).
- **Tracking emissions from business travel:** IPG continually tracks our emissions from business travel to monitor progress and identify opportunities to maximize improvements to lessen the climate impacts of this emission source. IPG was among the first Fortune 500 companies to create a program for tracking travel-related carbon emissions, and we are committed to continue monitoring and disclosing our progress in this area.

Historical Annual Emissions from IPG Business Travel ($MTCO_2e$)



This data represents the total annual global emissions from IPG employee business travel (including air, hotel, rail and car).

Managing Real Estate Footprint

To reach our ambitious emissions reduction targets, IPG continues to focus on its own operations and real estate portfolio. We are moving toward reducing the overall size of our real estate portfolio and co-locating companies, where possible.

IPG's real estate footprint is an important area we can leverage to reduce our emissions. IPG has adopted a restructuring and consolidation strategy to create efficiencies across our office spaces including co-location, new real estate exits and lease terminations to further optimize our real estate footprint, aligning with our hybrid service model in a post-pandemic economy.

For example, sharing facilities across our network is a major component to reducing our energy usage and carbon footprint. IPG's real estate policies require our companies to seek real estate solutions within the existing portfolio before leasing additional office space. To guide these considerations, IPG's policies provide a benchmark of square footage needed per person.

Since its 2020 launch, this company-wide restructuring initiative has resulted in a total reduction of 2.8 million square feet globally, representing an approximate 28% cut of our occupied spaces (as of year-end 2022).

- **Minimum standards for new office spaces:** By moving our offices into more energy-efficient buildings, we have the opportunity to save on operating costs such as electricity, heating and air conditioning. Therefore, maximizing energy efficiency in tenant spaces and office buildings is incorporated into IPG real estate policies. Since 2016, all new tenant occupancies are required to be in buildings that are LEED-certified, whenever possible. We further encourage IPG companies to proactively seek and obtain LEED certification for any new office build, whenever possible.
- **Green spaces:** We encourage IPG companies to utilize "green designs" including open space planning (80% open plan/20% offices and conference rooms), efficient-energy-use-planning measures (i.e. lighting, climate control, HVAC) to generate lower emissions and strategies to contribute positively to environmental protection, such as green roofs.
- **Energy conservation:** In addition to working in ENERGY STAR and LEED-certified buildings whenever possible, we encourage employees to ensure further resource efficiency by switching off all energy-consuming equipment when not in use. IPG companies are encouraged to employ efficient-



energy-use planning measures (i.e. lighting, climate control, HVAC) to lower emissions. For example, we implement incremental upgrades to our leased spaces, including upgrading low-energy lighting that uses 75% less energy when older bulbs expire, as well as the installment of energy-efficient heating, ventilation and air conditioning (HVAC) equipment.

Increased Use of Renewable Energy

In line with our commitment to source 100% renewable electricity by 2030, we are incrementally increasing our renewable electricity usage on an annual basis. IPG is purchasing Energy Attribute Certificates (EACs) and Renewable Energy Certificates (RECs), as well as exploring opportunities to join power purchase agreements (PPAs).

In 2022, we increased our renewable electricity usage to approximately 20% through the use of EACs and RECs, and we reached 30% by the end of 2023.

Energy and Emissions Requirements for IPG Landlords

In 2022, IPG introduced climate-related criteria into the consideration process when entering into and renewing office leases. Some of the most notable requirements include:

- Established plans to source at least 50% of the building's electricity from renewable sources by 2030
- Establish a whole building performance reduction goal in carbon or Energy Use Intensity (EUI) units
- Update IPG with the building's ENERGY STAR score annually

IPG Company Spotlight

100% Renewable Electricity in London

IPG Mediabrands opened a new office in London, UK, with sustainability top of mind. The building, known as The Bailey, sources 100% renewable electricity and uses LED lights with motion sensors. The building received LEED Silver certification in August 2022.



IT Efficiencies

IPG implements energy-efficiency programs and sustainable standards in managing our real estate portfolio and our information technology (IT) operations, such as data centers. These initiatives have both decreased our global emissions and reduced operating costs.

Since data centers account for about 35% of IPG's Scope 1 and Scope 2 (location-based) GHG emissions, moving our hardware and software systems from IPG locations to our providers' energy-efficient data centers will significantly reduce our carbon emissions and help achieve IPG's climate commitments.

In 2022, IPG IT accelerated its move to the cloud with providers that are focused on a reduced carbon footprint, which has enabled IPG to further accelerate our ESG objectives.

- **Reducing power consumption:** To improve our IT operational efficiencies and reduce energy consumption, IPG consolidated four of our Global IT Data Centers by migrating IT infrastructure and applications operations in 2008 to the state-of-the-art Scott Technology Center (STC) facilities in Omaha, Nebraska. Since this consolidation, IPG expanded the use of virtualization technologies by 84%, which has reduced power consumption in IT operations by 66.4%. IPG has been able to continue to reduce the number of server racks and power required to run our enterprise infrastructure and applications, while continually adding new feature functionality. Power consumption at our principal data center in Omaha at the STC campus peaked in 2013 and recently usage has been dropping by 10% each year. In 2023, power consumption is on target for a 12.5% reduction bringing it to the lowest level of power consumption in the 14 years that IPG has operated this primary data center. IPG has set a goal to dramatically reduce our remaining consumption by the end of 2024 through an aggressive plan to wind down usage.

  The continued migration of workloads to cloud infrastructure and applications to software as a service capability is reducing servers and storage in our data center and offices all over the world.

Later in this chapter, there is more information on how we've optimized our data centers with sustainability in mind.

7 AFFORDABLE AND CLEAN ENERGY

84%

Expansion of the use of virtualization technologies

66.4%

Reduced power consumption in IT operations

- **Moving to cloud-based technology:** Over the next two to four years, IPG will continue to roll out a company-wide IT strategy which prioritizes moving our servers to the cloud. This approach began with a review of the timing of hardware and software systems at the end of useful life and/or end-of-contract terms. We are migrating to approved suppliers that have been vetted to assess their commitments to reduce impacts of climate change including energy efficiency and sourcing of alternative energy.

  Our cloud hosting providers regularly supply IPG with our carbon savings achieved from moving to the cloud, which helps measure our progress toward IPG's company-wide emissions-related targets.

Networking-Only Offices

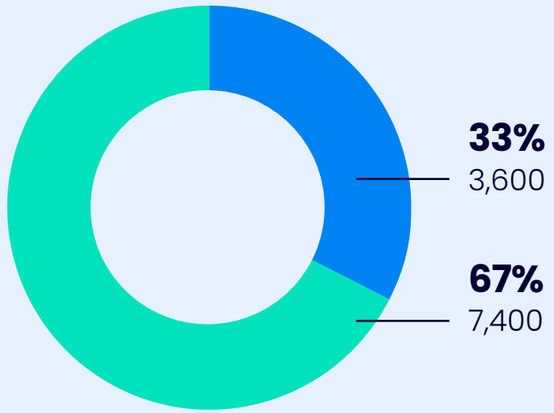
IPG currently has 30 offices across the world that have fully transitioned to Zero Footprints, meaning there are no systems present other than networking. These processes reach our offices in 17 countries, and in seven countries this applies to every IPG office located there: Austria, Belgium, Greece, Ireland, Philippines, South Africa and Taiwan.

Transition Underway

Excluding Acxiom, IPG has already transitioned 1,900 of our 6,100 servers to the cloud which is a 31% completion rate thus far. Additionally, **Acxiom** has begun to transition with 3,600 of their 11,000 servers already moved to the cloud, which is 33% completion rate thus far.

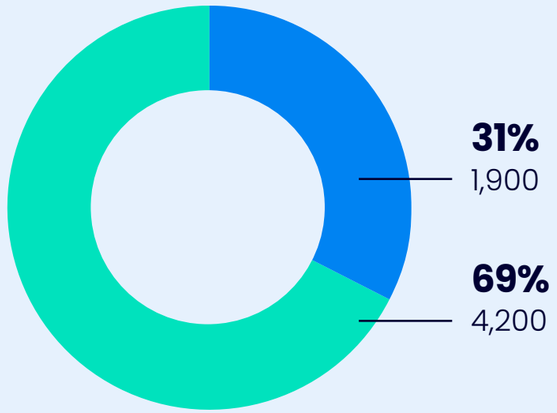
IPG Transition to the Cloud
(Acxiom Only)

Total: 11,000



IPG Transition to the Cloud
(Excluding Acxiom)

Total: 6,100



Servers Completed Servers Left to Complete

IPG Company Spotlight

Progress at U.S. Data Centers

Acxiom, which operates several data centers in the U.S., is undertaking targeted projects to improve the efficiency of its data centers and reduce its overall environmental impact. The company is making significant progress in three key areas: consolidating data centers, shifting to virtualized environments and converting to air cooling.

Between 2018 and 2022, Acxiom phased out three of its eight owned data centers, significantly reducing energy consumption across the company's footprint. The company also closed one of its leased facilities in the Chicago area. In 2023, Acxiom continues to minimize the footprint of its data centers and is planning to exit another facility.

In addition, Acxiom's cloud-first approach means a move to dynamic virtualized environments, which in turn enables consolidation to a smaller number of servers. This means there are fewer devices in the data centers that require power and cooling. Over the last three years, the Acxiom Private Cloud has enabled considerable migration to dynamic virtual environments.

As a result of these initiatives, Acxiom has achieved:

- **Lower water consumption:** Following 30 conversions, we now have air-cooled units throughout all of Acxiom's owned data centers. As of 2022, our total water consumption has fallen by more than 97% since 2018.
- **Lower electrical consumption:** As of 2022, Acxiom's annual electricity consumption dropped by approximately 44% over the last four years, using approximately 39,000 kilowatts less each year than it did in 2018.



97%

As of 2022, Acxiom has reduced its total water consumption by more than 97% since 2018.

~44%

As of 2022, Acxiom's annual electricity consumption dropped by approximately 44% over the last four years.



Client & Industry Partnerships

IPG actively engages with our clients by informing them of our climate commitments and progress through commonly utilized annual reporting questionnaires, such as CDP and EcoVadis.

IPG is proud to support our many clients who are making progress in reducing their own emissions, while also working with NGOs and trade bodies to drive public consensus around the urgency of achieving a sustainable world. We aim to do this both by reducing our own emissions, as well as reducing the emissions associated with the advertising, media and other work we provide to clients.

Through client and industry initiatives, we are continually exploring ways to evaluate the impacts our advertising and marketing services have on the climate.

Client Due Diligence

In a first for our industry, IPG and our companies now **proactively review** the climate impacts of prospective clients that operate in the oil, energy and utility sectors before accepting new work. We worked with a third-party expert in the area of climate change to develop a set of questions that we expect prospective clients to affirm before we enter a new partnership. Since putting this review policy in place, we have, on multiple occasions, turned down potential new business opportunities.

IPG's review of prospective clients in the oil, energy and utility sectors is based on a set of questions including:

- *Has the potential client set specific emission reduction goals that are aligned with the 1.5°C ambition to achieve net-zero carbon by 2050 or sooner with no greater than 10% off-setting?*
- *Is the company publishing clear climate reporting, including scope, baseline, timeline and the tracking of Scopes 1, 2 and 3 emissions?*
- *Are the potential client's goals in line with the goals IPG has made in our own ecosystem, and are their goals reported on publicly?*
- *Has the company ceased any controversial form of oil and gas production?*

For our existing clients whose businesses are carbon-intensive, we aim to positively impact their business transformation journeys, and we are committed to aligning all future IPG work on their behalf with IPG's sustainability values.

In 2022, IPG also became the first advertising holding company to publish its decision not to support or engage in marketing or communications aimed at influencing public policy that seeks to extend the life of fossil fuels.

Lowering Emissions with Media Carbon Calculators

- **AdGreen**: IPG is a founding member of this Advertising Association initiative that provides tools to help advertisers track and mitigate the environmental impacts of production. The hallmark of the initiative is a carbon calculator and certification process to enable agency producers and the industry at large to set goals and assess progress. The U.S. chapter was launched in February 2023.

*More details on AdGreen are discussed in the **Sustainable Operations** chapter of this report.*



- **Media Consumption Carbon Calculator**: This tool estimates the energy consumed by the target audience receiving the ad, which allows advertisers to measure this specific portion of emissions associated with their campaigns. Launched by **UM** and **IPG Mediabrands**, the calculator is available in 32 markets.
  - **Scope3 Partnership**: **IPG Mediabrands** is the first global media and agency network to partner with Scope3, an emissions data standard company, to offer clients services to measure, offset and reduce carbon dioxide (CO2) levels from digital ad activity. This offering augments Mediabrands' Media Consumption Carbon Calculator (mentioned above), which measures the portion of emissions associated with the target audience receiving the ad. Mediabrands will apply Scope3's guidelines and standards to address end-to-end emissions data, helping to codify an industry standard for measuring emissions from digital advertising.

IPG Company Spotlight

Net-zero Media Buying as Client Offering

IPG Mediabrands is offering net-zero media buying for clients. This helps them measure, compensate and reduce their emissions from digital advertising. The offering was created in partnership with Scope3.

- **isla's TRACE**: The event industry's sustainability body, **isla**, has developed a calculator called TRACE that offers real-time measurement of carbon impacts of physical and virtual advertising and captures supplementary data on waste, transport and materials. TRACE can help reduce businesses' carbon footprint and aims to be the definitive tool for measuring carbon and other environmental impacts of live, hybrid and digital events.

  Jack Morton is a founding member of isla, while **Momentum Worldwide** was the first global experiential agency to purchase the TRACE license and led the tool's rollout across UK, U.S., Canada and Japan. Momentum piloted TRACE to track the environmental footprint of its own event projects, including carbon, waste, transport and materials. Momentum is aiming to have implemented the tool into at least 60% of our project deliveries globally.

- **IPA Media Climate Charter**: This UK-based initiative provides media agencies with resources to transition to zero-carbon, including a carbon calculator that determines carbon emissions associated with media buying and distribution. The **Media Carbon Calculator** calculates the carbon emissions associated with a media plan based on the media mix. It uses a range of data sources, including DEFRA electricity emissions factors and device power outputs and energy intensity to determine the carbon footprint of a media plan at channel level.

  IPG Mediabrands is a founding member and supporter, participating in multiple working groups within the charter including ESG showcases for media owners, and media decarbonization.



isla. IPA Media Climate Charter IPG MEDIABRANDS





Collective Pledges & Commitments

We also work with several organizations to drive public consensus around the urgency of achieving a sustainable world. **IPG is a signatory and/or member of the following alliances and campaigns to maximize the impact of advertising on climate action:**

1. **Science Based Targets initiative (SBTi)**: IPG's science-based emissions reduction targets have been validated by SBTi, a global body enabling businesses to set ambitious emissions reductions targets in line with the latest climate science. The initiative is a collaboration between CDP, the UN Global Compact, World Resources Institute (WRI) and the World Wide Fund for Nature (WWF).

2. **Race to Zero**: This United Nations-backed, multi-stakeholder campaign is the world's largest alliance for achieving net-zero carbon emissions by 2050.

3. **Business Ambition for 1.5°C**: This campaign, led by SBTi in partnership with the UN Global Compact and the **We Mean Business Coalition**, calls on companies to commit to setting ambitious, science-based emissions reduction targets. By setting a net-zero target in line with a 1.5°C future, businesses can help limit the worst impacts of climate change.

4. **America Is All In:** This is the most expansive coalition of leaders ever assembled in support of climate action in the U.S. Alongside the federal government, members work to develop a national climate strategy to reduce U.S. emissions by 50% by 2030 (from a 2005 baseline) and reach net-zero emissions by 2050, in alignment with the Paris Agreement on climate change.

5. **The Climate Pledge:** Co-founded by Amazon and Global Optimism, a growing list of over 450 companies and organizations have become signatories to The Climate Pledge committing to net-zero operations by 2040. The pledge calls for regular reporting on emissions, applying decarbonization strategies and utilizing credible carbon offsets.

6. **Ad Net Zero***: In 2020, the Advertising Association, IPA and ISBA launched Ad Net Zero in the UK, with IPG as a founding member. This is an advertising industry initiative to reduce to net zero the carbon impact of developing, producing and running advertising, with a five-point action plan to reduce carbon emissions from UK advertising operations to net zero by 2030, with businesses committing to robust, verified plans to reduce their emissions. It also pledges to use the power of advertising to accelerate the switch to more sustainable products and services for consumers.

IPG's Chief Sustainability Officer is a member of Ad Net Zero's Global Leadership Group, which is working to globalize the initiative. The U.S. chapter was launched in February 2023.

*At the agency level, **IPG Mediabrands** is the media chair for Ad Net Zero and the data collection chair for World Federation of Advertisers' (WFA) **Global Alliance for Responsible Media**, helping these two organizations as they work to identify a standard framework for measuring media campaign carbon emissions, with a target of taking it to wider industry consultation.

*Additional initiatives and partnerships are discussed in the **Sustainable Operations** chapter of this report.*

IPG Company Spotlights

Global Council to Support IPG's Climate Commitments

In 2022, **FCB** launched a Global Sustainability Council (GSC) and formed a strategy that will manifest in its Work, Workplace and Workforce with the goal of reducing its carbon footprint and supporting IPG's climate goals.

FCB offices around the world also continued to strengthen their own sustainability efforts in various ways including:

- **FCB New Zealand** maintains the Toitū Envirocare gold certification rating
- **FCB South Africa**'s carbon offset program, The ReSpek Nature Initiative, has engaged the community and strategic partners such as Nelson Mandela University
- **FCB Inferno** introduced initiatives to support clients' businesses, such as creating a traffic light system signifying the environmental footprint of different campaign options

Supporting Climate Innovators

R/GA Ventures collaborated with the University of Connecticut – a leader in climate research – to launch the **Future Climate Venture Studio**. The studio helps startups address the climate crisis through innovation for decarbonization and alternative energy.

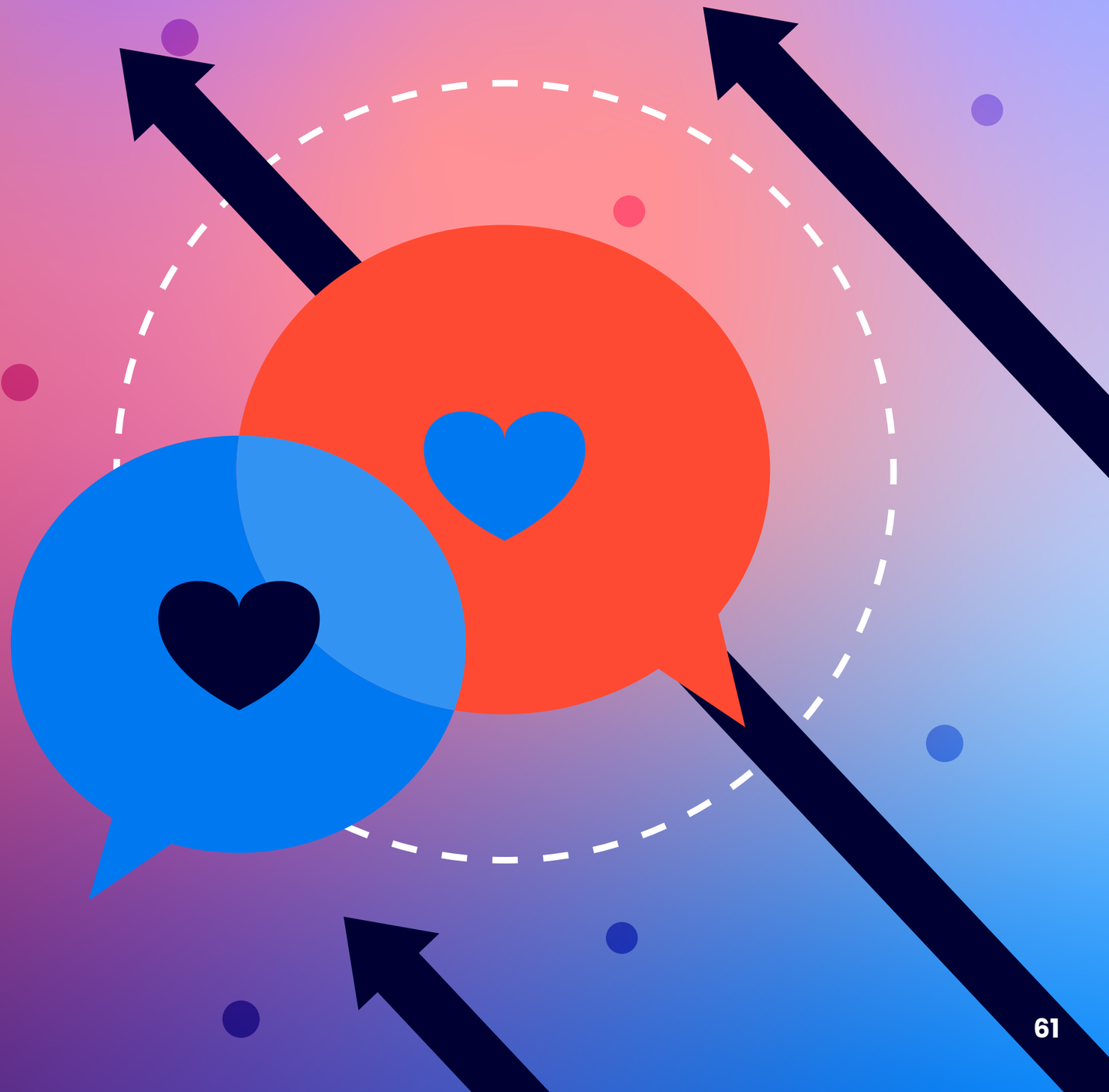
Sustainability Sensemaking

Powell Tate helps organizations and leaders navigate climate disruption and make sense of the sustainability landscape to advance key commitments, innovations and policy solutions. The four-part "**Purpose Decoded Forecast**" series features expert commentary on sustainability and environment, social and governance (ESG) trends shaping the 2023 agenda. **The Road to COP28** provides further context on the issues and policy priorities surrounding the dialogue at the UN Climate Change Conference.



Spotlights

How we value our people's contributions and ensure an inclusive culture



Social

Diversity, Equity & Inclusion

IPG's commitment to diversity, equity and inclusion (DEI) has long been core to our mission and instrumental in our long-term success. We aim to be the industry leader that creates inspiring, authentic and effective work. These qualities are driven by diversity and an equitable workplace that encompasses an inclusive culture. We maintain an unwavering pursuit to increase representation in our industry to fuel progressive impact in today's culture. By tackling the obstacles that limit inclusion, we're able to create an equitable future for all.

Embedding DEI into all aspects of our business allows us to benefit from a variety of perspectives and beliefs. Our commitments to elevating these voices is backed by policies, programming and accountability as we continue to build on strong practices of inclusivity at all levels of our organization, including our talent pipeline, client work and global supply chain.



Recent Highlights

Revised our executive compensation incentives related to DEI

Continued positive trends in our workforce numbers

DEI Management

Two decades ago, IPG was the first company in our industry to appoint dedicated leadership on DEI when we hired a Director of Diversity and Inclusion and established the industry's first office of global diversity and inclusion.

Today, IPG continues to support our Global DEI & Social Impact Team with staffing, resources and investments in vital measurement tools and programs to help our companies succeed on diversity-related priorities and objectives.

The Global DEI & Social Impact Team, along with the following entities, has responsibility for IPG's DEI programs and strategy:

- Our **Global Chief Diversity & Social Impact Officer** (CDO) oversees IPG's global DEI programs and strategies, reporting to the CEO. She is responsible for advancing IPG's DEI objectives, such as continuing to diversify our senior ranks and talent pipeline to ensure our talent is reflective of our communities and consumers. She also ensures that the IPG network: delivers a workplace experience that allows all talent to thrive; curates a culture that drives belonging, well-being and growth; and amplifies the cultural insights that help our clients authentically reach an evolving consumer base. Our CDO works closely with IPG's integrated ESG team to advance social impact strategies that empower and elevate local and global communities.
- Nearly all of our 100+ companies globally have an appointed head of DEI. In January 2023, IPG established a **DEI Executive Council** comprised of DEI leaders from across our companies with the goal of fostering a community of leaders committed to advancing our efforts in DEI and social impact across all dimensions of our business. The CDO works with the DEI leads at our networks both in the U.S. and abroad to ensure continuity and effectiveness across IPG. The Council aims to drive positive change, dismantle barriers, and cultivate a diverse and inclusive workforce where every individual thrives and contributes their unique perspectives and talents to our collective success. The Council helps to inform IPG strategies that empower and uplift individuals across all dimensions of diversity, including race/ethnicity, gender identity, sexual orientation, religion, nationality, disability status, age, socioeconomic background, veteran status, neurodiversity, language, education level, marital status, parental status and body size/shape.

*Board-level oversight related to DEI is discussed in the **ESG Strategy** chapter of this report.*



In 2022, IPG appointed Channing Martin as our first Global Chief Diversity & Social Impact Officer

Policies Supporting DEI

Our policies help ensure equal opportunities and a fair culture for all of our employees:

- IPG's **Code of Conduct** sets expectations for a work environment that embodies respect and dignity for all employees globally. The Code makes clear our policies that prohibit discrimination based on gender identity, race, ethnicity, nationality, religion, age, sexual orientation, disability and other dimensions of diversity. The Code also sets out our zero-tolerance policies against harassment of all types including sexual and racial harassment.
- Our detailed **Anti-Harassment and Equal Employment Policy** aims to ensure a fair, ethical and respectful work environment for all employees. This Policy states that IPG and its subsidiaries will provide equal pay for equal work. It prohibits discrimination or harassment on the basis of any protected characteristic, details the methods for employees to make complaints regarding any such conduct and protects them from retaliation. The Policy also covers other priorities such as preventing sexual harassment.
- Our **Human Rights Policy** details how IPG implements its policy on diversity and non-discrimination, including through reasonable accommodations for disabilities, promoting from within the organization and prohibiting all forms of harassment. The Code of Conduct and Human Rights Policy both express our respect for the International Labour Organization (ILO) conventions on discrimination and equal pay.
- IPG's Board of Directors considers diversity when seeking and reviewing candidates to join the Board. Our **Policy on Board Diversity**, included in IPG's Corporate Governance Guidelines, aims to combat the underrepresentation of women and people of color on corporate boards. It supports IPG's efforts to have Board members who bring not only broad professional experience – looking beyond membership on corporate boards – but also diverse perspectives fostered by varying gender, ethnicity, skills, experience and functional, geographic or cultural background.

*These policies are available on our **Corporate Governance** website.*

8 DECENT WORK AND ECONOMIC GROWTH

Reporting a Concern: Everyone at IPG can help ensure that our workplace is free from discrimination or harassment. Employees are encouraged to report known or suspected discrimination or harassment to a trusted manager, their local human resources director, the Corporate Human Resources Officer, the IPG legal department or the **Alertline**.



Diverse Workforce Mobility

Diversity and inclusion are key elements in how IPG delivers value to all of our stakeholders. We are focused on creating a representative and highly talented workforce at every level, and for many years, IPG's Global DEI & Social Impact Team has set strategic and measurable goals for our business leaders to incentivize behavior that will support a more inclusive workplace and build a more diverse workforce in particular for women and Black, Indigenous and People of Color (BIPOC) talent.

Since we began our formal programs, IPG has seen notable improvements in the diversity of our workforce, with the goal of making the company more representative of the markets we serve and the diversity of our communities and consumers. Further progress across our company is a management priority, as we understand the business and societal needs to continually work toward increased representation.

To ensure progress, we have a variety of global programs and incentives in place that focus on the hiring, retention and promotion of diverse groups across the company.

In 2006, IPG became the first in our industry to tie the compensation of our agencies' CEOs to diverse representation, and we continue to do so. We utilize high priority objectives (HPOs) in annual compensation incentive plans to drive progress on hiring, promoting and retaining BIPOC talent.

The performance of each IPG company is assessed annually against these diversity HPOs. Today, IPG's senior executives and most network CEOs have formal goals tied to their annual incentive compensation. Our CEOs are formally accountable for DEI considerations in succession planning, retention and diverse mobility between levels.



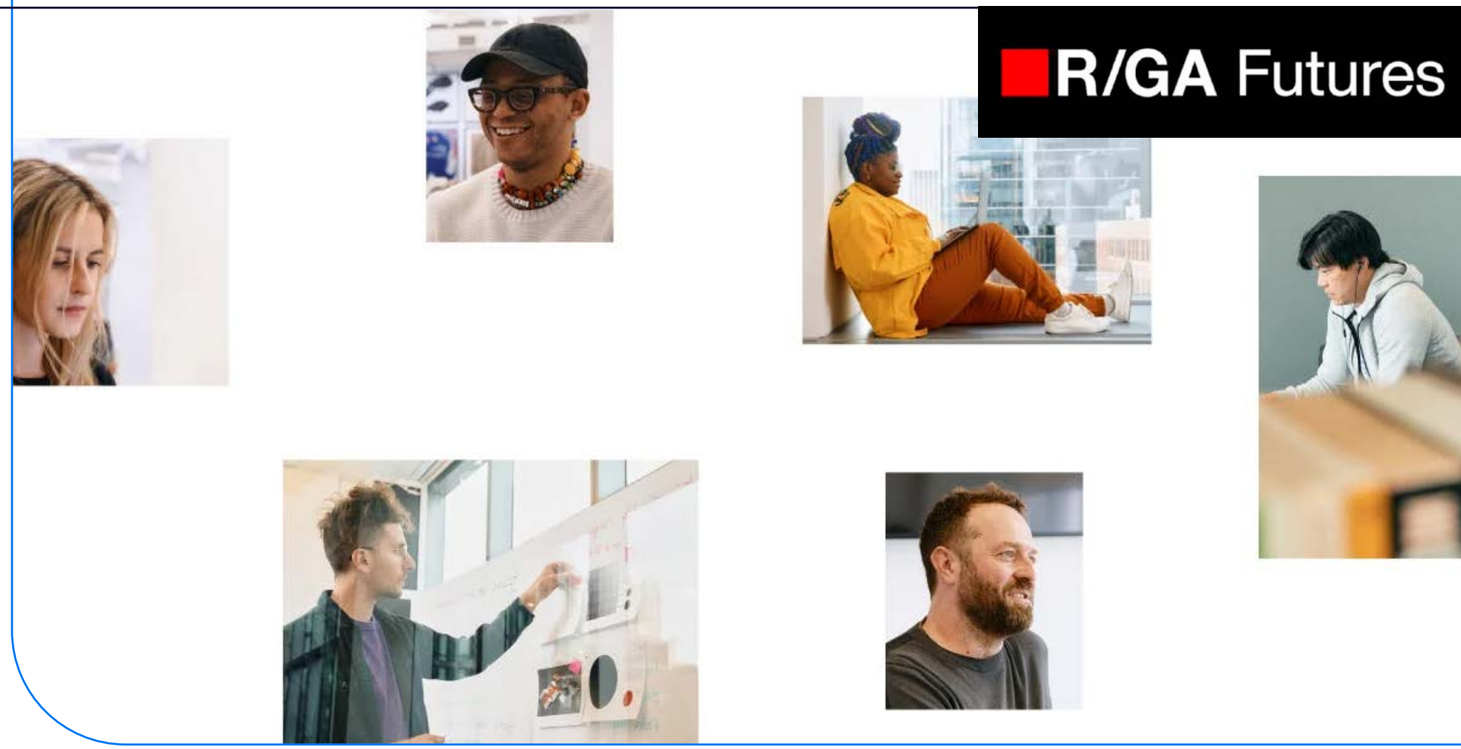
IPG Company Spotlights

DEI Hiring & Pipeline

In 2022, **R/GA London** launched "R/GA Futures," a paid eight-week **internship program** to help talent from underrepresented backgrounds advance their careers. The program, in partnership with Brixton Finishing School, furthers R/GA London's commitment to DEI by creating an intentional and inclusive opportunity to attract diverse talent and lead industry change.

In 2022, **Golin** launched "PRep School," a new **fellowship program** offering paid summer public relations training for students attending historically Black colleges and universities (HBCUs) and members of historically Black sororities and fraternities.

R/GA GOLIN





Tracking & Reporting

IPG was the **first** advertising holding company to release the race and gender composition of our leadership, which we began doing in 2020. Using standards set by the U.S. Equal Employment Opportunity Commission (EEOC), we annually disclose the gender and race composition of our U.S. employees including the categories of senior/executive-level managers, first/mid-level managers and professionals. IPG is committed to continuous transparency in this area.

As a result of our DEI programs, we have achieved gender parity at all levels (junior, mid and senior) both in the U.S. and globally. These are still just initial steps on a journey to achieving our goals of mirroring the demographics of the countries where we operate within our organization and in our culture.

IPG's executive statistics show that we have strong gender representation across all ranks of our company. In 2022, IPG exceeded the U.S. National External Workforce Benchmark for women in the categories of senior/executive-level managers, first/mid-level managers and professionals. Our U.S. EEO-1 data showed that 51% of our senior-most leaders across IPG are women. In the U.S., we saw increases in management representation across all minority groups in 2022, for a total increase of 2.2%.

*Our full U.S. EEO-1 disclosure along with additional diversity data can be found in the **Appendix** of this report.*

Self-identification: In 2023, IPG launched self-identification with expanded identity categories that will allow employees globally to identify themselves along dimensions such as gender identity, sexual orientation, disability, ethnic heritage, care-giving responsibilities and social mobility. This is an important step to strengthen the data infrastructure related to our global talent while continuing to foster our inclusive culture.

External Assurance: PricewaterhouseCoopers LLP (PwC) performed a limited assurance engagement on certain greenhouse gas emissions and certain employee diversity metrics for the year ended or as of December 31, 2022.

*See PwC's Report of Independent Accountants on **page 193**.*

IPG U.S. Workforce Representation Trends[1,2,4]

Year-Over-Year Changes from 2021 to 2022[3]

	Senior/Executive Level Managers	First/Mid Level Managers	Professionals
Black or African American	YOY % Change 0.0% ▲	YOY % Change 0.6% ▲	YOY % Change 0.6% ▲
Asian American	YOY % Change 0.6% ▲	YOY % Change 0.4% ▲	YOY % Change -0.1% ▼
White	YOY % Change -1.4% ▼	YOY % Change -2.2% ▼	YOY % Change -0.9% ▼
Hispanic or Latino	YOY % Change 0.6% ▲	YOY % Change 1.1% ▲	YOY % Change 0.4% ▲
Women	YOY % Change 1.1% ▲	YOY % Change 1.1% ▲	YOY % Change 0.2% ▲

1 - Our workforce representation data reported here encompasses approximately 99% of our U.S. workforce.

2 - Our overall U.S. diversity data is in accordance with the EEOC's Employer Information EEO-1 report (EEO-1 Survey).

3 - In alignment with ISO 30414 (International Organization for Standardization) guidelines for human capital reporting, we have shifted our year-over-year change calculations for gender, race and ethnicity from a calculated rate of change based on representation to a simplified YOY percent change.

4 - The diversity data reported in the management assertion of this report (pg. 194) presents employees who did not self-report their race/ethnicity, which differs from the data presented in this table. The data in this table is not subject to the limited assurance engagement.

Programs & Initiatives

The programs we provide in support of DEI aim to foster awareness and action on critical issues that are vital for the recruitment, retention, advancement, well-being and belonging for people who are part of underrepresented groups. These programs also empower allyship of all employees in creating a more inclusive workplace and creating client work free of stereotypes.

Our programs include events, trainings, curated and bespoke content and leadership development. We also offer programs on all facets of DEI in support of specific communities of employees, and we have established business resource groups (BRGs) hosting timely events and conversations.

"Consistently showing up as a business that puts people first will help us unlock innovation and empower teams where everyone can thrive—regardless of their background or identity."

– Philippe Krakowsky, IPG CEO

A Focus on Culture

Culture, equity and belonging make a measurable difference in our individual and collective performance – this is the fundamental belief driving our efforts in DEI and talent management more broadly. We continually strive to remove all barriers that prevent colleagues from doing their best work.

Our inclusive company culture helps us retain and develop the world's best people, who in turn form better teams to help solve the complex and creative challenges facing marketers in a fast-changing world.



Learning & Culture: IPG aims to ensure a culture that drives belonging, well-being and growth for all our people and fosters the cultural insights and sensitivity to help our clients make authentic and responsible connections with their customers. Openness to new ideas and support for all aspects of one's life and identity – in other words, an environment of trust and respect – are key to both the creative process and essential to attracting and retaining the best talent in our industry.

IPG is committed to cultivating more inclusive leadership and management by investing in learning and practical experiences to ensure we are allies and consistent advocates for each other. Through events, training, curated content, research and tools, IPG fosters awareness and action on issues related to the recruitment, retention, advancement, well-being and belonging for people who are part of underrepresented groups.

Our programming addresses topics including:

- Support for employees or their family members with disabilities
- Mental health and physical well-being
- Cultural and historical explorations
- Inclusive behaviors and meeting practices
- Culturally sensitive and authentic marketing and advertising
- Allyship behaviors
- Managing, mentoring and sponsoring diverse talent

We have also sponsored clinical group counseling on stress and trauma related to racism, hate speech and violence.

In 2022, IPG's Global DEI & Social Impact Team supported dozens of programs and events, many in partnership with our BRGs. Initiatives in 2022 addressed topics such as violence and invisibility affecting the LGBTQ+ community, people of color and women across many dimensions of diversity, as well as religious minorities.



Pay Equity: We are committed to pay equity across our network for women and underrepresented groups, and we comply with country-specific pay gap disclosure requirements.

We annually conduct pay equity reviews in conjunction with an external consultant to compare compensation on the basis of gender and race between employees who are similarly situated with respect to factors such as job function, experience and geography. Our analysis covers the U.S. and many international markets, and we are gradually expanding to cover our full population. Based on our analyses to date, there were no findings of widespread pay inequalities. We take steps to correct any individual anomalies that have been identified.

In 2022, IPG renewed its support for the UN Global Compact's **Women's Empowerment Principles** (WEPs), a program guiding businesses to promote gender equality and women's empowerment in the workplace, marketplace and community. The WEPs are comprised of seven actionable principles and aim to push businesses to achieve the UN Sustainable Development Goals (SDGs) and targets related to gender equality, such as SDG 5.

IPG Company Spotlight

Fighting the Racial Pay Gap

Brenda DeLeon, **Golin's** VP of Social Impact & Inclusion, joined the HispanicPro Uplift Latina Forum on Latina **Equal Pay Day**, marked each year on December 8. Panelists addressed the pay gap facing Latinas in the U.S.: for every dollar paid to a white man, a Latina full-time worker earns 57 cents.



Eliminating Bias & Stereotypes in Creative Work: IPG companies collaborate with partners and clients on campaigns that avoid stereotypes, foster inclusion, promote the empowerment of women and underrepresented groups, and combat discrimination and sexual violence.

IPG is a founding member and Vice Chair of UN Women's **Unstereotype Alliance**, convened by UN Women to eradicate harmful stereotypes in all media and advertising content and collectively use the advertising industry as a force for driving positive change around the world.



For International Women's Day 2022, the Unstereotype Alliance recognized IPG's Chief Sustainability Officer, Jemma Gould, as one of a group of women and girls around the world who are leading the charge on climate change adaptation, mitigation and response. Gould stated that more women representing the sustainability sector is key to ensure different perspectives and business approaches; structural and cultural differences that can lead to more creative and effective solutions.

"We view our sustainability commitment broadly, so that it includes not only a commitment to the environment, but also a responsibility to operate an ethical and equitable workplace, where individuals are respected for their work, judged on merit, and where they are comfortable bringing their authentic selves to the workplace. So, diversity, equity and inclusion are key elements of sustainability."

– Jemma Gould, IPG Chief Sustainability Officer

"We know that the increase in Black presence on creative teams is important, but we also need to address accurate portrayals and the reinforcement of positive messages."

– Channing Martin,
IPG Chief Diversity & Social Impact Officer

IPG Company Spotlights

DEI Offering as Growth Strategy

Jack Morton launched **Vivi**, a diversity-driven specialty practice in experiential marketing geared to helping brands connect with women of color, who make up one in five Americans.

The Weber Shandwick Collective expanded its DEI offering and **rebranded** it as culture, equity and inclusion (CEI). This offering supports clients in managing DEI and culture as business imperatives and communicating progress. The Collective's move from DEI to CEI reflects trends such as globalization, changing demographics and new work practices and technologies.



VIVI BY JACK MORTON

The Weber Shandwick Collective

Accessibility Strategy: Inclusion and access for people with disabilities is a key element of IPG's DEI work. IPG is committed to ensuring that our communications meet the highest accessibility standards to be inclusive of people of all abilities. In 2022, IPG began increasing our focus on accessibility, specifically improving the digital accessibility of our corporate website as well as working to improve accessibility of existing and new digital properties.

In 2022, we engaged **Flipside**, an IPG company with expertise building accessible websites and digital platforms, to administer an extensive Accessibility Audit. We are incorporating improvements to our website based on the findings from that audit.

To further this commitment to accessibility, IPG company, **Current Global**, established the **Accessible by Design** campaign to ensure that every piece of communication created for the company and its clients meets the highest accessibility standards to be inclusive of people of all abilities. Clients can also request an Accessible by Design audit, helping to chart a path to increased accessibility. In 2022, Current Global expanded this initiative by launching accessible communications training to help employees and clients deliver disability-inclusive and accessible communications. This offering was recognized at the International Communications Consultancy Organisation's (ICCO) Global Awards and at *The Drum* Agency Business Awards.

To holistically understand our business areas of opportunity for accessibility, in 2023 we partnered with **Disability:IN** to help develop a larger disability inclusion strategy.

IPG Company Spotlight

A Better Normal for Everyone

McCann Worldgroup, **McCann Health** and **Weber Shandwick** joined **Disability Confident**, a UK government program that encourages employers to think differently about disability and to take action to recruit and retain disabled people.



IPG served as the official Community Partner of Disability at the 2022 ADCOLOR Awards, and we hosted a welcome brunch with **The Female Quotient** that included a community service experience of packing meals for women in need through a local organization in Los Angeles.



Inclusive Sourcing & Business Partner Diversity: Business diversity is a key component of our strategic sourcing process. A diverse supplier base gives IPG a competitive advantage and helps to improve the lives of people around the world, particularly in underrepresented and economically challenged communities.

IPG is committed to working with diverse suppliers and partners who reflect our stakeholders, our clients' customers and our communities. To that end, we actively seek out companies owned by women, racial and ethnic minorities, veterans, LGBTQ+ people and people with disabilities.

In 2022, IPG's certified diverse third-party vendor spend in the U.S. was approximately $200 million. Since launching our new supplier management platform in 2021, we have onboarded 305 certified diverse vendors with supporting certification documentation[1].

Each year **IPG Mediabrands** holds the **Equity Upfront**™ – an annual event to accelerate support of Black-owned media businesses as well as Asian American Pacific Islander (AAPI), Hispanic and LGBTQ+ media companies. This work is informed by signature research conducted by **MAGNA** – Mediabrands' investment and intelligence company – demonstrating the strategic significance of diverse audiences as well as the need for brands to connect with them in authentic, culturally resonant ways on platforms with diverse ownership.

In 2022, MAGNA launched the Equity Portal, an online directory exclusively available to Mediabrands' clients and affiliates to guide those seeking to invest in trusted, diverse-owned media partners, alongside new research on Black consumers.

Several IPG companies partner with **FREE THE WORK**, a not-for-profit committed to creating opportunities for women, people of color and other underrepresented groups in directing and producing.

*Supplier diversity is discussed in more detail in the **Responsible Supply Chain** chapter of this report.*

10 REDUCED INEQUALITIES

EQUITY BY MAGNA UPFRONT

FREE THE WORK



1 - We recently transitioned our ESG reporting on this number to include only certified diverse suppliers so that we can better track our progress. We expect this number to increase as additional suppliers complete the onboarding process.

Employee Training

IPG is committed to implementing regular training programs to eliminate discrimination, harassment or other unfair treatment in our workplaces.

All IPG employees are trained regularly on many of our diversity-related policies. Our annual IPG Code of Conduct training, required of all full-time and part-time employees, reinforces our DEI expectations and has included content on harassment, unconscious biases and subtle forms of discrimination that might not be egregious violations of the law, but that are outside our Code and could have discriminatory or biased impact. Additionally, IPG provides anti-harassment training to all new hires in the U.S., and all employees are re-trained on the topic regularly (depending on local regulations).

In 2022, our Code of Conduct training course was updated to include information on IPG's DEI strategy and to be more accessible to all employees. For example, we added narration and voiceover to the English-language course version, and added alternative text to images to ensure people with visual disability can access the training materials.

*More information on anti-harassment training is provided in the **Ethics & Integrity** chapter of this report.*

2022 Completion Rates from Required Employee Groups[1]

Code of Conduct Training

New Hires:

83%

Current Employees:

96%

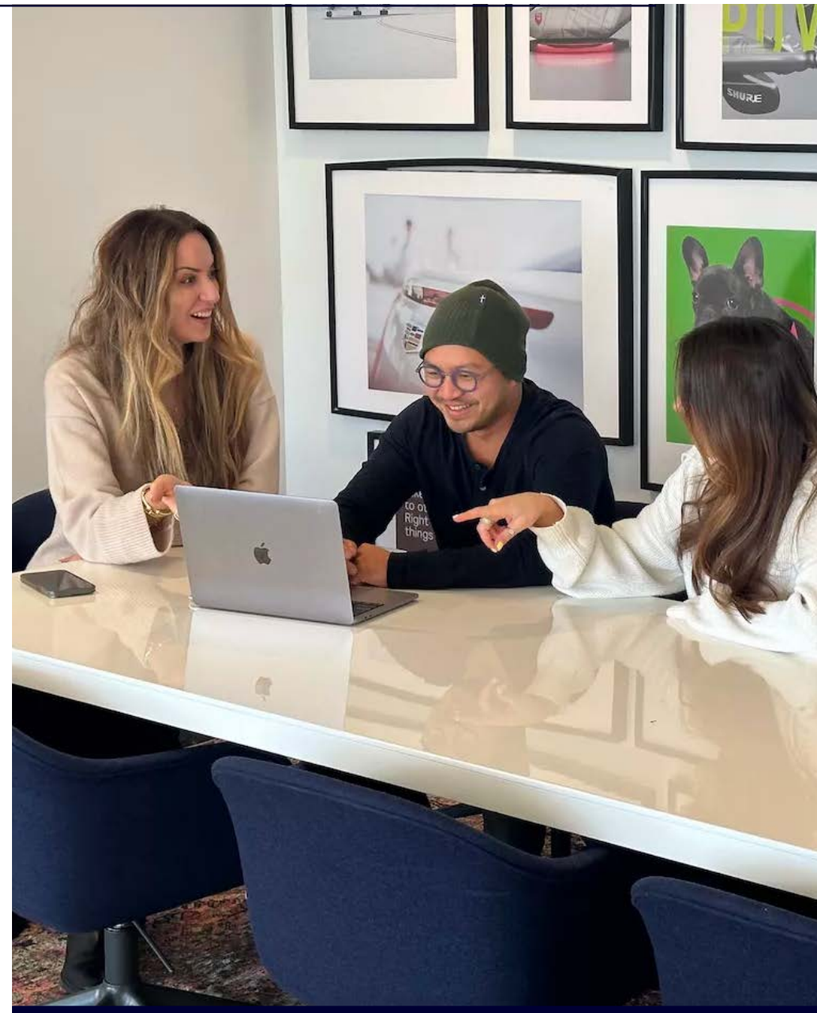
Anti-Harassment Training

Employees & Supervisors:

83%

California - Employees & Supervisors:

72%



IPG hosted a training on bystander intervention for all U.S. employees, in partnership with **Golin** and client L'Oréal Paris

1 - In 2022, we continued to experience technical challenges with our training platforms which impacted overall participation rates.

Employee Engagement

We use a rich network of tools and practices to engage our people in DEI efforts. These include employee surveys, regular communication both in writing and through live events, and a variety of business resource groups.

Employee Surveys: IPG has conducted an annual employee inclusion survey of its U.S., Canada and UK employees for many years. In 2023, this employee survey underwent a major revamp with an expanded global launch, now known as the BELONG survey (Building Equity, Leveraging Opportunities, and Nurturing Growth). The survey covers employee perceptions about their work experiences and environments, including the impact of our DEI activities. It assesses responsiveness to differences and other important levers for innovation, growth and belonging.

In a series of town halls held regionally around the world, IPG informed employees of survey results, which positively rated the company on respect, flexibility, growth, transparency and inclusion. Going forward, the plan is to focus on the following improvement areas:

- Bring more attention and training to DEI
- Continue to analyze compensation equity to identify opportunities
- Improve transparency around process and criteria for promotions
- Provide more sponsorship/mentorship opportunities for employees
- Continue to provide training for leaders on managing hybrid teams

Regular Communications: IPG regularly communicates with employees about our DEI strategy, programs and resources, including highlighting client work across our network that advances our commitment to DEI. We regularly promote the practices called for in our Code of Conduct and Anti-Harassment Policy throughout the company. Channels of employee communications on DEI include trainings, network-wide town halls, all-staff memos from our CEO and our CDO, as well as regular employee newsletters from our human resources team.

For example, in November 2022, IPG's employee newsletter shared a compilation of ways to honor, support and learn more about Native American Heritage Month, as well as mental health and self-care resources available specifically for Native Americans, Alaska Natives and Native Hawaiians.

IPG's corporate communications team also publishes "**Essential ESG**," a quarterly global employee newsletter with updates on our progress on DEI issues and examples of DEI-related campaigns for clients from across the IPG network.

IPG regularly provides reminders of the various health resources available to all employees and their families. These resources include reminders such as accessing the Pride365+ website to support people across a broad spectrum of LGBTQ+ topics, and other links to therapy, childcare support and consultations.

IPG Company Spotlight

Taking Time to Build Culture

McCann Worldgroup shuts down once a year for "**A Day for Meaning**," which is a full day dedicated to conscious inclusion with discussions on current events and experiences with diversity around the world.

Employee Groups: IPG's global, enterprise-wide business resource groups (BRGs) bring together employees across geographies and companies. They provide a positive forum for development, education and idea exchange, particularly pertaining to dimensions of diversity. These groups also address career development and management training, executive presence and the importance of mentors and sponsors. All new employees are invited to join BRGs and are informed of IPG's guides and resources for a diverse and inclusive workplace.

Our global BRGs include:

- Asian Heritage Group (AHG)
- Black Employee Network (BEN)
- Women's Leadership Network (WLN)
- SOMOS (Hispanic/Latino Heritage Group)
- PLUS (LGBTQ+ Community and Allies)

Spotlight on Asian Heritage Group

The **Asian Heritage Group** (AHG) promotes the professional and personal development of IPG's Asian employees. We present programs that enhance careers and increase awareness of issues and opportunities related to cultural, social and economic diversity.

In 2022, the AHG held a conversation with **IW Group** on why AAPI representation is critical in elevating unique stories, experiences and narratives.





BLACK EMPLOYEE NETWORK

Spotlight on Black Employee Network

The **Black Employee Network** (BEN) strives to facilitate the success of IPG's Black employees by enriching their professional lives, creating connections, promoting environments that welcome, value and leverage diversity, and contributing to our communities. BEN's activities seek to drive results and contribute to the business success of our companies.

In 2022, in honor of Black History Month, BEN held a discussion on cultivating an affirming work environment where Black professionals can thrive.

Spotlight on SOMOS

SOMOS
HISPANIC/LATINO HERITAGE GROUP

SOMOS is a dedicated group of Hispanic and Latino leaders within IPG. This BRG's purpose is to help employees access programs that provide skills development, networking opportunities, mentoring and career enrichment.





Spotlight on PLUS

PLUS
LGBTQIA+ COMMUNITY AND ALLIES

PLUS – LGBTQ+ Community and Allies – works to ensure that IPG policies and practices are inclusive of our lesbian, gay, bisexual, transgender, queer and all (+) employees. As an open group, they work with allies and community members to educate and inform all employees about issues facing the LGBTQ+ community. PLUS also aims to provide teams with the resources to attract and retain LGBTQ+ talent, while championing the power of our work to accurately reflect the needs and interests of LGBTQ+ consumers.

For Pride Month 2022, PLUS worked with **UM** as returning sponsors of Motor City Pride to support the LGBTQ+ community in Detroit, Michigan.

Spotlight on Women's Leadership Network

WOMEN'S LEADERSHIP NETWORK

The IPG **Women's Leadership Network** (WLN) leverages new findings on gender equality to advocate for every colleague to contribute to creating a more inclusive workplace. The WLN has chapters in 14 U.S. locations as well as Japan, London, Mumbai, Shanghai, Singapore and Sydney. WLN is one of our most active BRGs and continually works to advance the role of women in leadership in our company.

In 2022, the WLN organized a book event with Julia Boorstin, CNBC's Senior Media & Tech Correspondent, about her new book, "When Women Lead." The discussion was hosted by Ellen Johnson, IPG Chief Financial Officer, and Hermon Ghermay, **IPG Mediabrands** Chief Culture Officer.

For International Women's Day 2022, the WLN organized a social activation on the theme #BreakTheBias. Leaders across the IPG network used LinkedIn posts to make commitments to empower women, smash stereotypes and #BreakTheBias.



Collaboration Between BRGs

The New York chapters of **BEN** and **PLUS** hosted a joint program in honor of Pride Month and Black Music Month to see "...what the end will be," a critically acclaimed play that examines life at the intersection of race and sexuality.





IPG Company Spotlight

Making Work More EquitABLE

In 2022, **Weber Shandwick** launched a BRG for people with disabilities and chronic illnesses, and held a virtual fireside chat where Weber Shandwick's VP of Inclusive Practices interviewed Ardra Shephard, the influential writer, speaker and disability advocate.

Partnerships

IPG supports numerous community-based organizations and is actively involved in partnerships with leading coalitions that bring together companies to advance DEI.

IPG is a member of the **30% Club**, a global coalition aimed at ensuring a minimum of 30% representation of women on corporate boards. IPG has endorsed this objective and has consistently exceeded it, with a total of 44% women members in 2022.

To promote increased representation of women in client organizations and media and technology industry organizations, IPG has partnered with organizations like Free the Bid and The Female Quotient. **Free The Bid**'s pledge calls for ad agencies, production companies and brands to have at least one woman director on every commercial production job. **The Female Quotient** supports organizations committed to closing the gender gap in the workplace.

In 2022, IPG partnered with LeBron James' media and entertainment company, The Springhill Company, to connect creators of color with IPG clients in a new joint venture known as IPG x The SpringHill Company. The partnership is the first and only between SpringHill and a global advertising and marketing holding company.

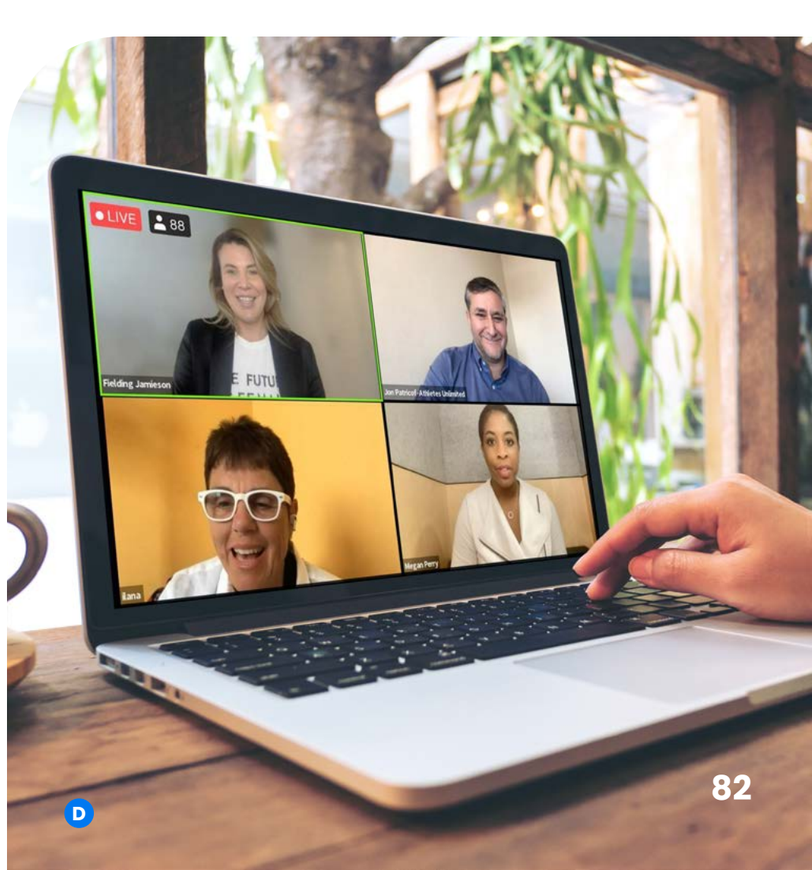
Other partnerships include:

- **CEO Action for Diversity & Inclusion**™, the largest CEO-driven business commitment to advance diversity and inclusion in the workplace.
- **Tanenbaum Center for Interreligious Understanding**, a not-for-profit dedicated to creating workplaces that support employees' religious differences.
- **PFLAG**, which helps parents, families, friends and co-workers support people who identify as LGBTQ+.
- **Coqual**, a global thinktank, formerly known as The Center for Talent Innovation. We partner with Coqual on research studies to inform our objectives and learn about effective processes to improve representation, retention, advancement and inclusive workplace culture.
- **Catalyst**, a leading international research organization, which works to advance equality and inclusion for women from all backgrounds, as well as people who are cultural and racial minorities, living with disabilities, non-conforming gender identities and all sexual orientations.
- **Unstereotype Alliance**, which was convened by UN Women with IPG as a founding member and Vice Chair. It aims to eradicate harmful stereotypes in all media and advertising content and collectively use the advertising industry as a force for driving positive change around the world.
- **C-Sweet**, a global community of female executives, whose mission is to foster executive-level relationships for women across sectors for business development, brand acceleration, partnerships and extended career paths through curated receptions and digital engagement.



IPG regularly shines a spotlight on critical issues for DEI through high-profile events:

- Leaders from the IPG network joined The Female Quotient to discuss sustainability, the future of work and how art, design and technology can come together to advance equality in our world. A
- IPG's Chief Sustainability Officer spoke about "Infusing Purpose into Every Aspect of Your Business" at the **Equality Lounge** hosted by The Female Quotient at Advertising Week NY 2022. B
- IPG hosted its annual Inclusion Breakfast at the 2022 Cannes Lions Festival of Creativity. The discussion examined innovative ways that advertising can use equitable thinking to drive growth for clients and advance social good around the world. The 2022 program, "Wake Up to Equity," marked the company's 10th year focusing on the implications of equality in the workplace, society and media. C
- IPG hosted its annual event at CES – the **2022 Innovation Conversation** – in partnership with **R/GA**. Leaders in the sports industry joined IPG CEO Philippe Krakowsky to mark the 50th anniversary of Title IX and highlighted the role of technology in accelerating representation and visibility for women in professional sports. D





As part of an industry initiative in 2022, **IPG Mediabrands** helped to **launch** a full scholarship program for students enrolling in the City College of New York (CCNY)'s Media graduate program. IPG Mediabrands and industry peers partnered with **We All Rise Together**, a non-profit organization, to encourage students from underrepresented groups to pursue media careers.

IPG Company Spotlight

Promoting Women in Technology

Acxiom sponsors the Girls of Promise initiative, which was created by the Women's Foundation of Arkansas to help connect girls in the area with women working in science, technology, engineering, math and finance. The initiative also runs a paid **summer internship program** to place university women of color into STEM-related roles within local companies and provide networking and professional development workshops.

Acxiom is active in several other initiatives to promote women in technology. In 2022, the company sponsored the Women in IT conference at the University of Arkansas and presented at the Women in Tech Summit in Austin, Texas. An Acxiom leader also presented at the Arkansas Equality in Computer Science Summit for Girls in STEM.



DEI Honors & Recognition

- IPG was listed among the top five in the U.S. for "**Best Employers for Diversity 2022**" by *Forbes* and Statista.

- In 2022, IPG was listed on the Human Rights Campaign's Corporate Equality Index for the 13th year in a row and was named one of the "**Best Places to Work for LGBTQ+ Equality**."

- In 2022, IPG was listed on the **Bloomberg Gender Equality Index** for the third consecutive year.

- For the first time, IPG has been listed on the **Disability Equality Index** by Disability:IN.

- Eleven women from IPG companies were among the honorees in Campaign's U.S. 2022 **Female Frontier Awards**. The awards celebrate bold, ground-breaking women across all areas of advertising, marketing and communications.

"Our goal is to be one of the world's most inspirational, accessible and innovative companies. We know that prioritizing diversity, equity and inclusion as critical business drivers will help us achieve that goal."

– Philippe Krakowsky, IPG CEO, in all-staff communication



Human Capital Management

IPG provides centralized supports and systems to ensure that each of our 58,400+ employees across the globe is involved in work that makes a difference, appreciated for their contributions and offered a visible career path. We engage with our companies to ensure that accountability tools are in place for talent practices throughout the organization.



Recent Highlights

- Expanded paid parental leave from 6 to 12 weeks in the U.S.
- Established practices for making the most of in-person work
- Expanded our Adfellows program to include more fellows per year
- Supported travel to secure reproductive healthcare

Management of Human Capital

Several entities have responsibility for our efforts in managing a balanced approach to human capital:

- Our **Chief Talent Officer** leads the global human resources team, working with the senior corporate team and all of IPG's companies to assess needs, ensure top talent is in place and further enhance our systems to support talent initiatives.
- Our **Global Chief Diversity & Social Impact Officer** and our Global DEI Group play important roles in fostering an inclusive environment that engages and retains our talent.

  *More on management of DEI is discussed in the **Diversity, Equity & Inclusion** chapter of this report.*
- Our **Corporate Learning & Development** team leads training programs to support the professional advancement of each member of our workforce.

At the holding company level, IPG oversees all human capital resources and activities, sets specific standards for management, provides support and policy guidance, and manages shared programs.

IPG also manages selected human capital processes where centralization is most effective and efficient. These include: development of human resources governance and policy documents; executive compensation for IPG senior leaders; employee benefits programs; senior-executive succession planning; and overall executive development.

Other human capital processes and functions are designated to our companies to adopt the most appropriate strategies for their client sector, workforce makeup and other factors. IPG companies create and deploy skills-training programs, management training, employee goal-setting and feedback platforms, applicant tracking systems, new employee onboarding processes and other programs intended to enhance the performance and engagement of the workforce.

On an annual basis, IPG formally assesses each company's performance in managing and developing its workforce. These assessments address people development, diversity and inclusion, performance management, talent acquisition and organization development, in order to drive or support each unit's strategic business and growth goals.



*We discuss Board-level oversight for these topics in the **ESG Strategy** chapter of this report.*

Flexible Working Arrangements

IPG's flexible working arrangements pair the advantages of in-person interactions among colleagues and clients with the benefits of remote work. As this approach evolves, we are striving for consistency and fairness across job types to ensure that as many employees as possible can enjoy a combination of remote and in-person work.

In 2022, a significant portion of our workforce returned to office-based work at least part of the time. Through the trainings regularly offered to employees, IPG supports managers in leading hybrid and virtual teams effectively and inclusively.

"There is no substitute for the trust and connections we build in person."

– Philippe Krakowsky, IPG CEO, in memo to employees

IPG Company Spotlight

Restoring the Work-Life Boundary

Momentum Worldwide has a Workplace Flexibility Model where employees work from the office two days each week, and on the other days can work from anywhere. Managers and employees alike are empowered to determine the best work location for their teams, projects and tasks each day. Momentum also implemented permanent company-wide boundaries to protect employees' personal lives, such as no-meeting Fridays.



Employee Engagement

IPG is committed to building an inclusive culture while maintaining employee connection, prioritizing work-life integration and closely monitoring job satisfaction.

Town Halls: IPG holds periodic town halls to enable employees to hear updates from leadership and raise questions or concerns. In 2022, we held the eighth town hall, featuring IPG's CEO and our newly appointed Global Chief Diversity & Social Impact Officer, to discuss timely issues related to diversity, safety and inclusion.



IPG Company Spotlights

Responsive Town Halls

The Weber Shandwick Collective (TWSC) convened a "Time to Connect" – a signature agency-wide event TWSC holds regularly to allow employees to have open, honest conversations about difficult things going on in the world – to address how employees were affected by the Supreme Court decision to overturn Roe v. Wade in May 2022. As CEO Gail Heimann announced the gathering in a memo to employees, she emphasized TWSC's "firm belief that women's access to healthcare and women's equality are fundamental rights."

Support for Employee Veterans

Mediabrands partners with veterans to "translate" common terms used in military service, ultimately showcasing how transferable veterans' skills and resumes are.

Several other IPG companies have business resource groups focused on veterans, including **Acxiom**, **KINESSO** and **FCB Chicago**.

Surveys: Employee surveys are an important engagement tool for understanding our people, as well as collecting company-wide feedback. For example, past employee surveys have shown that when working exclusively from home, employees missed the informal, spontaneous interactions that inform collaboration when working in person, as well as the social benefits of being together in person.

On an annual basis, IPG's Global DEI Group conducts an employee survey to assess employee perceptions about their work experiences, performance management, psychological safety, responsiveness to differences and other levers for innovation, growth and belonging.

Historically, these annual surveys were titled "Climate for Inclusion" and covered U.S., Canada and UK employees network-wide. In 2023, we rebranded and expanded the employee survey, retitled as BELONG, to cover all employees globally. In addition, the human resources department conducts office culture surveys for IPG corporate employees in the U.S.

Findings are shared with employees via the internal newsletter You@IPG. In recent results, the surveys rated several themes positively, including respect, flexibility, growth, transparency and inclusion.

As a result of these 2022 employee surveys, we identified the following as key focus areas for improvement:

- Bring more attention and training to DEI
- Continue to analyze compensation equity to identify opportunities
- Improve transparency around process and criteria for promotions
- Provide more sponsorship/mentorship opportunities for employees
- Continue to provide training for leaders on managing hybrid teams
- Continue hosting town halls

Other employee engagement initiatives have included:

- Employee newsletters that cover new benefits, ways to contribute to pressing issues, and stories from colleagues about hobbies and interests
- Regular CEO communication
- Department-based wellness events
- Networking and educational events to foster a culture of diversity and inclusion
- Employee business resource groups (BRGs)



IPG Company Spotlights

Recognition for Great Places to Work

- **Mediabrands** and **KINESSO** were named to the Human Resources Director 2022 list of Innovative Human Resources Teams for improving the industry in challenging times.
- **Acxiom** placed in the top 50 of *Fast Company*'s 2022 list of Best Workplaces for Innovators, in recognition of Acxiom's core belief that diverse perspectives spark innovation across all facets of the business.
- **McCann Health Canada** was named a 2022 Best Workplace™ in Professional Services after an independent analysis conducted by Great Place to Work®. The recognition was based on employee responses to the Trust Index survey which includes direct employee feedback on the workplace experience and culture.
- **MCN** and **Mediabrands Peru** received certifications as a Great Place to Work®. The certification is awarded to businesses that meet high labor standards and create an outstanding employee experience, based on a survey of current employees.
- **Golin** appeared on *PR Week*'s list of "Best Places to Work" in the U.S.
- **UM** and **KINESSO** were named to *Fortune*'s "Best Workplaces in Advertising and Marketing" list.



Spotlights

Benefits & Compensation

IPG offers eligible employees a comprehensive benefits program, providing a broad range of plans from which each person can choose to meet their specific needs. We focus on partnering with each employee to create a healthy lifestyle through our benefits program – prioritizing their physical health, emotional well-being and financial protection.

Medical Benefits: All full-time and part-time employees working 20 hours or more on a regular basis receive a full range of medical, dental and vision benefits. Temporary employees must work an average of 30 hours per week or more over a 12-month period to be eligible for the IPG medical plan. We do not determine eligibility by location; if an employee is on the IPG payroll and meets the requirements, they are offered benefits.

Employee health coverage includes access to virtual care for both medical and behavioral health needs, available 24 hours a day, seven days a week.

Medical benefits include insurance coverage for fertility services. The U.S. workforce also receives insurance coverage for egg-freezing, contraception and gender reassignment.

In the U.S., employees or their family members in need of cancer care can access a team of dedicated nurses, social workers and advisors at the Memorial Sloan Kettering Cancer Center to guide patients through the process of receiving care.

In the U.S., we updated our healthcare benefits to provide funding for travel to ensure employees and their families have consistent access to healthcare, including elective abortion care and other critical medical services

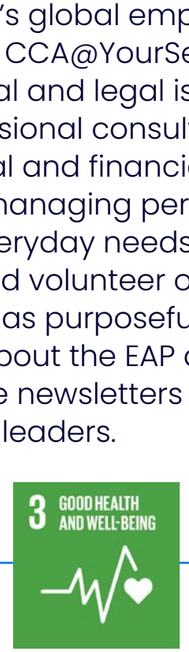


24/7 **access to virtual care for both medical and behavioral health**

Life Insurance: Basic life and business travel accident insurance is provided at no cost to employees, and group rates are available for additional insurance, including for family members.

Mental Health: IPG offers access to licensed therapists and other resources for employees and their family members through our CCA@YourService, as well as the Sanvello stress management app and Talkspace online therapy. Behavioral and mental healthcare is also available via the medical plans offered. The benefit includes counseling and substance abuse recovery services.

Employee Assistance: IPG's global employee assistance program (EAP), CCA@YourService, provides help with personal, financial and legal issues on a free, 24/7 basis. The professional consultation and referral services cover legal and financial services, childcare and eldercare, managing personal health and life transitions, and everyday needs such as time management, pet care and volunteer opportunities. In the past few years, IPG has purposefully increased internal communication about the EAP and other benefits through employee newsletters and communications from IPG leaders.



IPG Company Spotlight

Supporting Mental Health

In 2022, **Weber Shandwick** began partnering with Project Healthy Minds to improve workplace mental health strategies. The company rolled out an executive training program focused on ensuring employees' mental health at work. The workshops will be available to 200 of Weber Shandwick's most senior leaders worldwide.



Educational Assistance: IPG encourages and financially supports continuing education and development programs that meet the career goals of IPG corporate employees and are aligned with the needs of our business. IPG reimburses employees for a percentage of their tuition and registration fees for approved courses. Employees have used the educational assistance program to complete standalone classes, as well as courses toward a bachelor's or master's degree program.

Cultural Event Access: IPG partners with cultural and industry organizations to offer discounts to U.S. employees for museums, live theater and gardens.

Legal Support: A group legal benefit allows U.S. employees to obtain legal services at a discount.

Tax-advantaged Payments: For costs related to healthcare, dependent care and commuting, plans provide U.S. employees with a tax-advantaged way to pay.

Commuter Benefits: U.S. employees can receive a reimbursement per month to pay for transit and parking when they commute to the office.

Transition Support: IPG provides employees with support for transitions throughout the employment life cycle (e.g., starting a new role, returning to work from a leave of absence or transitioning to retirement). Such support might include financial planning and retirement resources, coaching and career guidance, work-life balance resources and flexible work arrangements.

Separation Pay: For eligible terminated employees, IPG provides severance pay on a tiered basis. The amount of pay depends on length of employment, beginning with two weeks pay for three months of service. Continued group health insurance (COBRA) is also available to U.S. employees after leaving IPG.

Employee Stock Purchase Plan: IPG's Employee Stock Purchase Plan (ESPP) is available for all IPG employees.

Retirement Benefits: IPG's retirement programs include a 401(k) savings plans to which all U.S.-based employees can contribute. For employees with less than 10 years of service, IPG matches 50% of the first 6% contributed. For employees with 10 or more years of service, the percentage increases to 75% of the first 6% contributed.

Work-life Balance for Families: For IPG's working parents, we provide employees with back-up childcare and other related benefits to support work-life balance. Other services and benefits include

- On-site lactation rooms
- Adoption assistance
- Fertility services
- Surrogacy support
- Resources for parents of children with special needs
- Educational resources for parenting and remote schooling



Paid Leave: IPG provides employees with paid time off to ensure opportunities to rest, regroup and recuperate. These include:

- **Paid time off:** All IPG employees globally are offered one to four weeks of paid time off per year. Other time off includes paid holidays and leaves of absence. For regular IPG corporate employees in the U.S. (except for non-exempt employees in California and Nebraska), we have introduced Flex Time Off. This policy enables our people to take time off at their discretion, subject to manager approval and business needs, with no fixed number of days off per year. Flex Time Off is intended to encourage our employees to take the time needed to ensure balance in their lives.
- **Family leave:** IPG's network-wide Employee and Family Leave program applies equally to primary and secondary caregivers in the U.S. The benefit can be applied to parental leave as well as to care for a spouse or parent. The leave benefit for U.S. employees is 12 weeks at 100% pay – an expansion from six weeks that took effect in October 2022. Many employees will receive additional paid time off depending on duration of need, tenure with the company and local paid leave provisions.
- **Parental leave:** IPG's parental leave benefit is covered under our Employee and Family Leave program. It applies equally to primary and secondary caregivers in the U.S., regardless of gender, making no distinction between "maternity leave" and "paternity leave," and is fully inclusive of adoptive and surrogate parents. Within the U.S., IPG companies may choose to enhance parental leave above the minimum benefit of 12 weeks.
- **Disability leave:** IPG provides U.S. employees with paid disability leave for up to 26 weeks. IPG is also committed to identifying and providing reasonable accommodation for disabilities. Additionally, IPG provides long-term disability insurance for income protection.
- **Bereavement leave:** Employees can receive up to five days of paid leave in a calendar year in the event of the death or deaths in the family. IPG and its companies work to be supportive and responsive whenever our employees suffer a loss or need to tend to ill family members. Our executive and senior management have emphasized expectations of compassionate responsiveness to our employees' needs.



IPG Company Spotlight

Women-led Change for Inclusive Benefits

In 2022, **Initiative** became the first agency in Australia to offer free IVF treatment and adoption support. Women leaders at the company led the decision to create the "Family Planning Funding Benefits" policy in order to make benefits more meaningful and – with a 60% female workforce – increase employee retention. The policy covers four areas: generalized IVF treatment, a donor sperm program, egg freezing and adoption support aimed at the LGBTQ+ community.

Compensation: Fair compensation is central to our company's ESG strategy, with balanced compensation programs that are intended to fully recognize employees for their talent and contributions. IPG benchmarks compensation against other programs in our industry to ensure they are competitive and effective for recruitment and retention purposes.

Our compensation philosophy is to provide a performance-based, market-competitive total compensation program that supports our talent needs and business objectives, ties a significant portion of pay to sustaining and improving operational performance, and aligns with the interests of our stockholders. The communication and implementation of our compensation programs aim to be clear, specific and transparent.

More information on compensation programs can be found in IPG's proxy statements available on our website ***here****.*

IPG Company Spotlights

More than Talk

At **UM**, working mothers are invited to join "MUMs," a confidential space to discuss challenges and exchange experiences. Additionally, UM's benefit package includes childcare days through Bright Horizon for unexpected needs.

During the Brand Innovators' Women in Marketing Summit, UM's Senior Vice President – Client Business Partner, also stressed the need for men to change behavior in ways that supports working parents: "It is important to have men in leadership who are not just advocates but allies."

In 2022, **UM Australia** was officially certified as a Family Inclusive Workplace, thanks to its commitment to support working families and retain more employees through a thoroughly family-friendly culture.

"This is not only for parents. This is for family in every sense of the word."

– Anathea Ruys, UM Australia CEO

Talent Pipeline

With guidance from IPG's global human resources team, our companies determine their respective talent strategies and recruitment activities. Each IPG company and operating unit creates and runs its own recruitment initiatives based on hiring needs and existing talent pools.

Many of our recruitment programs also support IPG's DEI objectives, which are discussed in more detail in the ***Diversity, Equity & Inclusion*** *chapter of this report.*

Strategy & Planning: For mid- and entry-level roles, IPG companies customize programs to address hiring needs from within their existing talent pools. For senior-level roles, IPG's global human resources team conducts a review process to establish talent pipelines for key roles across the company. The team makes investments in retaining and developing individuals identified in the review.

Cultivating New Talent: The IPG internship program offers students meaningful projects that provide an introduction to our industry while also developing a highly valued future talent pool. Interns are provided with tools and guidance that allow their roles to be hands-on educational experiences. Working with knowledgeable mentors, interns gain exposure to a broad range of processes and new technologies as well as substantive knowledge about our industry. Internships are offered during the summer and in a limited number of areas year-round.

In 2022, IPG continued its long-running partnership with Verizon to expand the Adfellows program. This paid fellowship program began five years ago and is designed to address the diversity and inclusion talent gap in advertising and marketing by providing meaningful job experience and career acceleration opportunities to the next generation of diverse talent. Fellows in the program cycle through a series of companies and marketing agencies over a nine-month period, trying out various roles in public relations, creative, media and client-side brand marketing.

IPG has joined other industry players to help scale the Adfellows program to eight times its current size by 2026. The expansion of Adfellows will open the program to an even broader pool of talent, and grow from supporting 30 fellows to 250 fellows per year.

IPG Company Spotlight

Supporting Women's Return to Professional Life

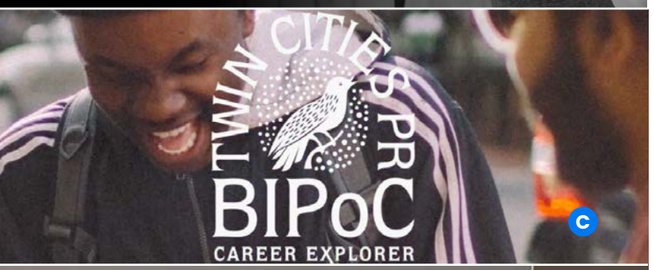
In 2022, **MullenLowe** partnered with HeyMama to launch a 10-week internship program designed to support mothers who want to return to work. It provides mentorship, coaching, networking and on-the-job training. The **MOMTERNSHIP** program is a first-of-its-kind initiative and aims to address the loss of mothers in the paid workforce since the COVID-19 pandemic.




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IPG Company Spotlights

Internships & Beyond

- **IPG Health** runs the **Bold Beginnings** program to provide hands-on internships that culminate in a presentation to company executives. The application process is competitive, and IPG Health recruits for the program beyond past geographic boundaries and from different schools and programs to expand its pool of potential talent. A
- **FCB Health New York** offers job training through its **Write it Forward** internship program for science copywriters. The program – more of a "preceptorship" – engages people at various levels of expertise, such as graduates and those changing careers, in addition to college students.
- **Mediabrands** partnered with not-for-profit organization HBCU 20x20 to create a pipeline between historically Black colleges and universities in the U.S. and the agency. The partnership kicked off with a half-day event featuring Mediabrands professionals discussing how to prepare for a career in the field. B
- **Carmichael Lynch Relate** and **Weber Shandwick** in the Twin Cities, Minnesota, are part of a partnership with four other agencies to address racial inequities in the communications industry. The BIPOC Career Explorer program took place for a second year, inviting college students from underrepresented communities for educational sessions and mentorships. C
- **Elephant**'s initiative for bringing racially diverse talent into the ad industry – the XD Academy – helps to educate the next generation of talent. The initiative focuses on BIPOC students and professionals who have an interest in our field but limited exposure to it. The XD Academy is a free nine-week, part-time virtual boot camp to teach the core skills and foundations of digital product design.
- **Golin** launched Night School, a free eight-week career development and coaching program for working adults from historically underrepresented communities. The first cohort of students from the program was celebrated with a live exhibition in Chicago to spotlight their professional branding projects. D

Learning & Development

Exceptional talent is key to our success, and IPG strives to ensure every employee has a pathway to be fulfilled and experience professional growth. We continually invest in retaining, developing and promoting our most valuable assets.

For training and leadership development, IPG often works with specialty firms that partner with recognized academics and other experts in marketing and communications. IPG provides our employees with a variety of training and executive development programs, and advocates for all employees to actively participate in performance management to help ensure each person a visible career path and opportunities for mobility within IPG.

Performance Reviews: IPG's performance review process is a structured way for employees to set objectives and understand their contributions to the organization, while also providing insight on how they can improve and develop. Our process creates opportunities for dialogue between employees and managers to facilitate action on career development ambitions and recognition for accomplishments.

The yearly performance management cycle is guided by ePerformance, an online tool that promotes discussion between managers and employees about personal and business goals, development plans and career aspirations. Approximately 75% of IPG employees utilize the ePerformance tool to set mutually agreed objectives with their manager.

We set annual high priority objectives (HPOs) for talent management globally, which include standards and expectations for effective, strategic employee training and development. At the end of each year, company performance is assessed against these training and development HPOs and the results are directly tied to agency compensation.

IPG Company Spotlight

Recognition & Mobility as Rewards

At **UM**, the "Better Thank U" Program recognizes and rewards employees who exemplify outstanding collaborative behavior. UM has created structures to allow for movement within teams and growth at all levels.

"We understand that people sometimes need a change. We encourage our staff to feel comfortable putting their hands up when ready for a new challenge, and we accommodate changes within our structure to fit the needs of the employee... We believe in promoting often."

– Shelley Smit, UM CEO

Skills Training & Education: IPG conducts extensive employee skills training and executive development programs, as these are important components of how we work with our people to ensure their success and the continued success of IPG. IPG establishes incentives for our companies to create effective training and development for employees and managers.

- **Skills-building training:** IPG offers managers and employees skill-building training via classroom sessions, live and recorded webcasts. Employees across the globe are supported to enhance their foundational skills including coaching, interviewing, project management, workplace respect, unconscious bias, career development, presentation skills, business writing, emotional intelligence, communication, conflict resolution, customer service and performance management. Our training programs aim to educate employees on core competencies and empower participants to bring their skills to bear in the workplace.

  In 2022, we provided our corporate employees with 35 live trainings via webcast for a total of 134 hours of training. These trainings had 2,317 individual enrollments with excellent representation from all global populations. Among these 2022 trainings, a webcast series for all employees globally called Communicating@IPG covered several topics related to self-awareness, self-regulation and empathy.

- **Allyship:** Launched in 2021, Stronger Allies is a five-week learning series for employees and managers across IPG. In 2022, more than half of the employees offered spots in the course participated. Attendees experienced a live and interactive program that provides the first step in strengthening allyship and helping build a diverse and inclusive workplace.

- **Individual department training:** It is critical for employees to maintain required credentials, gain skills in using new technologies, manage department change, keep up with role-specific information and transition effectively to new roles. Individual departments provide training through staff meetings, global conferences, in-house speakers, online services and colleague-to-colleague instruction.

- **IPG Learning & Development site:** This online platform for IPG corporate employees provides courses and resources, including skill-building courses on management and leadership, performance management, writing and communication, diversity and inclusion, customer service, project management and personal development. A wide variety of technical courses are also offered. Many of these courses are offered in multiple languages to meet the needs of our global population.

Participation in Learning Resources

IPG employees around the world utilize the resources available through the Learning & Development site. The platform includes both access to LinkedIn Learning sessions and IPG's customized courses and resources.

In 2022, the platform provided over 900 hours of live webcast training. Learning resources had a total of:

1,500 Learners

19,200 Videos viewed

4,200 Courses viewed

Stronger Allies Learning Series Results

95% found the course provided them with an insight, tool, and or an action to show up more as an ally

100% would recommend this course to a colleague

Cultivating Leadership: IPG offers several leadership, mentoring and coaching opportunities for employees at various levels of the company. These programs include:

- **Empowership:** A one-year learning and development program that helps professional women thrive by building their leadership competencies. Empowership provides 24/7 access to relevant and dynamic training resources, inspiration, practical how-to guidance and a robust female community. As part of this program, IPG Corporate Learning & Development hosts monthly webinars and group calls that are open to all IPG women globally, with additional Q&A sessions with industry experts, digital resources and a peer forum. In 2022, hundreds of participants joined the live calls each month from across our enterprise. The most-viewed content covers:
  - Building the most impactful yet forgotten leadership skill: patience
  - Find your people: creating meaningful connections
  - What confidence really takes
- **IPG Leadership Lab:** A global executive development program for a 30-person cohort of high-potential leaders across IPG companies. The intensive leadership experience features in-market immersion, engagement with IPG executives, cross-agency peer coaching and personal leadership feedback and planning. The Lab also enhances collaboration across IPG by fostering a collective experience for each cohort of participants.
- **MyLead:** A virtual, enterprise-wide coaching program targeting senior managers at IPG companies taking place over seven weeks and connects participants with a global network of coaches. In 2022, the program was fully subscribed with 77 senior managers participating in the program across our enterprise.
- **The Art & Science of Leadership (TASL):** Specialized coaching for first-time managers during a three-week program. In 2022, the program was full subscribed with 148 participants joining TASL from IPG companies around the world.
- **Mentoring:** IPG is committed to mentoring and relies on our mentorship culture to build careers within the company. We believe that mentoring can help all employees gain information, develop skills and make career decisions. Mentoring is also a reciprocal relationship, benefiting both mentor and mentee, and is an important resource for our employees and companies.



EMPOWERSHIP
helping savvy women thrive

Helping professional women thrive through live group calls and leadership training open to all IPG women globally

IPG Company Spotlight

Immersive Onboarding

Jack Morton introduced a program to immerse entry-level talent in brand experience. The 10-day onboarding "boot camp" introduces new hires to each aspect of the business before they join their teams and begin their new roles at the agency.

Employee Health & Safety

At IPG, our people are the key to our success as a business and thriving workplace community. IPG is committed to ensuring the health, safety and protection of our employees. This priority is reflected in our policies and resources devoted to physical and mental health for employees and their families, as well as our investments in a proactive crisis preparedness program.



Recent Highlights

- Achieved WELL Health-Safety certification
- Introduced ReGroup, a mass notification tool for IPG companies
- Offered learning series on emotional intelligence

Policy & Procedures

IPG is committed to continuous improvement of health and safety conditions for our employees and to following all applicable laws and regulations promoting workplace safety. As a professional services company, the work-related health concerns of our employees most often relate to ergonomics and stress.

IPG's **Code of Conduct** covers health and safety issues and requires employees to notify their manager immediately if they become aware of unsafe working conditions. IPG maintains comprehensive policies and procedures for facility-based incident response, medical emergencies, violence and other site-specific incidents. We provide a dashboard planning tool for use by each IPG company's incident management team.

In 2022, as we continued to see a return to working in the office, we focused on how to make this experience as safe and as beneficial as possible for our employees and our client work. This included obtaining a **WELL Health-Safety rating** at 47 of our locations, representing our major sites in North America.

WELL provides the premier standards focused on enhancing building health and wellness through the sites where we work. This set of standards will support and enhance the long-term health and safety needs of all our colleagues and workplaces.



WELL Health-Safety Rating



Crisis Preparedness

Our approach to preparedness is based on three priorities: safety of employees; protection of company assets; and continuity of business operations.

IPG's longstanding global crisis preparedness program covers emergency preparations, incident management and business continuity amid health crises and other events, while bolstering employee health and safety.

To ensure IPG's employees can safely continue working and serving our clients even when a crisis or natural disaster occurs, every IPG company is required to create and maintain an approved plan for business continuity. Each year, we aim to have documented business continuity plans for all top-tier companies in our global enterprise, using IPG's proprietary business continuity planning tool. In 2022, 90% of these companies had achieved this objective. We audit approximately 50-60 individual plans per year on an ongoing basis.

In 2022, we updated our safety procedures at IPG corporate headquarters in New York to account for more of our people working at the office regularly. Employees were asked to provide updated contact information for use in an emergency, to indicate whether they would need assistance using stairs or evacuating the building during an emergency, and to consider volunteering to serve as a "floor warden" for evacuations and other protective actions. We also provided updated instructions addressing how to shelter in place, emergency phone numbers, where to gather outside the building and how to report a medical emergency.

Communication in a Crisis

IPG communicates essential health and safety information across our companies and offices in several ways, including ongoing consultation and communication as well as an emergency notification system. The crisis preparedness program has built a culture of consistent awareness and education around IPG's emergency planning and preparedness.

Each office's incident management team is responsible for communicating with employees, clients and other stakeholders to ensure that health and safety guidelines are followed and that effective incident management procedures are in place and ready for use. Our Preparedness web platform allows IPG colleagues and companies to define responsibilities for safety across the entire organization by sharing experiences and best practices in responding to various incidents.



IPG's crisis communications systems and tools include:

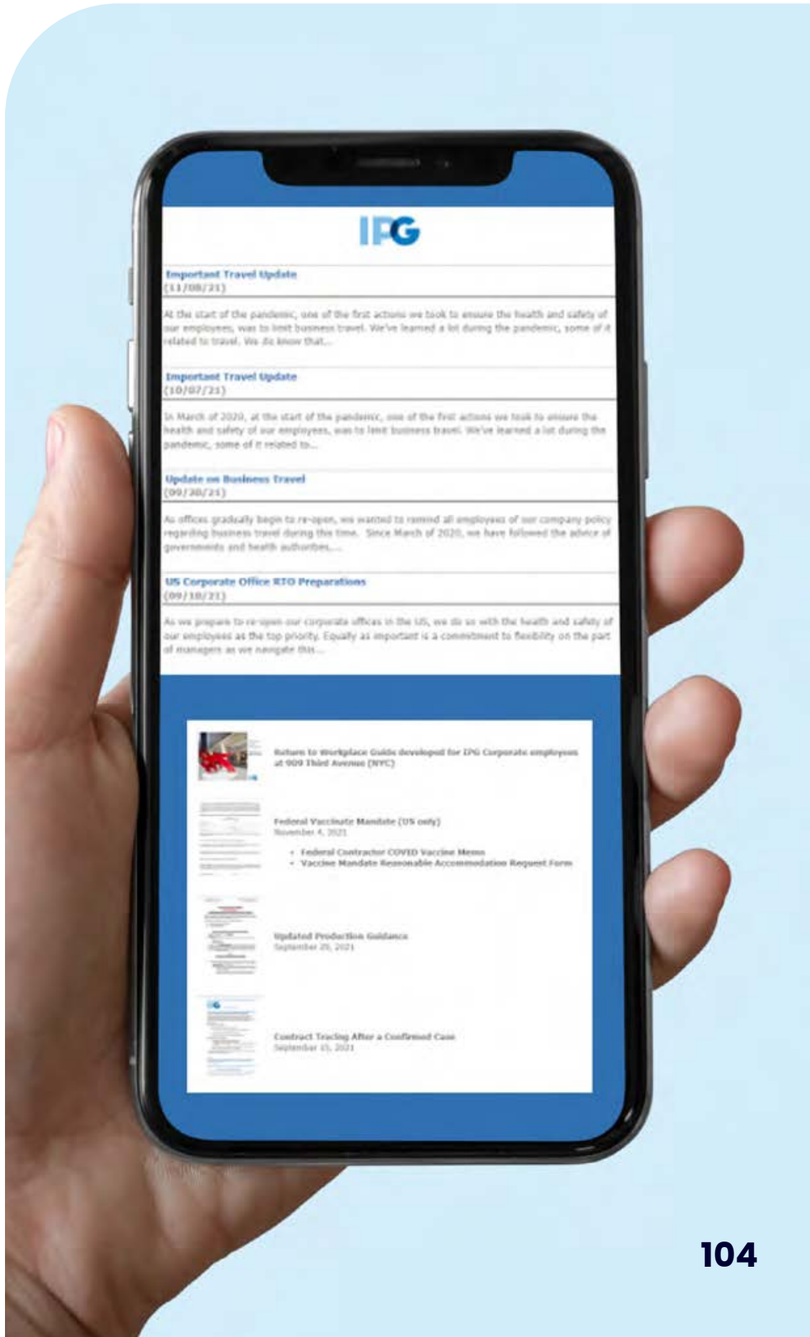
- **Interpublic Preparedness:** IPG's internal employee website provides numerous employee services and resources to support our preparedness program and workforce notification system. This includes issuing information on business travel safety advisory services and business continuity plans, as well as access to IPG's Crisis Preparedness Handbook.

- **Regroup:** Introduced in 2022, this mass notification tool enables IPG companies to efficiently communicate with and account for employees before, during and after an incident or a significant business disruption.

- **OnSolve - Send Word Now:** This emergency notification service provides mass alerts if other communications fail.

- **Internal Crisis Contact List:** IPG employees are informed of changes and newly available crisis and safety resources through a focused email list of 1,250 designated crisis contacts throughout the network.

- **Employee Communications:** IPG's CEO and other IPG executives regularly update employees through all-staff memos. Communications related to health and safety have encouraged employees and their families to take advantage of resources for stress related to the end-of-year holidays. We also addressed school shootings, and provided resources for discussing the events with children and how to navigate such experiences.



Health & Safety Risk Assessment

As part of our annual enterprise risk management process, IPG develops a risk assessment for our operations around the world, with health and safety hazards included as one of many types of potential risk. This assessment results in a risk rating for each IPG office and shows the status of their health and safety plans. Among other functions, this assessment is used to inform the selection of companies to be audited for crisis preparedness compliance.

IPG is committed to continuing our proactive, global approach to enterprise risk management, including country-specific risk assessments and the creation of locally-tailored action plans to address risks.

*For more information on our enterprise risk management programs, refer to the **Corporate Governance & Risk** chapter of this report.*

Employee Training in Health & Safety

IPG's annual Code of Conduct training includes a review of the Code, which covers health and safety policies. In 2022, we saw a 96% completion rate of our annual Code of Conduct training.

Each office's incident management team is responsible for pre-incident planning and coordination, including ongoing safety-related activities and training such as first-aid training, CPR/AED training, evacuation drills, fire drills and floor-warden training.

As part of our continued emphasis on employee health and wellness, we have also offered informational trainings on topics like stress reduction and sleep disorders to assist our employees and managers in reaching and maintaining good health and well-being. In addition, we are working to ensure that managers are trained in empathy and other factors that affect mental health, as well as ensuring best practices related to inclusion and equity in all areas of our operations and interpersonal interactions.

96%

Completion rate for annual Code of Conduct training



Promoting Occupational Health

IPG provides a range of services to promote employee health and safety. IPG employees have access to resources to reduce the incidence of repetitive stress injury and conditions like carpal tunnel syndrome. IPG employees can also utilize an internal health and wellness website with resources to inform and optimize their health and wellness during necessary business travel.

Our employee wellness offerings provide a layer of preventive health and support overall well-being. In 2022, these opportunities included:

- Stress reduction trainings
- Mental health training
- Yoga & other fitness classes
- "Lunch & learn" events
- Town halls
- Self-care emails & newsletters
- Themed employee awareness campaigns

Feeling Safe at Work

In collaboration with the non-profit organization **Partnership for New York City**, IPG leaders met New York City Mayor Eric Adams to advocate for our employees, sharing concerns regarding quality of life and safety. Adams told IPG leaders that public safety is the key to prosperity for New York City and highlighted efforts to pair mental health professionals with unhoused people.

In a **2022 town hall** for all employees, IPG leaders emphasized that if anyone working at any of our locations feels unsafe they should take action. Options include informing their manager, taking advantage of the employee assistance program (EAP) or working with IPG security partners to address the concern.



Promoting Mental Health & Psychological Safety

IPG recognizes that a safe and healthy workplace includes mental health and psychological safety. We offer customized resources to support employees amid crises like racially motivated violence, natural disasters and political conflicts. For example, when Ukraine was invaded in early 2022, IPG reminded employees how to access mental health resources and other referrals for any issues affecting them or their families.

Our executive and human resources communications to employees regularly remind our people that we offer comprehensive mental health benefits and resources, and that many of them extend to employees' families.

"Many of us are grappling with intense feelings and uncertainty and insecurities around how to respond [to hate-based mass shootings]. I have been experiencing anxiety and uncertainty myself, so you're not alone. We ask that you please check in on each other and know that we have many resources on hand."

– Channing Martin,
IPG Chief Diversity & Social Impact Officer,
in memo to employees

IPG Company Spotlight

Building Capacity to Support Mental Health

Weber Shandwick introduced mental health training for 200 senior leaders as part of a global strategy to strengthen employee protection at work. The workshops were offered in partnership with the not-for-profit Project Healthy Minds. They covered burnout, employee resilience, interpersonal team dynamics and culture-centric stressors.

An executive at **Jack Morton** highlighted ways to support colleagues living with mental illness. Observing that "the only way to build a truly inclusive workforce is by lifting stigmas," she suggested asking how you can best support, and expressing acceptance.



Resources for Our Employees:

Comprehensive Mental Health Benefits

- 24/7 professional counseling and referrals through CCA@YourService, IPG's employee assistance program (EAP)
- Regular online therapy through Talkspace app
- Behavioral health support including services for substance abuse through employee healthcare coverage
- LGBTQ+ support

Psychological Safety Resources

Guides for managers and employees covering:

- Emotional intelligence
- Delivering and receiving constructive feedback
- Benefits of a psychologically safe environment
- Ensuring psychological safety of Black employees
- Stages of building a culture of psychological safety

Additional stress-reduction resources are available through IPG's internal employee benefits portal. Wellness resources address mindfulness, managing anxiety and the science of happiness. Employees enrolled in our medical plan can use a free tool, Sanvello, which has premium content to assist with managing symptoms of stress, anxiety and depression.

IPG's Learning Center offered a webinar series on emotional intelligence with sessions focused on empathy, self-awareness and self-regulation. In May 2022, for Mental Health Awareness Month, employees were provided resources on breathing exercises, ways to support friends in need and a self-care reflection exercise.

Suicide is the cause of 1 in every 100 deaths worldwide. In response, one of IPG's monthly newsletters for employees, You@IPG, provided a tool-kit on suicide awareness and prevention. The toolkit provided guides employees to recognizing warning signs and supporting colleagues at risk, reminders of IPG's free confidential counseling for employees and loved ones and ways to show support on World Suicide Prevention Day each September.

*More employee resources and benefits are described in the **Human Capital Management** chapter of this report.*

Responsible Supply Chain

IPG's supply chain is key to helping achieve our ESG goals, and we are therefore committed to working with suppliers and partners who share our values. We seek to partner with suppliers who operate with the highest standards of integrity and with sustainable practices.



Recent Highlights

- Conducted targeted engagement to better understand our top suppliers' climate impacts
- Began integrating climate assessments into our existing supplier management platforms and risk assessments
- Updated our RFP templates to ask sustainability-related questions
- Onboarded certified diverse vendors to our supplier management platform
- Increased focus on preferred vendor management

Policies Supporting a Responsible Supply Chain

IPG expects our suppliers to embrace the letter and spirit of our commitment to ethics and integrity, environmental protection and sustainability, and employment practices that promote diversity, equal opportunity and a safe and healthy work environment. These expectations and requirements are communicated in IPG's **Code of Conduct**, **Human Rights Policy** and **Environmental Sustainability Policy**. We also have a dedicated **Supplier Code of Conduct** and accompanying guidance for IPG employees as they manage suppliers.

The IPG Code of Conduct reflects our commitment to ethical business practices. The **Supplier Code of Conduct** explains our expectations for suppliers including that they adopt an environmental sustainability policy along with time-bound emissions reduction requests. The Supplier Code of Conduct also explains obligations on business diversity and our expectations for compliance with the IPG Human Rights Policy.

Suppliers must comply with all applicable laws and regulations, act with integrity in connection with providing services to IPG, and make commitments regarding anti-corruption compliance, privacy, security and data protection and employment practices, among other values. The Code also requires suppliers to acknowledge and share IPG's commitments to sustainability, diversity and human rights.

Our **Human Rights Policy** strictly commits to using voluntary labor only, while prohibiting engagement in human trafficking within any part of our business or supply chain. The use of forced labor, whether in the form of indentured labor, bonded labor, prison labor or any other behavior constituting modern slavery or servitude, is prohibited. Other provisions in our Human Rights Policy call for upholding fair working conditions, ensuring health and safety, protecting the rights to organize and vote, and providing a fair and living wage.

The requirements of these policies apply to all IPG companies around the world and to our suppliers, including their employees, agents and subcontractors. If non-compliance with these policies is suspected, we encourage immediate reporting of any concerns. IPG has a policy of zero tolerance for retaliation.

*All policies can be found on our **website**.*

OBJECTIVE

30%

Reduction in suppliers' total emissions by 2030 (2019 baseline) and reach net-zero carbon by 2040

We request that suppliers have these targets validated with the Science Based Targets initiative (SBTi). All suppliers are also requested to disclose their emissions data on an annual basis by responding to the CDP Climate Change questionnaire.

Supplier Management

Each year, IPG purchases products and services from approximately 48,000 vendors around the world, guided by our Strategic Sourcing & Procurement (SS&P) team. The SS&P team includes experts in preferred vendor management and supplier diversity as well as agency and vendor collaborations.

The SS&P team applies a disciplined approach to risk management, particularly in the categories where we have significant spend. Our standard process for strategic sourcing includes identifying preferred vendors through due diligence in key areas such as: capabilities, capacity, quality of products and services, experience, competitive commercial terms, certified diverse status and commitment to diversity and sustainability. With the support of the Board of Directors, IPG also implements a Third-Party Risk Management (TPRM) process to assist in identifying, assessing and managing risks that can arise when conducting business with third parties. With any supplier assessed as high-risk, the TPRM process involves an initial evaluation to assess any inherent risks. The supplier is then required to answer detailed questionnaires and provide supporting documentation, which are used to make a final assessment.

IPG uses several tools to manage our vendor pool. As part of our long-term strategic plan to improve central business functions and provide our global network of companies with easy-to-use, efficient processes and systems to manage operations, we have significantly improved our vendor management support structure, including the successful launch of the Range SAP Ariba platform in the U.S.

For non-media vendors, we currently use the SAP Ariba Network platform in the U.S., UK and Canada to support vendor management, including approval of third-party vendor requests. For media vendors, we use MediaOcean. Use of these platforms is required in all markets to ensure compliance with IPG's standard onboarding processes and purchasing policies, and IPG companies are leveraging preferred vendors as appropriate.

IPG's vendor management program continues to expand around the world. The program is also adding new toolsets, deploying the use of the SAP platform for guided buying in the U.S.





Our vendor management program is also designed to increase information security and efficiency in the supplier onboarding process, and to simplify and streamline how we assess and manage vendors. It is also expected to deliver sharpened visibility for supplier selection criteria, including diversity and inclusion categorization and other sustainability metrics.

IPG vendors are expected to self-monitor their compliance with the Supplier Code of Conduct, but IPG retains the right to audit suppliers at our sole discretion. IPG may request the immediate removal of any vendor representative who behaves in a manner that is unlawful or inconsistent with the Supplier Code of Conduct.

IPG conducts business reviews on a regular basis through the term of an agreement – at least annually – and prior to expiration.

IPG maintains a variety of resources for reporting of questionable behavior or possible violations of the Supplier Code of Conduct, including a 24-hour toll-free Alertline maintained by an independent third-party and available in all major languages. Reports made to the Alertline are sent to IPG's legal department for further investigation, and IPG will not tolerate any retaliation against an individual who has, in good faith, reported a possible violation.

Supplier Selection: IPG maintains a library of Preferred Offerings by category including vetted third-party suppliers, which is readily available to all of our companies. The criteria for evaluating and selecting vendors designated as preferred relate to: capabilities, capacity, quality of products and services, experience, competitive commercial terms, certified diverse status and commitment to diversity and sustainability.

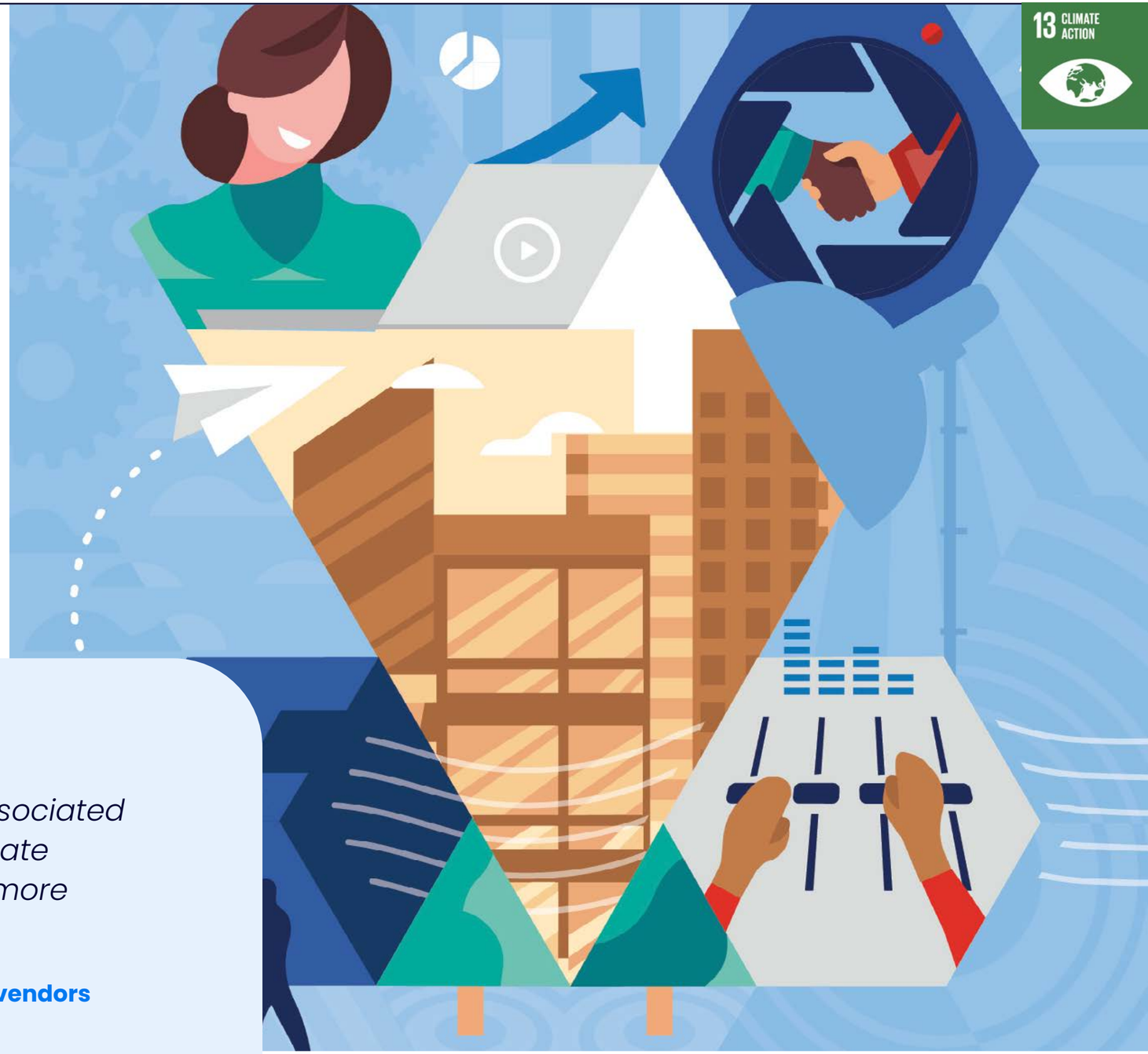
The library provides pertinent details related to our preferred vendors including: procurement/agreement summary, supplier details, offering details, guidance on how to buy, rate/discount structure and diversity status.

In 2022, we expanded our supplier selection and request for proposals (RFP) process to integrate several questions on potential suppliers' ESG-related strategies, ensuring that environmental, social and governance impacts are considered in IPG's procurement process.

Engaging Vendors on Climate Action

IPG's climate strategy includes a 30% reduction of our Scope 3 emissions by 2030 (from a 2019 baseline).

In 2022, to monitor progress toward this goal, IPG expanded our vendor engagement with targeted outreach to our largest vendors (by spend) regarding their climate action strategies and emissions data. The outreach aims to collect data on our vendors' GHG inventories and the maturity of their emissions reduction targets and strategy. This process helps inform both IPG's supply chain emissions and a supply chain strategy around climate.



"We estimate that over 60% of our emissions are associated with our suppliers, so we can only achieve our climate goals with your commitment and dedication to a more sustainable future."

– Jemma Gould, IPG Chief Sustainability Officer, in letter to top vendors



Business Diversity

Business diversity is a core element of IPG's overall commitment to diversity and comprises a key component of our strategic sourcing process. IPG is committed to working with diverse suppliers and partners who reflect our stakeholders, our clients' customers and our communities. A diverse supplier base gives IPG a competitive advantage and helps to improve the lives of people around the world, particularly in underrepresented and economically challenged communities. To that end, we actively seek out certified diverse business owners who share our commitment to sustainable, equitable operations.

We value our contracts with companies owned by women, racial and ethnic minorities, veterans, LGBTQ+ people and people with disabilities. In 2022, IPG's certified diverse third-party vendor spend in the U.S. was $200 million. Since launching our new vendor management platform in 2021, 305 certified diverse vendors have been onboarded with their supporting certification documentation.[1]

IPG was the first holding company in our industry to have a full-time Supplier Diversity Lead. Our Supplier Diversity team works closely with our companies to encourage participating in regional and national business diversity trade fairs, sharing information about qualified diverse suppliers being used across the IPG network, and providing tools and resources required to help them meet or exceed their clients' supplier diversity expectations. The team also provides education and other support to IPG's vendors on the importance of third-party certification. In May 2023, the program expanded beyond the U.S. to include the UK and Ireland.

*For more information on IPG's commitments on diverse media spend, see the **Diversity, Equity & Inclusion** and **Responsible Media & Content** chapters of this report.*

1 - We recently transitioned our ESG reporting on this number to include only certified diverse suppliers so that we can better track our progress. We expect this number to increase as additional suppliers complete the onboarding process.



Business Diversity Categories

IPG tracks diversity spend for the following categories, and we report this spend to clients quarterly:

- Small Business (SB) and Small Disadvantaged Business
- Historically Underutilized Business Zone (HUB Zone)
- Historically Black Colleges and Universities
- Veteran-Owned and Service-Disabled Veteran-Owned (DV)
- Disabled-Owned
- Woman-Owned (WBE)
- Lesbian, Gay, Bisexual and Transgender (LGBT and LGBTQ+)
- Minority-Owned (MBE) including:
  - African American
  - Hispanic American
  - Asian Pacific American
  - Asian-Indian American
  - Native American

Business Diversity Partnerships: Several IPG companies partner with **FREE THE WORK**, a not-for-profit organization committed to creating opportunities for women, people of color and members of other underrepresented groups to be hired by companies in the film, television, advertising and media industries. IPG companies, including **FCB**, **R/GA** and **The Martin Agency**, utilize FREE THE WORK's global talent database and other resources to identify talent.

IPG was the first company in our industry to become a corporate member of the National **Minority Supplier Development Council** (NMSDC) and the **Women's Business Enterprise National Council** (WBENC). IPG is an active participant in the national and regional business opportunity trade fairs of these groups. We partner with regional affiliates of NMSDC and WBENC to host matchmaker meetings, lunch-and-learn sessions and corporate supplier diversity roundtable discussions.

To support a strong pipeline of diverse suppliers, we have also participated in NMSDC's Centers of Excellence mentoring program in New York, an 18-month program that focuses on fostering minority business development and enhancing successful business relationships between corporations and minority business enterprises (MBEs) by strengthening the corporate minority supplier development processes.

IPG is an active member of NMSDC's Advertising, Entertainment, Marketing, and Sports (AEMS) industry group, which focuses on sharing best practices to increase opportunities for minority-owned businesses.

IPG is also an active corporate member of the **National Gay and Lesbian Chamber of Commerce** (NGLCC), the largest advocacy organization dedicated to expanding economic opportunities and advancement for LGBTQ people, and the exclusive certifying body for LGBTQ-owned businesses. In addition, we are an active member of **Disability:IN**.

IPG Company Spotlight

The 50-50 Initiative

The Martin Agency's diversity commitments include hiring a minimum of 50% creative talent from underrepresented groups – with regard to gender, race, ethnicity, ability and LGBTQ+ - for video content production.

17 PARTNERSHIPS FOR THE GOALS

FREE THE WORK

NMSDC National Minority Supplier Development Council

nglcc National LGBT Chamber of Commerce

WBENC

Community & Social Impact

IPG is committed to strengthening the communities where we live, work and vote. As part of this commitment, we forge partnerships with and make corporate donations to support initiatives that align with our company's values and with the UN Sustainable Development Goals (SDGs).

The SDGs have been established with the objective of advancing environmental protection, social protection and economic growth across the world while leaving no one behind. The specific SDGs we support through our charitable contributions and partnerships include:



We promote opportunities for our companies and our employees to engage with not-for-profit organizations such as employee fundraising initiatives, which are sometimes matched by IPG contributions to direct more support to organizations working on essential issues. We also provide *pro bono* services on issues that are important to us and to our stakeholders.



Recent Highlights

Published IPG's Global Contributions Strategy & Policy

Became a Flagship Partner of charity: water in support of community water projects

Policies Supporting Community Engagement

IPG has formalized our **Global Contributions Strategy & Policy** such that IPG companies are encouraged to ensure that all their charitable contributions are aligned with at least one of the SDGs. The policy details due diligence and approval processes IPG has in place to ensure that our charitable donations reflect our values and business strategy, including that donations are made in compliance with applicable laws, and by supporting the objectives of the SDGs.

The policy also sets out exclusions (including organizations that discriminate, religious groups, as well as actions that support bribery or political and lobbying activity) to ensure that all contributions are consistent with IPG's values, legal obligations and good governance practices.

Oversight of our Global Contributions Strategy & Policy is the responsibility of IPG's General Counsel.

*Board-level oversight is discussed in the **ESG Strategy** chapter of this report.*

"As we think back on this past year, it's not just what we accomplished that counts, but how our values manifest in our culture, and the ways that each of us, as individuals, support one another."

– Philippe Krakowsky, IPG CEO, in 2022 year-end message to employees



Corporate Giving

IPG's corporate donations and in-kind work in 2022 supported organizations working for voter mobilization, support for people in Ukraine, clean water, gender equity, food security, racial justice and more. Examples include:

Voter Mobilization: During the 2022 mid-term election year in the U.S., IPG donated to the **League of Women Voters** and the **Civic Alliance** to support non-partisan work to protect and expand voting rights.

Clean Water in U.S. Cities: In honor of World Water Day 2022, IPG contributed to Virginia Tech's Water Research Center, which has an educational program focused on Flint, Michigan, and works with residents across the U.S. who are fighting for clean water in their communities.

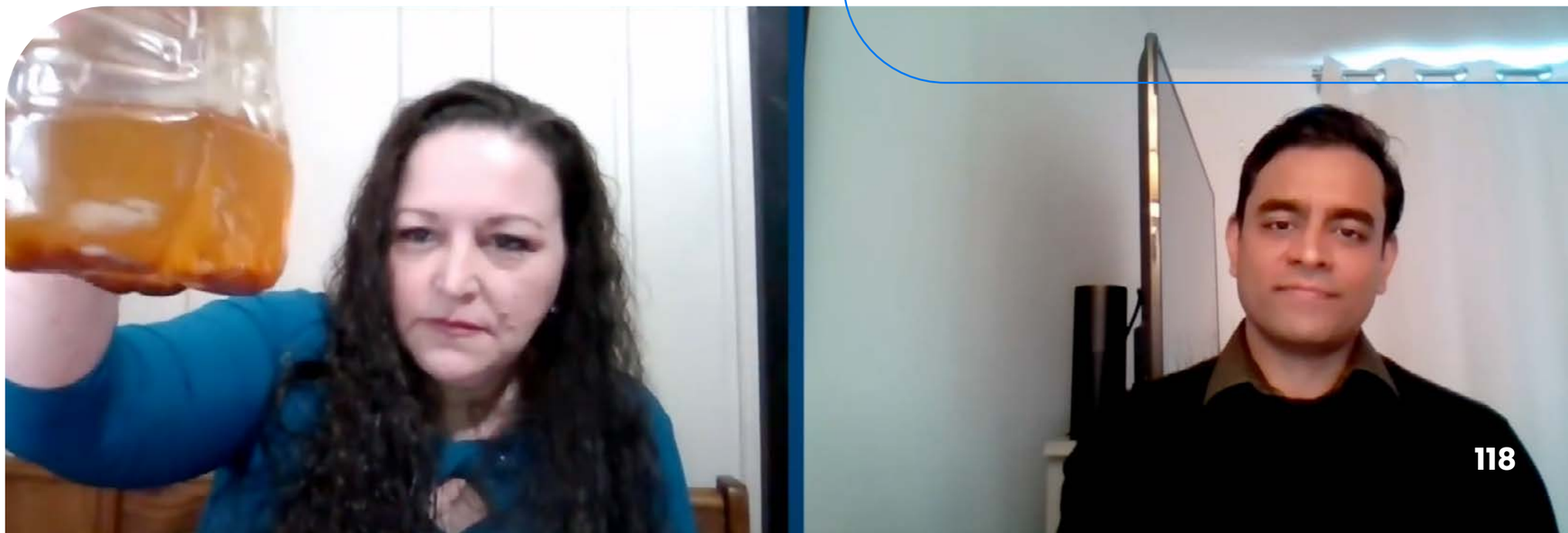
The image below depicts Lee-Anne Walters and Siddhartha Roy, two key players who helped uncover the water crisis in Flint, Michigan.

More on our charitable efforts related to clean water can be found in the section below on "Fundraising & Employee Campaigns."

"We often think the lack of clean water is only an issue in developing countries, but we see it here in the U.S., as in the Flint water crisis, which I would argue was tied to environmental justice issues, and we're seeing it again in Jackson, Mississippi."

– Jemma Gould,
IPG Chief Sustainability Officer





Supporting Ukrainians: When Russia invaded Ukraine in early 2022, IPG focused first on helping our Ukrainian agencies and our people in the country, and we suspended business travel to Russia and Ukraine. IPG joined the global community in supporting the people of Ukraine and condemning Russia's acts of aggression, and in mid-March we suspended operations in Russia.

IPG made contributions to the **International Committee of the Red Cross** and **Doctors Without Borders** to help people in Ukraine and those being forced to leave. Our teams also worked on logistics to enable refugees to access housing and medical services. Across IPG, our company donated to humanitarian organizations addressing the crisis. Some of our companies provided direct monetary support to affiliates in Ukraine, as well as assistance with IT and other operational needs.

IPG also launched a fundraising drive including matching employee donations to support three organizations helping on the ground with the refugee crisis: the **International Rescue Committee** (IRC), **Save the Children** and the **World Food Programme**.

IPG Company Spotlights

Supporting Ukrainian Refugees and Colleagues

- **MullenLowe** supported a collective of Ukrainian creatives who used advertising space in Milwaukee, Wisconsin – the sister city of Iprin, Ukraine – to inspire a global "information counter-offensive" and document the destruction of Irpin.
- **FCB New Zealand's** Chief Executive Officer called on New Zealand to provide Ukrainian refugees with shelter.
- In a *Campaign Magazine* podcast, **MullenLowe Group UK's** CEO discussed support being provided by agency groups to staff in Ukraine.



Other focus issues for IPG 2022 donations included:

Challenging the root causes of racial inequity and end the systemic violence that affects Black Americans, with a donation to the **George Floyd Memorial Foundation** to commemorate the tragic anniversary.

Addressing hardships that plague so many in our global community, with end-of-year donation recipients selected by IPG employees: **charity: water**, **The Trevor Project** and **UN World Food Programme** (WFP).

Supporting families in Uvalde, Texas, after a school shooting with a donation to **Everytown for Gun Safety** to support during a time of immense trauma and grief.

Organizations to which IPG contributed in 2022 include the following:

- Ad Council
- American Advertising Federation (AAF)
- American Red Cross
- Advertising Educational Foundation (AEF)
- Bernard Baruch College
- charity: water
- Chief Executives for Corporate Purpose (CECP)
- Democracy Works (Civic Alliance)
- Doctors Without Borders
- Epilepsy Foundation of Metropolitan New York
- Everytown for Gun Safety
- George Floyd Memorial Foundation
- International Committee of the Red Cross (ICRC)
- International Rescue Committee
- James Lenox House Association
- League of Women Voters
- Lincoln Center
- Live Out Loud
- Naomi Berrie Diabetes Center
- New York City Center
- New York City Partnership Foundation
- New York Pops
- New York Women in Communications
- Partnership for New York City
- Partnership to End Addiction
- Ronald McDonald House of New York
- Save the Children
- Seattle Children's Hospital
- She Runs It Foundation
- St. Alban's Episcopal Church
- The Fund for Public Schools
- The Trevor Project
- The Paley Center for Media
- UN World Food Programme (WFP)
- Virginia Tech – Water Research Center
- Whitney Museum of American Art

Fundraising & Employee Campaigns

IPG organizes employee matching drives and other fundraising initiatives to direct support to organizations working on essential issues. In 2022, our employee fundraising efforts focused on supporting clean water and sanitation (SDG 6) and the work of United Way.

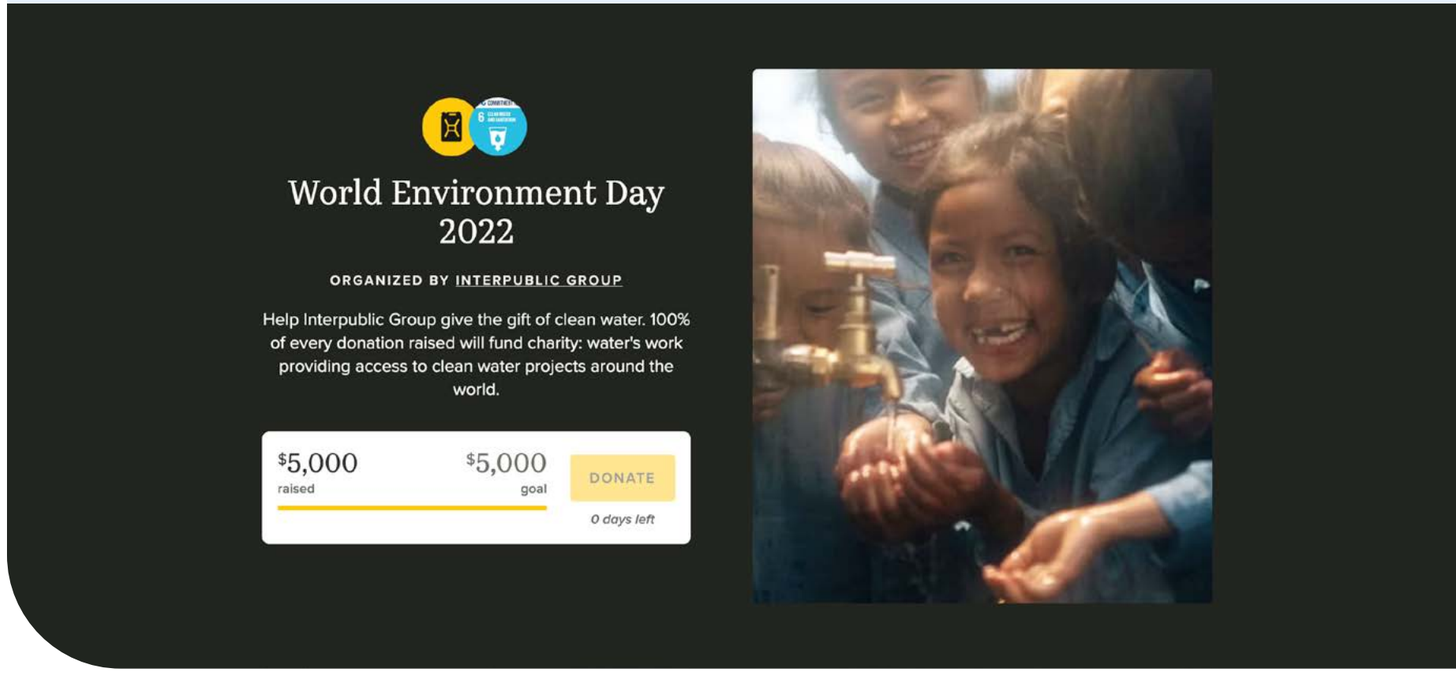
Clean Water & Sanitation: For several years, IPG has supported the advancement of SDG 6 by taking action for clean water and sanitation around the world. When a community gains access to water, many aspects of life begin to improve, especially for women and girls.

Our efforts in this area are often organized as matching drives for employee contributions. As part of this commitment, IPG is a Flagship Partner of **charity: water**, a not-for-profit organization we have supported since 2017 to bring water to communities around the world.

To mark World Environment Day 2022, IPG worked with charity: water to raise funds for a rainwater harvesting project. We met our fundraising goal in under two weeks, and IPG matched the first $5,000 donated by employees for a total contribution of $10,000.

"We've learned that when a community gains access to clean water, it affects so many parts of the community. It's mostly women and girls who collect water and spend a large portion of their day doing that. So when a community gains access to a well, women and girls are able to do other things – work, earn money, go to school."

– Jemma Gould, IPG Chief Sustainability Officer



Fundraising & Employee Campaigns
Continued

United Way: In 2022, IPG's corporate office in Omaha raised nearly $40,000 for the **United Way of the Midlands** through a weeklong fundraising campaign themed around the 2022 Superbowl.

$40,000

raised for United Way of the Midlands



IPG Company Spotlights

Fundraising for Client Projects

- **Publicidad Comercial MullenLowe** worked with Humans for Humans Foundation on a fundraising campaign for post-traumatic treatment for people who were victims of childhood sexual abuse.
- **Horizon FCB Dubai** created a media blackout addressing the lack of education for children in Lebanon in recent years. The initiative generated donations for the not-for-profit organization "Teach a Child."

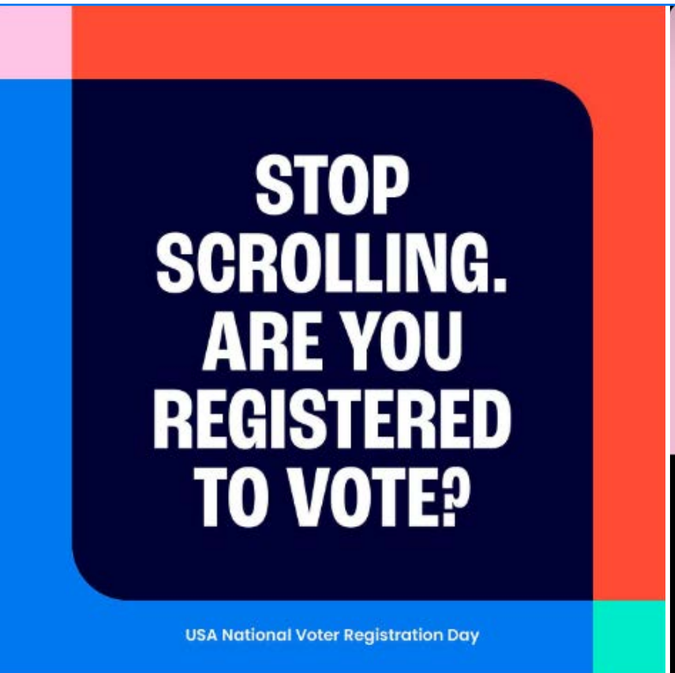


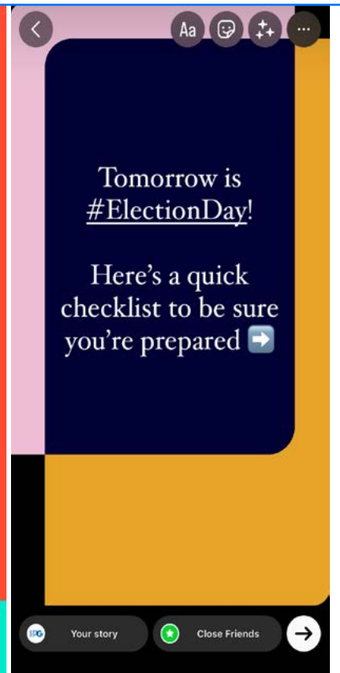
Service Work & Community Organizing

IPG employees are encouraged to be active citizens of their communities by serving on boards of not-for-profit or community organizations, and by being active citizens in their communities.

In 2022, IPG provided employees with numerous ways to get involved and stay informed. We shared resources for voters such as information on candidates, polling stations and voting rights, and designed social media posts for employees to use in mobilizing voters. We used our own social media channels to promote National Voter Registration Day and Vote Early Day. IPG also wrote to all U.S. employees encouraging them to volunteer at voting polls and provided a paid day off to do so.

Ahead of the 2022 election, IPG worked with the **Civic Alliance**, which provides **critical resources and information** about civic engagement, to promote voter mobilization. We marked National Voter Registration Day by encouraging employees to register to vote.





civic alliance

IPG has signed onto Civic Alliance's "100% In for Democracy Pledge"

IPG Company Spotlight

Access for Voters with Disabilities

R&CPMK was selected as agency of record for voter accessibility platform Brink to help drive access and equity for people with disabilities across the U.S.



IPG Company Spotlights

Community Service & Not-for-Profit Leadership

- **UM** has organized annual Impact Days for employees since 2016, engaging our people at 120 offices in 50 countries. As teams spend the day taking concrete "micro-action" on a local scale, they share real-time updates with each other around the world, fostering a sense of wider impact and ensuring that small efforts in our immediate communities can scale up to the global community as well.

  The UM Canada team walked over 700 kilometers to unlock almost $300,000 worth of media inventory to support BIPOC-owned small businesses across the country. A

- **Mediahub** held its first agency-wide volunteer day, hosting events to support 10 not-for-profit organizations in six cities, with participation from 370 employees. B

- **Acxiom** is an enthusiastic supporter of the not-for-profit organization **Girlstart** and its mission to increase girls' interest and engagement in STEM through innovative, nationally recognized informal STEM education programs. With support from Acxiom, Girlstart provides a year-round suite of education programs for K-12 girls in high-need schools across the U.S.

  A team of Acxiom volunteers participated in the 2022 Girls in STEM Conference and presented a session on cyber security and privacy in a digital world.

  Acxiom's Chief Information Officer Janet Cinfio continues to serve on Girlstart's Board of Directors and Chair the Board's Strategic Planning Committee. C



A



B



C

IPG Company Spotlights

Creating New Platforms to Drive Change

Octagon launched "**No2ndPlace**," a specialist agency to help brands, sporting bodies and not-for-profit organizations drive awareness of societal issues and deliver action and progress on social and environmental issues. A



A

Top Performance on Community Impact

The Philadelphia Foundation named **Tierney** one of the 50 most community-minded employers in the Tri-State area. Businesses were selected based on: societal impact; investment of cash, in-kind giving, leadership, and employee time and talent; integration of community engagement with business interests; and policies, systems and incentives to institutionalize community engagement. B



B

Pro Bono Services

For IPG, caring for our communities includes providing *pro bono* services and partnering with not-for-profit organizations and advocacy groups. In every corner of the globe, people from IPG and our companies are lending their time and talents to causes that matter to them and to their communities. As a matter of policy, our companies are encouraged to undertake *pro bono* work and other partnerships with organizations working to advance environmental protection.

The work that we do with partners helps build a cleaner, healthier world and more diverse and inclusive workplaces and communities. This work strengthens our organization and helps grow our business, while making us an employer of choice.

IPG Company Spotlight

Closing the Racial Wealth Gap

R/GA announced the launch of **Make/Good for Businesses**, a flagship *pro bono* marketing program to support Black, Indigenous, Latine and Asian businesses and not-for-profit organizations, ultimately helping to close the racial wealth gap.

The program's most successful project has been with Founderland, a European not-for-profit organization supporting female founders of color. Make/Good for Business helped Founderland earn a $750,000 grant from Google.

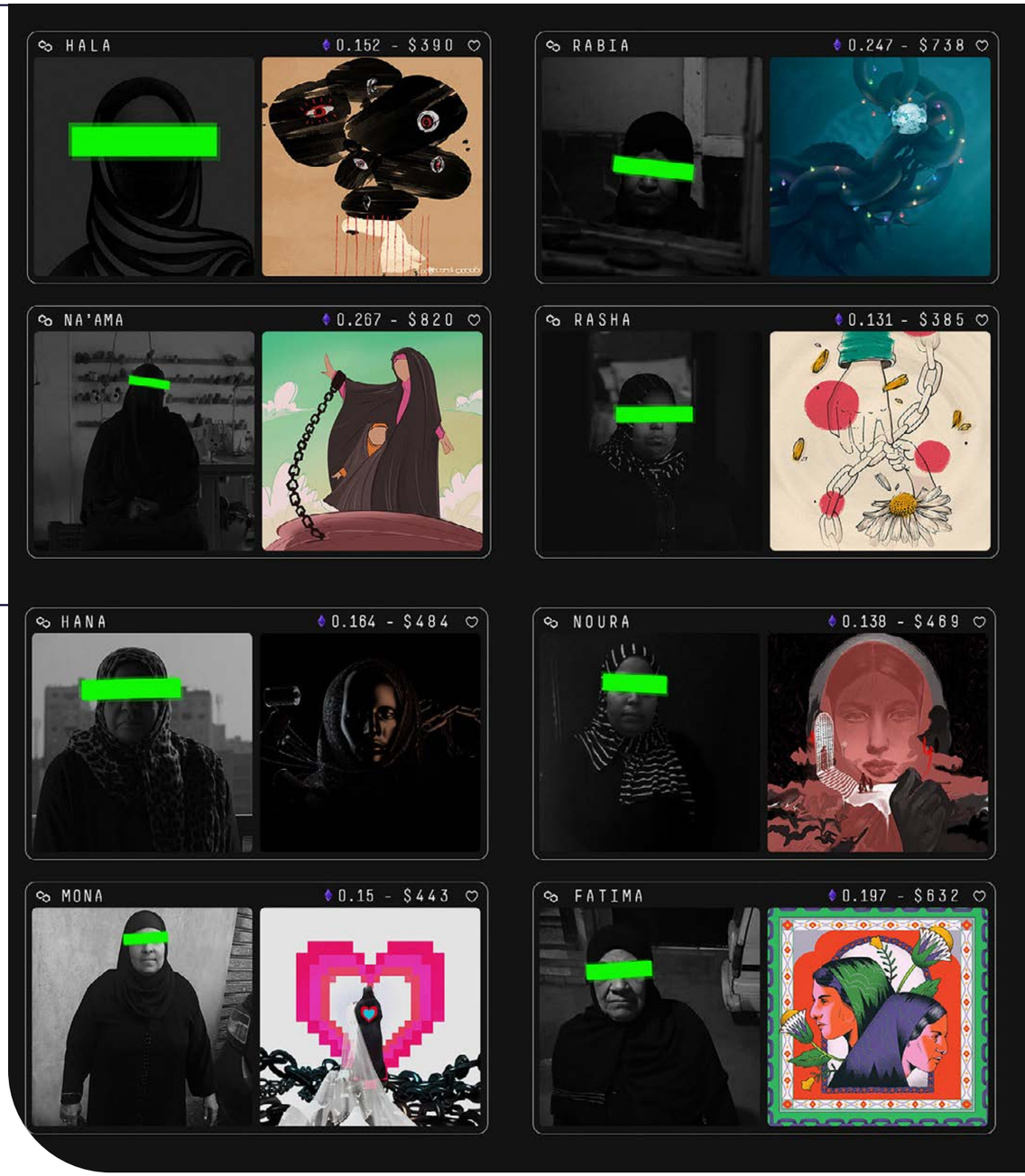


IPG Company Spotlight

Breaking Chains with Design

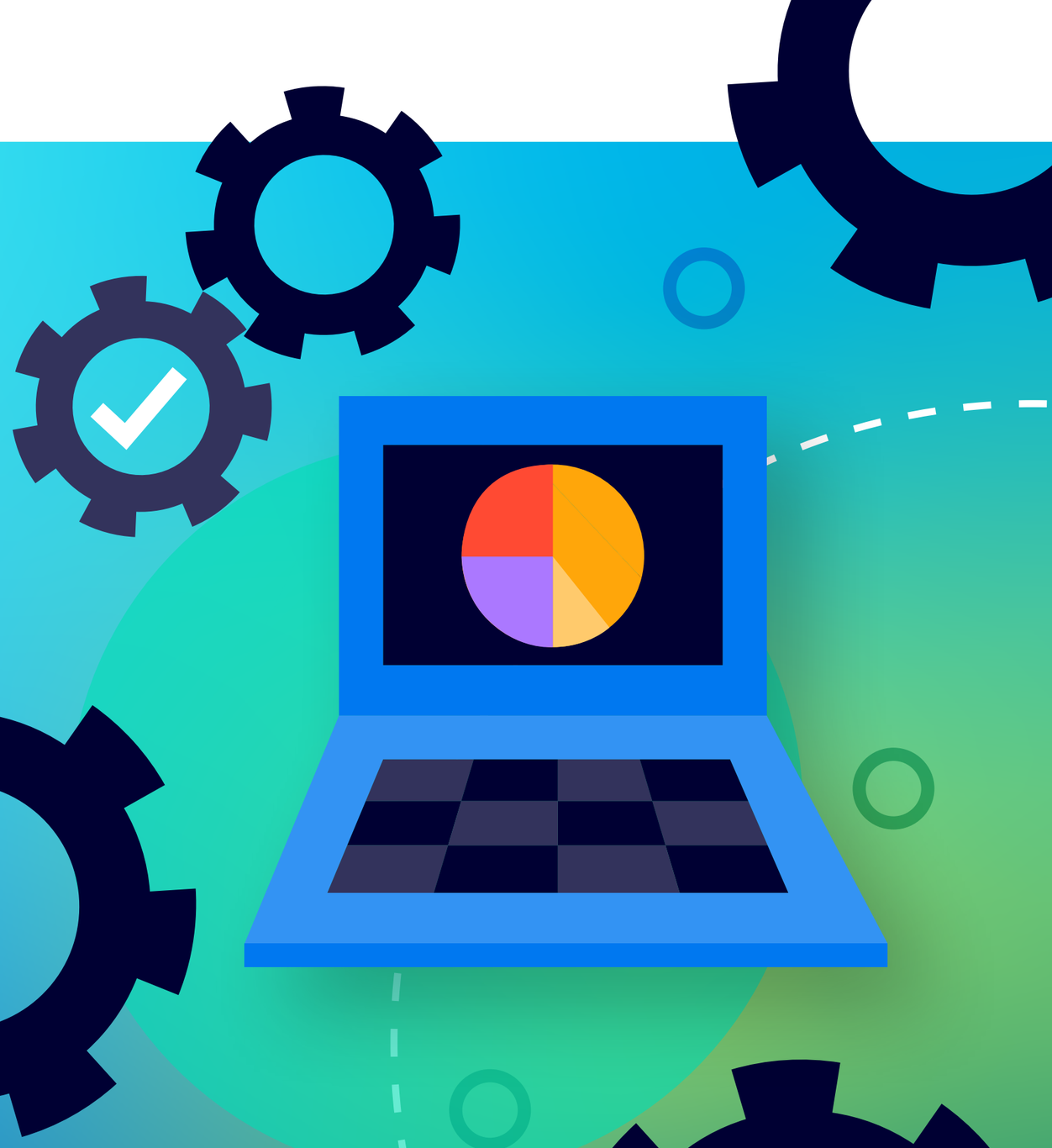
FCB launched "**Breakchains with Blockchain**" an NFT collection to raise funds to free women imprisoned in Egypt for defaulting on their loans. FCB worked with international artists to create the collection and release it on Blockchain, with each piece priced at the amount needed to pay off one person's debt.

Another impact of the *pro bono* campaign: Egyptian parliamentarians committed to change the law that carries a prison sentence for defaulting on small loans, no matter how dire the circumstances.





Ensuring ethical and responsible business as a values-based company



Governance

Corporate Governance & Risk

IPG operates with a comprehensive governance framework designed to ensure transparency and accountability for our Board of Directors and management team. Our governance practices also include robust programs to identify and manage enterprise risks.

IPG Board Independence & Diversity[1]

10 Directors

9 Independent

4 Women

2 Racially/ethnically diverse



1 - Prior to the appointment of Jorge Benitez on September 1, 2023, the Board had 9 members, 8 of whom were independent, 4 of whom identified as women, and 1 of whom identified as racial/ethnic minority.

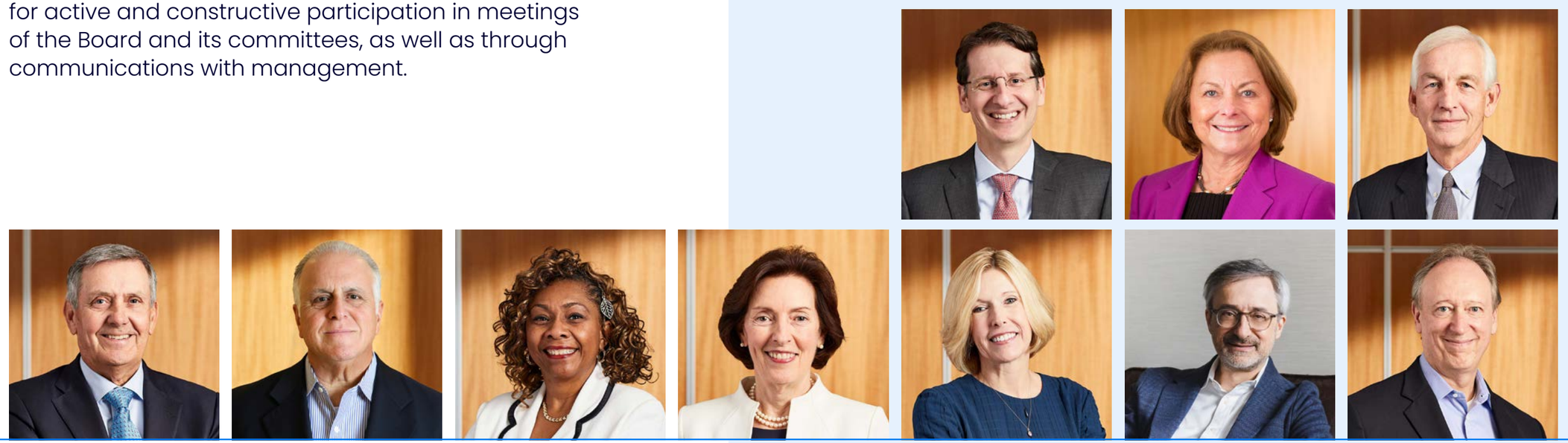


Board of Directors: Role & Governance

IPG's Board of Directors is responsible for overseeing the operation and strategic direction of our company. The Board and management annually review our **Corporate Governance Guidelines**, committee charters and governance practices to assure that they are appropriate and reflect high standards.

The governance framework and practices of our Board also include annual election and majority voting for directors, annual self-evaluations of the Board and its committees, and stock ownership guidelines.

All directors are expected to assume responsibility for active and constructive participation in meetings of the Board and its committees, as well as through communications with management.



Board Independence

When IPG's former Executive Chairman of the Board, Michael Roth, retired at the end of 2021, the Board appointed David Thomas to serve as an independent, non-executive Chair in his place. As of September 1, 2023, nine of the Board's 10 members were independent, with our CEO being the only member of management who serves as a director.

The Board annually evaluates the independence of each director according to IPG's Corporate Governance Guidelines and the New York Stock Exchange (NYSE) listing standards. In February 2022, the Board and its Governance and Social Responsibility Committee determined that each of the Non-Management Directors is an independent director by these standards.

The Board's standing committees must consist entirely of independent directors, as required in our Corporate Governance Guidelines.

To ensure that directors can serve effectively on IPG's Board, independent directors shall not serve on more than four other public company boards, and management directors shall not serve on more than two boards of other public companies. The members of IPG's Audit Committee shall not serve on the audit committees of more than two other public companies.



9 of 10 **of IPG's Board of Directors are Independent** [1]

1 - As of September 1st, 2023



Board Succession

When acting on our director succession and refreshment plans, IPG's goal is to maintain a diversity of thought, background and experience on the Board that will support our long-term strategy. Our Corporate Governance and Social Responsibility Committee oversees director succession planning.

Board Diversity

Our Board members bring a diversity of backgrounds, skills and experience to their roles. IPG believes that diversity of gender, race/ethnicity, tenure, age and experience leads to a well-rounded Board and effective oversight of the company's objectives.

The Board's Policy on Board Diversity, which is included in the Corporate Governance Guidelines, formalizes IPG's longstanding commitment to maintaining a gender- and racially-diverse Board. The Board and its Corporate Governance and Social Responsibility Committee are committed to actively including women and ethnically diverse candidates when identifying and evaluating director candidates.

IPG is a member of the **30% Club**, which aims to reach at least 30% representation of women on corporate boards. IPG has endorsed this objective which informs our commitments and strategy on increasing the diversity of IPG's Board of Directors.

Our Board of Directors includes four women, comprising 40% of the Board, while 20% of the Board is represented by racial/ethnic minority groups[1]. Additionally, two of our three (67%) standing Board committees are chaired by women directors.

1 - Prior to the appointment of Jorge Benitez on September 1, 2023, the Board had 9 members, 8 of whom were independent, 4 of whom identified as women, and 1 of whom identified as racial/ethnic minority.

Board Committees: Roles & Governance

IPG's Board of Directors has three standing committees – Audit, Compensation and Leadership Talent, and Corporate Governance and Social Responsibility – which are comprised solely of independent directors. The Board also has an Executive Committee that may act on behalf of the full Board between regularly scheduled meetings when time is of the essence.

Board committee chairs play a key role in shaping the agendas for their committees and presenting information to them. Committees have authority to hire independent advisors as they deem appropriate.

Our standing Board-level committees are responsible for specific topics and processes at IPG, as follows:

Audit Committee is responsible for overseeing compliance with the company's Code of Conduct, legal and regulatory compliance, ethics programs, tax strategy, cybersecurity and information technology, data privacy, whistleblower hotline and internal audit.

This includes appointment and oversight of the independent auditors of the company, reviewing financial statements before filing with the Securities and Exchange Commission, reviewing critical accounting policies and practices, and reviewing the quality, adequacy and effectiveness of the company's internal controls over financial reporting.

In addition, the Audit Committee has oversight of the company's enterprise risk management processes and framework.

*Enterprise risk management is further discussed on **page 137**.*

2 of 3

IPG Board committees are chaired by women directors

Board Committees: Roles & Governance *Continued*

Compensation & Leadership Talent Committee is responsible for reviewing succession plans for key executive positions and ensuring our compensation programs (including incentive plans) support the advancement of talented employees into leadership roles.

One of the highest priorities of IPG's Board is oversight of succession planning for our CEO and senior management. The Committee's oversight process includes reviews of succession scenarios, potential candidates, planned transitions and timelines for senior management. With guidance from this Committee, the Board devotes significant attention to identifying and developing talented senior leaders. The Board is primarily responsible for the oversight and planning of CEO succession, including reviews of succession scenarios, potential candidates, planned transitions and timelines.

The Committee has oversight of IPG's executive and senior management compensation philosophy and practices. The Committee annually reviews and approves the goals and objectives relevant to determining executive compensation, including equity compensation awards, and for the CEO, recommends goals, objectives and compensation for review and approval by the full Board.

IPG's executive compensation approach is further discussed on the following page.

Corporate Governance & Social Responsibility Committee is responsible for overseeing and recommending to the Board overall governance structure and process for our company, including emergency CEO succession planning and Board succession planning, as well as our ESG strategy.

The Committee establishes criteria for membership on the Board and its committees, identifying and recommending qualified individuals to be nominated for election as directors, and planning for director succession and refreshment. The Committee undertakes an annual review of the collective performance of the Board and its committees, and it makes recommendations to the Board regarding the compensation and benefits for non-management directors, ensuring alignment of directors' interests with the long-term interests of stockholders.

The Committee also develops the Corporate Governance Guidelines for the Board, and it reviews and makes recommendations to the Board regarding governance practices generally.

The Committee has direct oversight of IPG's ESG policies and practices, including diversity and inclusion, environmental sustainability, data ethics and privacy, community impact and public policy.

*More detailed information on Board oversight of IPG's sustainability programs is included in the **ESG Strategy** chapter of this report.*

*More detailed information about our Board of Directors and our Corporate Governance Guidelines is available in our **2023 Proxy Statement**.*

Executive Compensation Approach

IPG's executive compensation philosophy focuses on attracting, developing and retaining talented and high-performing employees. Our executive compensation programs are modeled on best practices in corporate governance, including aligning pay and incentive plans to several well-defined objectives, both financial and strategic. The majority of the compensation for named executive officers is performance based, with fixed base salary comprising a relatively small portion of total target compensation.

The Board sets high priority objectives (HPOs) for the CEO at the beginning of the year, which consist of both quantitative and qualitative objectives. HPOs and performance expectations for all other named executive officers are recommended by the CEO for review and approval by the Compensation Committee. HPOs include goals tied to the overall strategic priorities of the company such as diversity, equity and inclusion, talent management as well as cross-agency collaboration.

IPG requires robust share ownership guidelines for our directors and senior executives. The guidelines are intended to closely align the financial interests of our directors and management with goals of stockholders and other stakeholders and communicate the commitment and personal investment of directors and executives in the company. Within five years of initial election to the Board, independent directors are expected to hold shares of stock and/or stock units having a value of at least five times the annual cash retainer they receive. Named executive officers and other senior executives must also satisfy ownership guidelines based on multiples of base salary within five years after joining the company or after promotion into a position to which the guidelines apply.



Enterprise Risk Management

IPG's comprehensive enterprise-wide risk management program is a key part of our corporate governance framework. IPG's Board plays an active role in the oversight of enterprise risk management activities and considers various risk topics throughout the year, including but not limited to the matters shown in the table to the right. The Board also oversees the company's risk assessment and risk management processes and performs an annual review and assessment of the primary operational and regulatory risks facing IPG, their relative magnitude and management's plan for mitigating these risks.

The Board's Audit Committee oversees many aspects of enterprise-wide risk management and reports on such matters to the Board. Other Board committees are also involved in risk management, and they regularly inform the Board of any potential issues or concerns arising out of their risk management duties. The chart to the right shows the types of risk managed by each committee of the Board.



Board-level Risk Oversight

Board of Directors

- Strategic & Competitive
- Brand & Reputation
- Operational
- Capital Allocation
- Mergers & Acquisitions
- Financial
- Legal & Regulatory
- Cybersecurity
- CEO Succession Planning
- Investor Relations

Compensation & Leadership Talent Committee

- Executive Compensation
- Talent Development & Retention
- Equity-based Incentive Plans
- Succession Planning *(shared with the Board)*
- Applicable Legal, Regulatory & Compliance

Corporate Governance & Social Responsibility Committee

- Governance Structure & Processes
- Corporate Social Responsibility
- DEI *(shared with the Board)*
- Board Succession Planning
- Applicable Legal, Regulatory and Compliance

Audit Committee

- Financial Statements
- Audits & Relationship with Auditors
- Internal Controls
- Enterprise Risk Management
- Related Person Transactions
- Code of Conduct
- Cybersecurity & Information Technology *(shared with the Board)*
- Privacy
- Tax
- Applicable Legal, Regulatory & Compliance

Management-level Risk Oversight

At the management level, IPG's senior management is responsible for assessing and managing the company's various exposures to risk on a day-to-day basis, including the identification of risks through a robust enterprise risk management framework and the creation of appropriate risk management programs and policies to address such risks.

IPG has also created committees consisting of personnel from various IPG departments that engage in enterprise risk management efforts, such as:

The Executive Risk Committee is comprised of senior leaders across IPG and holds primary responsibility for overseeing the risk framework, identifying our overall risk posture and the material risks facing the company. The Committee is made up of executives from IPG at the holding company level. Each member is responsible for a business function but independent from an individual network or business lines. The Committee reports to the Board on an annual basis. Management regularly reports to the Audit Committee on a variety of significant risks facing the company.

Composition of Executive Risk Committe

EVP, General Counsel
EVP, Chief Financial Officer
SVP, Chief Accounting Officer
SVP, Chief Talent Officer
SVP, Chief Information Officer
SVP, Treasurer
SVP, Associate General Counsel - Corporate Compliance
SVP, Internal Audit
SVP, Operational Compliance
SVP, Corporate Services

The Anti-Bribery Compliance Committee is comprised of personnel from Legal and Internal Audit, as well as a representative of the Executive Risk Committee. This Committee assesses IPG's corruption risk, provides guidance on anti-corruption policies and establishes priorities for employee anti-corruption training. The Committee meets on a quarterly basis.

The Investigations Committee is comprised of personnel from Legal, Internal Audit and Human Resources. This Committee reviews anonymous complaints reported via IPG's Alertline and other alleged violations of company policy and ethical standards, to confirm that the appropriate resources are being allocated to investigate each allegation and to consider any appropriate remediation of any violations.

Internal Audit

In 2022, IPG re-structured our internal audit and risk functions to create three distinct teams to address internal audit, investigations and enterprise risk management.

These three new functions are led by the following IPG senior members:

- **Internal Audit:** Led by IPG's Senior Vice President for Internal Audit
- **Investigation:** Led by IPG's Senior Vice President & Associate General Counsel reporting to IPG's Executive Vice President & General Counsel
- **Enterprise Risk Management:** Led by IPG's Senior Vice President & Treasurer

IPG's Internal Audit team conducts a robust annual risk assessment process, with quarterly updates, using best-in-class software to risk-rank all IPG companies and efficiently allocate internal audit resources. The assessment uses criteria including country corruption perception index, fraud or Code of Conduct violations, total government revenue, percent government revenue, minority interest, financial metrics and other governance issues. In total, approximately 60 metrics are applied to identify financial, M&A, cybersecurity and crisis preparedness risks that may affect our companies.

Our planning and forecasting processes and our capital allocation reviews serve as stress tests for financial risks. Stress testing for non-financial risks includes a range of cybersecurity exercises. Our Internal Audit team continuously evaluates risk in partnership with the Enterprise Risk Management team.

*More information on cybersecurity can be found in the **Data Ethics & Privacy** chapter of this report.*

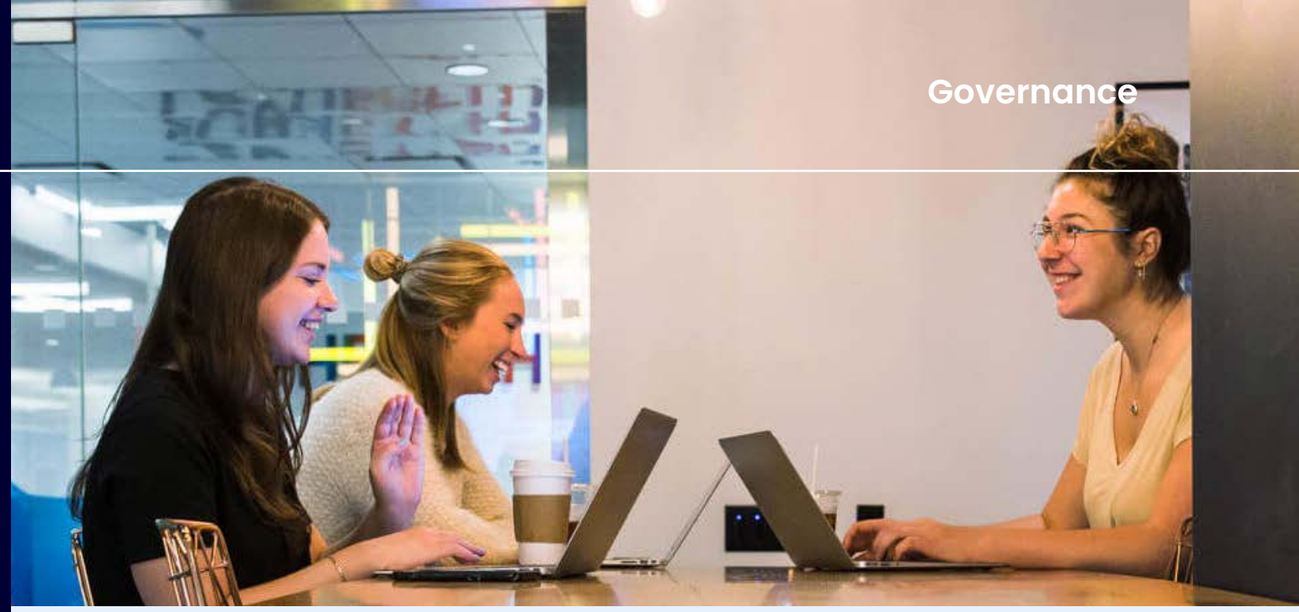
With the support of the Board of Directors, IPG has implemented a Third-Party Risk Management (TPRM) process to assist in identifying, assessing and managing risks that can arise when onboarding and conducting business with third parties.

*More information on our TPRM process can be found in the **Responsible Supply Chain** chapter of this report.*



Ethics & Integrity

Our values define who we are as an organization and are a key differentiator for IPG. These values are centered around respect for every individual and appreciation for universal principles of human rights. Our policies, trainings and programs are designed to prevent corruption and other unethical behaviors, as well as to address any incidents that could arise. IPG strives to adhere to our long-standing commitment to sound and equitable business ethics and to continue to foster a culture of integrity.



Recent Highlights

Adopted Responsible Media & Content Principles to ensure that our marketing solutions for clients result in socially and environmentally responsible, non-stereotyped and accessible content for all

Strengthened mandatory annual training on Code of Conduct to reinforce guidance on anti-corruption and business integrity

Incorporated IPG's Human Rights Policy into the new-hire training on the Code of Conduct

Policies Supporting Ethical Behavior

IPG has adopted several corporate policies focused on fulfilling our commitment to ethics and integrity. To ensure that our global operations are carried out with integrity and respect for all stakeholders, all IPG companies around the world are expected to adhere to our corporate policies, in addition to ensuring that their employees and suppliers also comply. IPG will take corrective action (up to and including termination) for any violation of our communicated policies. We regularly communicate our policies and procedures, and tailor the communications to specific jurisdictions or in connection with circumstances that may pose increased risks.

Code of Conduct

IPG has adopted a set of ethical standards known as our Code of Conduct. The Code forms the foundation of how we interact with one another, with our suppliers and with our clients. The Code of Conduct is available in 15 languages for our global workforce. It provides guidance on performing our jobs ethically and ensures compliance with all applicable laws and regulations in the countries where we operate.

"Our Code of Conduct is one of the ways that we ensure that all our people conduct themselves in ways that are wholly consistent with [our] values, treating one another fairly and with respect, as well as acting with integrity in all interactions, whether internal, with clients, or with suppliers."

– Philippe Krakowsky, IPG CEO, in email to all employees

The Code of Conduct applies to all employees of IPG and its companies, including executive officers, as well as the Board of Directors. Our Corporate Governance Guidelines explicitly state that IPG's Board of Directors and executive officers must comply with the Code of Conduct, and that the Board may not waive any provision of the Code for any director or executive officer.

Additional Policies

Supplier Code of Conduct

Reflects the principles contained in the IPG Code of Conduct, including our expectation that suppliers share our commitment to sustainability and environmental stewardship. We expect all of our suppliers and their employees, agents and subcontractors to adhere to the Supplier Code of Conduct while they are conducting business with or on behalf of IPG, and we communicate this expectation through invoices and/or contracts, as well as by requiring each new supplier to acknowledge agreement with the IPG Code of Conduct and our Supplier Code of Conduct when they are onboarded – or committing to comply with their own code, if substantially similar, in providing goods or services to IPG. For business partners that present an elevated risk level, we include detailed provisions relating to anti-corruption in the relevant contracts.

*More information can be found in the **Responsible Supply Chain** chapter of this report.*

Anti-Corruption Policies

Includes a zero-tolerance policy with respect to bribery and corruption in any form, and details our policies requiring compliance with all applicable anti-corruption laws and regulations worldwide. IPG has additional relevant policies in place to safeguard against corrupt payments, including a Gifts Policy and Travel and Entertainment Policies.

Responsible Media & Content Principles

Adopted in 2022 to ensure that our marketing solutions for clients result in socially and environmentally responsible, non-stereotyped and accessible content for all. The Principles apply to all companies in the IPG network around the world, including our employees and suppliers.

Human Rights Policy

Outlines our commitment to fair labor standards, ethical conduct and universal principles of human rights. It makes specific commitments regarding modern slavery, forced labor and child labor, providing fair and humane working conditions and living wages, diversity and non-discrimination, the rights to organize and vote, the right to clean water and responsibility for content, among other areas.

Tax Policy

Underlines the importance of complying with tax laws, rules and regulations in both the letter and spirit of the law. This Tax Policy, which is aligned with our Code of Conduct and other policies, expresses our commitment to acting with transparency and integrity with respect to all direct and indirect tax matters, and sets out key principles that apply to all tax matters across IPG.

Anti-Harassment & Equal Employment Policy

Aims to ensure a fair, ethical and respectful work environment, free of harassment and discrimination for all individuals. Provides for reasonable accommodations for employees with disabilities.

*These policies and other publicly available policies supporting ethics and integrity can be reviewed on IPG's **Corporate Governance** site.*

Ethics & Anti-Corruption Training

IPG recognizes the value of regular training for ensuring a workplace that operates ethically and protects human rights for every individual.

Code of Conduct Training

All employees worldwide are advised of and required to complete annual training on our Code of Conduct. Board members also receive annual training on the Code of Conduct.

The mandatory annual training for all employees entails engaging with and responding to different scenarios involving topics in the Code, with different focus areas selected each year. In 2022, the training reinforced the Code's guidance on anti-corruption, business integrity, information security and data privacy.

The annual all-employee training course also reinforces IPG's commitment to operating as sustainably and equitably as possible, reflecting our revised Environmental Sustainability Policy.

In addition to this regular training, employees must annually certify their agreement with the Code and disclose any potential conflicts.

"Our annual Code of Conduct training reminds us all of how seriously we take our commitments to core values that make IPG a company that is fair and transparent in all its internal and external interactions."

– Philippe Krakowsky, IPG CEO

All new hires receive mandatory training on the Code, which includes anti-corruption training. In 2022, we incorporated IPG's Human Rights Policy into the new-hire training on the Code of Conduct.

All employees are reminded of specific points in the Code of Conduct through regular communications, such as a reminder upon the release of each quarterly earnings report that the company's policy – included in the IPG Code of Conduct – prohibits insider trading of IPG stock or other IPG securities.

On an annual basis, enterprise-wide audits are performed to ensure that all IPG employees participated in the Code of Conduct training and submitted their acknowledgement, and that conflicts of interest are risk-ranked and reviewed.

100%

of our Board receives training on our Code of Conduct, which includes provisions about anti-corruption

Additional Training in Ethics Policies

- IPG legal and internal audit personnel regularly conduct live anti-corruption compliance training sessions for key personnel in significant, high-risk markets.
- IPG provides anti-harassment training to all new hires in the U.S. and to senior managers outside the U.S. Every two years, we retrain California managers, and every four years, we retrain all U.S. employees. IPG's CEO invites and encourages all employees to take these courses, and we have maintained high levels of employee participation.

Compliance

Our Board of Directors, CEO and management team oversee IPG's robust compliance program applicable to 100% of our operations. We maintain cross-functional management committees to oversee compliance, including an Anti-Bribery Compliance Committee and an Executive Risk Committee.

Anti-corruption compliance is implemented by various corporate departments, including Legal, Internal Audit, Human Resources and our regional controllers team.

More information on our compliance audit programs can be found under the ***Corporate Governance & Risk*** *chapter.*



100%

IPG assesses 100% of our operations for risks related to corruption

Raising Concerns

IPG seeks to engage employees, suppliers, consultants, freelancers and other business partners who share our values and human rights standards. IPG will not tolerate violations of our ethical standards. If violations to laws, regulations or company policy are suspected, we strongly encourage all IPG employees, contractors, suppliers, clients and business partners, as well as all other stakeholders, to immediately utilize our publicly available reporting mechanisms.

In accordance with IPG policy and local laws, reports can be made by contacting our toll-free **Alertline**, a third-party operated hotline available 24 hours a day, seven days a week in more than 40 languages. Individuals may also report violations through an Alertline website operated by an independent third-party.

Reports to the Alertline address topics such as employee relations issues, workplace safety, potential conflicts of interest, and legal or policy violations. Reports can be made anonymously where allowed by local law, and an individual's identity will not be revealed if that person requests anonymity or confidentiality. IPG has a zero-tolerance policy against retaliation toward anyone who in good faith reports a suspected ethical violation, or who participates in any investigation.

In addition, IPG provides employees with several other means to express concerns about their work environments and to seek advice about ethical and lawful behavior. As described in our Code of Conduct, IPG employees may report concerns to their direct managers, local and corporate human resources departments, or the legal department. If contacted, employees are expected to participate in an investigation of a report. Those who file a concern may receive follow-up information about the outcome of such an investigation, as allowed by local law.

IPG takes every single report seriously. All reports are investigated promptly and thoroughly. Appropriate corrective or disciplinary action is applied whenever necessary.

IPG communicates regularly to employees about ethics reporting mechanisms, including through employee onboarding training, the annual Code of Conduct course, regular internal communications and posters describing the Alertline.



IPG employees can also raise ethical concerns or seek advice on ethical standards through our annual employee survey assessing experiences and perceptions of inclusiveness as part of IPG's culture. While this periodic survey[1] is conducted by a third-party, our Global DEI & Social Impact Team reviews summaries of responses to identify any common ethical concerns.

1 - The Climate for Inclusion survey was conducted on an annual basis until 2021. In 2022, we revamped the survey, and it will continue to be annual after resuming in 2023.

Public Policy

IPG is committed to having a positive impact in our communities. We engage with policymakers and the public to promote action and policies to improve our industry and our communities.





Recent Highlights

Signed letter with America Is All In urging U.S. leaders to adopt ambitious, accelerated climate legislation

Became first advertising holding company to decide not to support or engage in any marketing or communications aimed at influencing public policy to extend the life of fossil fuels

Contributed to U.S. and UK policy-making in support of strong data privacy protections

Updated our employee healthcare benefits to provide funding for travel to ensure access to healthcare, including abortion care

Policies Supporting Responsible Political Engagement

IPG employees are encouraged to support our communities by participating in political activities that interest them, and by playing an active role in democratic processes. Employees are welcome to participate in political activity in a personal capacity and donate to political causes using their personal funds and in their own names.

IPG's **Code of Conduct** and **Anti-Corruption Policy** provide that IPG and its agencies may not contribute any company funds, facilities or services to any candidate for public office, any political party or official thereof, any political action committee, or any political initiative, referendum or other form of political campaign (other than political marketing and communication services or lobbying activities conducted by an IPG company whose regular business activities consist of such services or activities) without prior approval from IPG's General Counsel. All lobbying activities must first be cleared with IPG's legal department, except where the applicable office's regular business activities consist of such lobbying activities.

*Our publicly available policies can be reviewed on IPG's **Corporate Governance** site.*

IPG Company Spotlight

"How (and Why) to Take a Stand on Gun Violence" by Chris Harris

In an **article** on **Weber Shandwick's** blog, Chris Harris, VP of Social Impact & Public Affairs, argues that it is possible to change U.S. laws on access to guns if all stakeholders take a stand.

For businesses, the risks of not speaking out have only grown: "one would be hard-pressed to find another issue with such broad support for meaningful government action."

Among the options for businesses working to influence policy, Harris suggests that:

- Corporate leaders can pursue partnerships or offer employees volunteer opportunities with gun violence prevention organizations like **Moms Demand Action**, **Giffords** or **Brady United**.
- Companies can join forces with others to publish a letter, buy an ad or launch a formal coalition that fights for change.
- Businesses can utilize their lobbyists or government relations teams to communicate priorities to lawmakers.
- Firms or industry groups that engage in political giving can include gun violence issues on candidate questionnaires.

Taking Stands on Important Issues

IPG regularly takes public stands on critical issues affecting our world and our business, with a view to promoting empathy and well-being in a changing world.

- **Support for Ukraine**
- **Climate Action**
- **Healthcare Rights in the U.S.**
- **Data Privacy**

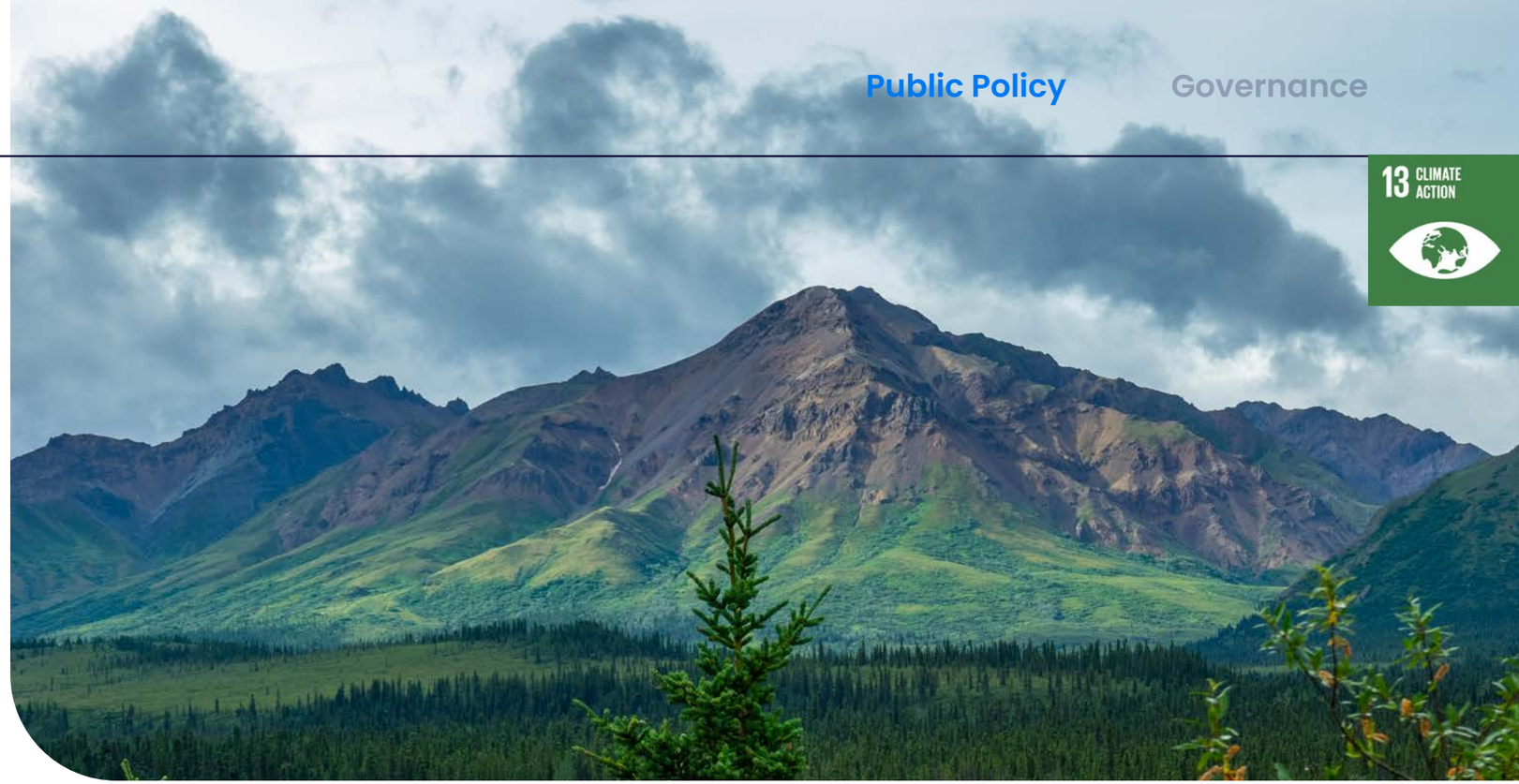
Support for Ukraine

As IPG CEO, Philippe Krakowsky, noted in a staff memo when Russia invaded Ukraine in early 2022, IPG first focused on helping our Ukrainian agencies and our people in the country, and suspended business travel to both Russia and Ukraine. We also joined the international community in condemning Russia's acts of unilateral aggression, and immediately applied all international sanctions being levied against the Russian state. We informed clients in Russia who are prohibited parties that we would no longer continue working with them.

In March 2022, IPG decided to **suspend our operations in Russia**. We were able to leave our Russian teams with enough capital on their balance sheets to pay their people for a minimum of six months. We began the process of ceding control of all aspects of management and operations to the local leadership team in order to ensure continuity for any non-Russian clients who remained active in the market.



16 PEACE, JUSTICE AND STRONG INSTITUTIONS



Climate Action

IPG has a long-standing plan to reduce our carbon footprint, as discussed in the **Climate Action** chapter. And we understand that the climate crisis will not be meaningfully addressed by any individual, company or country acting alone.

In 2022, IPG signed a letter to the U.S. president and legislative leaders, uniting with over 1,000 businesses from 50 states to voice support for ambitious climate legislation. The letter, organized by **America is All In**, urged leaders to adopt climate legislation to halve carbon pollution by 2030 by speeding up the transition to clean energy, investing in clean energy manufacturing, and targeting climate and clean energy investments in disadvantaged, rural and frontline energy communities.

IPG also signed on to a **letter** calling attention to the threat of misinformation and disinformation related to climate change ahead of the UN Climate Change Conference in November 2022. Signatories asked governments to formally recognize a universal definition of "climate disinformation and misinformation" and take action to prevent climate mis/disinformation being targeted at actors within the UN Framework Convention on Climate Change (UNFCCC) and beyond.

IPG's public policy work for clients also follows our ESG principles and commitments. In 2022, IPG became the first advertising holding company to publish its decision not to support or engage in marketing or communications aimed at influencing public policy that seeks to extend the life of fossil fuels. As part of IPG's review being applied to new clients, IPG and its affiliates now **proactively review** the climate actions and targets of prospective clients that operate in the oil, energy and utility sectors before accepting new work.

In 2022, IPG became the first advertising holding company to publish its decision not to support or engage in marketing or communications aimed at influencing public policy that seeks to extend the life of fossil fuels.

Data Privacy

IPG's Global Policy Program directly advocates to promote responsible marketing and advertising, data ethics and accountability as fundamental to competition and fair, trustworthy marketplaces. We support a federal privacy law and are supportive of the framework and **"Principles for Privacy Legislation"** championed by Privacy for America. We have also been distinct from others in our industry in expressing support for a federal data broker registry.

In 2022, IPG leaders played an influential role in policy-making on data privacy and related issues in the U.S. and in Europe. We have directly engaged with the U.S. Congress to advocate for a strong federal data privacy law – one that is balanced and includes personal data rights for all. We also provided expertise and advocated on behalf of advertising's value and regulation's impact on competition, the economy and democracy. Throughout the year, we submitted amendments to the leading U.S. federal privacy bill – the American Data Privacy Protection Act (ADPPA) – and testified to the U.S. Federal Trade Commission (FTC) on its Advance Notice of Proposed Rulemaking (ANPR).

IPG also contributed to the development of the "new UK GDPR," the UK's proposed Data Protection and Digital Information Bill, and advanced leading compliance constructs with EU data protection authorities in a series of Regulator Dialogues.

Healthcare Rights in the U.S.

In 2022, the U.S. Supreme Court eliminated the Constitutional right to an abortion when it overturned Roe v. Wade in the decision Dobbs v. Jackson Women's Health Organization, and several U.S. states have chosen to ban or further restrict access to abortion and related health services.

Amid this legislative and political uncertainty, IPG took a stand for women's fundamental human rights by updating our healthcare benefits to provide funding for travel to ensure employees and their families have consistent access to healthcare, including abortion care and other critical medical services.

Weber Shandwick's CEO also spoke out to emphasize that women's access to healthcare and women's equality are fundamental rights, and she announced support for employees to access reproductive healthcare as well as the company's preparedness to help clients navigate the cultural impact of the decision.

"In an industry that is majority women, a company that is majority women, and sitting on a leadership team that is majority women, we, as an agency, are with women."

– Gail Heimann, Weber Shandwick CEO



Industry Initiatives

IPG engages with policymakers principally through our membership in trade organizations, such as the **American Association of Advertising Agencies** (the 4A's). The 4A's works to advance social and civic goals by partnering with federal, state and local governments and facilitating *pro bono* efforts on the part of its members. IPG's Chief Sustainability Officer is a member of the 4As' Sustainability Task Force, which helps agencies and the industry develop solutions for climate action.

We are an active member and supporter of other trade associations and advocacy organizations on issues that affect our business and our industry. Among these trade associations are the **American Advertising Federation** (AAF), which focuses on protecting and promoting the well-being of advertising through a unique, nationally coordinated grassroots network of advertisers, agencies, media companies, local advertising clubs and college chapters.

IPG is also a member and supporter of the **Advertising Educational Foundation** (AEF), a not-for-profit foundation that creates and distributes educational content to improve the understanding and appreciation of the societal role of advertising and marketing through programs on college campuses across the country. The AEF's programs have continuously played a role in attracting high-achieving college graduates to our industry.

AMERICAN ASSOCIATION OF ADVERTISING AGENCIES

aaf american advertising federation

aef THE ANA EDUCATIONAL FOUNDATION

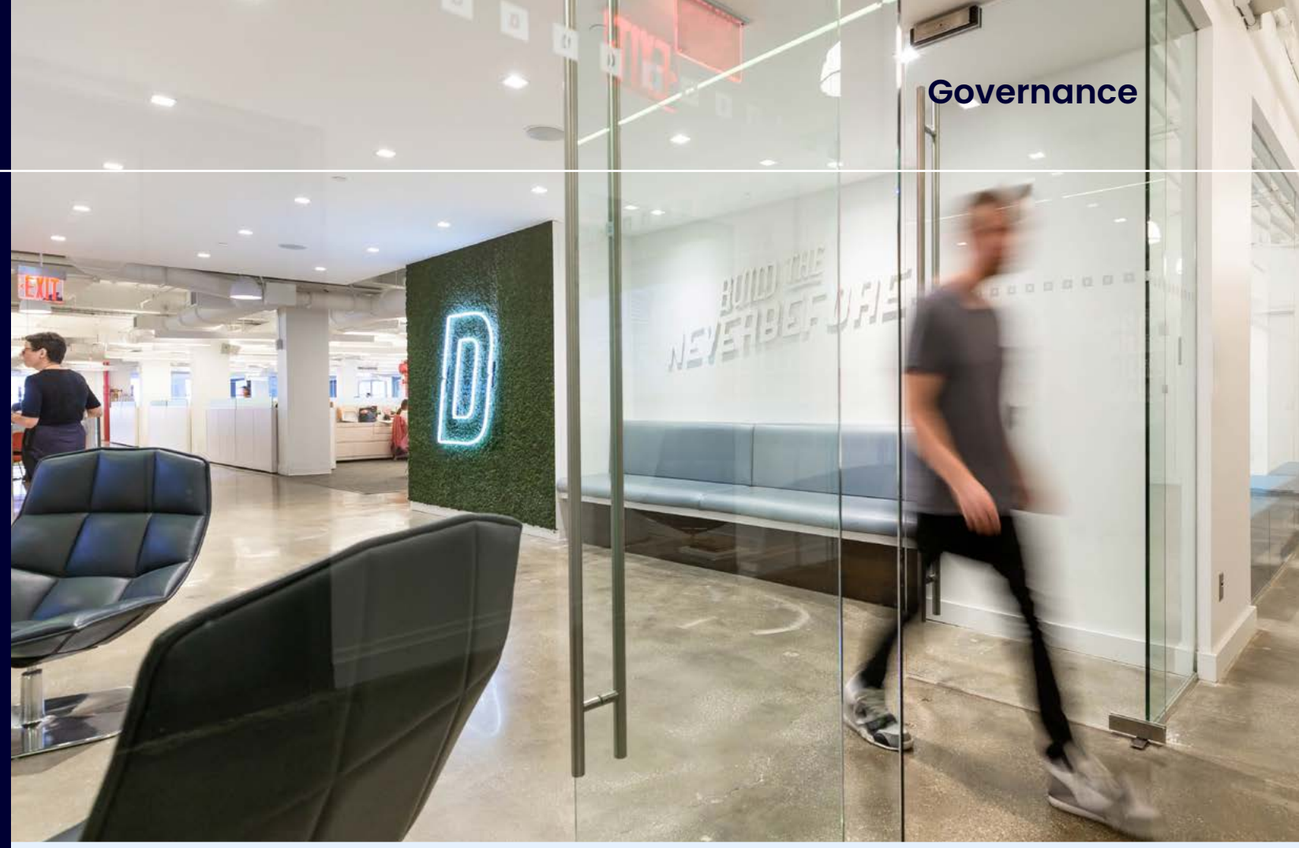
17 PARTNERSHIPS FOR THE GOALS

Data Ethics & Privacy

Core to IPG's values is responsible use of data, which informs nearly every part of our business. IPG has a responsibility to promote high standards in data management, privacy and security, and to ensure the ethical use of data.

The need to source and process data ethically remained of paramount concern for IPG in 2022, and IPG leaders took strong positions in support of consumer privacy, brand safety and data ethics.

IPG is keenly aware of the links between respecting privacy, safeguarding data and enabling trust. We therefore approach privacy as a business imperative and aim to be the lead advertising holding company in providing privacy-compliant services to ensure the ethical use of personal information, going beyond the requirements of existing privacy-related laws and regulations. This applies to stewardship of our clients' customer data, our partners' data, third-party data, business contact data and our employee and applicant data.



Recent Highlights

Implemented a privacy and data protection intranet site to provide our companies with privacy-related policies, training and guidance resources

Continued to monitor the rapidly evolving privacy regulatory landscape and partner with privacy champions at IPG companies to meet our compliance obligations

Acxiom & KINESSO: Media, Data & Technology Specialists

IPG companies **Acxiom** and **KINESSO** develop and activate data and technology-enabled marketing and advertising solutions that help our clients recognize, understand and connect with people. These companies are built on applied data ethics and digital responsibility, leveraging proprietary technology to enable confident, respectful, safe and secure use of a wide variety of data and technology capabilities. Many of these technologies and data assets have been engineered and evolved over several decades to ensure the ethical use of data. Additionally, we complement our proprietary technology capabilities with a select array of partners to help activate and measure advertising performance. We perform due diligence and ongoing oversight of these partnerships and the solution functionality to ensure our ethical standards are upheld.

IPG Company Spotlight

Speaking Out for a Principled Privacy Framework

Decades ago, **Acxiom** became one of the first companies in its industry to appoint a Chief Privacy Officer. Our commitment to responsible data use has steadily grown to become a central aspect of IPG's identity and competitive advantage.

Acxiom's privacy framework is built around the below principles:

- **Transparency, Access & Choice:** Individuals should be informed as to how information about them is used and should have choices about the dissemination of that information.
- **Compliance:** Acxiom fulfills all relevant regulatory requirements. Acxiom also seeks to conform to self-regulatory guidelines of trade associations in the countries where we conduct business.
- **Accuracy:** Rigorous quality control procedures ensure our information is as accurate as possible for our clients' marketing and internal marketing-related purposes.
- **Security:** Security procedures are designed to protect the information we collect, process and use, and to reduce the risk of an unauthorized person or business accessing the data we process.
- **Consumer Value:** We help our clients create consumer value – including offering innovative products and services to consumers for free or at low cost.
- **Awareness:** We educate our employees, clients and our industry about issues, laws and guidelines surrounding data privacy and Acxiom's privacy policies.
- **Ethical Relationships:** Acxiom pledges to conduct our relationships with clients, partners and vendors in an ethical and professional manner.

Data Ethics at Acxiom & KINESSO

Acxiom is a pioneer and thought leader in managing first-party data, with 50 years of expertise and leadership in ethical data use and best-in-class ethical standards on gathering data and respecting consumer privacy.

Acxiom's strong programs, coupled with IPG's long-standing commitment to transparency in media practices, provide a differentiated offering for clients. A key reason Acxiom has been successful is that privacy is embedded into the core of our business.

Acxiom supports brands via its compliance with data ethics and privacy regulations, including the General Data Protection Regulation (GDPR) and the California Consumer Privacy Act (CCPA).

Clients trust Acxiom to go above and beyond what is legally required to ensure that clients' customer data and additional data that Acxiom collects and makes available to clients is kept safe and used fairly. Acxiom believes ethical collection and management of data are both a legal and moral responsibility.

IPG Mediabrands has launched **KINESSO**, a tech-driven performance unit delivering real intelligence that moves brands forward. This 2023 launch is part of IPG's broader strategy to streamline operations and enhance efficiency by consolidating three major brands — Kinesso, Reprise and Matterkind — under the KINESSO banner.

While aiming to leverage the significant trends in the media landscape, KINESSO intends to harness the power of technology and data to create a more streamlined approach to client services. With a deep understanding of consumer behavior, KINESSO will offer comprehensive end-to-end media activation and optimization, global capability centers, and data and tech expertise — facilitating a more integrated approach to ensure success for clients.

KINESSO uses Acxiom's ethically sourced data, and other permissible third-party data, in the development of its KINESSO Intelligent Identity services and audience solutions. These capabilities are provided to clients to enable conscious marketing and advertising across connected channels, including for addressable advertising. KINESSO provides transparency and honors people's rights regarding their data. KINESSO's Privacy Notices and Privacy Rights Portal are available **here**.

"This is an important time in our history to build upon the collective success of Matterkind, Reprise and Kinesso. Positioned at the heart of IPG Mediabrands, KINESSO will expand horizons for our clients by prioritizing excellence in the future of media, superior value delivery and a commitment to innovation breaking down industry barriers."

– Eileen Kiernan, IPG Mediabrands Global CEO

KINESSO

Management of Information Security, Data & Privacy

IPG has made significant investments in privacy leadership, creating high-level roles at several of our companies and an IPG Corporate Privacy Office led by the **Global Chief Privacy Counsel**.

In support of our commitment to stewardship of client and partner data, and to continue providing our clients advanced services and trustworthy technology in data privacy, we have expanded our leadership roster to include an **SVP of Data Integrity & Public Policy**.

***IPG's Global Privacy & Data Protection Team members include:**

- Global Chief Privacy Counsel
- EMEA Regional Privacy Counsel, Assistant General Counsel, Global Privacy
- UK/EU Data Protection Officer
- Senior Counsel, Global Privacy
- Global Privacy Counsel
- EMEA Privacy Counsel
- GDPR Systems Manager

The following entities have responsibility for IPG's efforts in information technology security, data protection and privacy:

- Our **Global Privacy & Data Protection Steering Committee** is comprised of members of IPG's senior leadership, including: the General Counsel; CISO; SVP, Treasurer; SVP, Internal Audit; VP, Human Resources; and SVP, Corporate Compliance. The purpose of the Steering Committee is to advise and direct the privacy and data protection program. The Committee meets with the Global Privacy Team on a monthly basis to discuss current projects, objectives and anticipated challenges.

- Our **Information Security Steering Committee** is comprised of IPG's global IT and security leadership, and led by the CISO. The Committee meets every other month to discuss relevant threats, initiatives, technology, pilots and reporting on cybersecurity matters. It supports IPG companies around the world by helping to shape their strategies to detect and respond to internal and external cybersecurity threats.

- Our **Global Privacy & Data Protection Team*** is led by the Global Chief Privacy Counsel and is responsible for oversight of policies and programs on data privacy. The Team develops regulatory compliance materials and relevant policies and procedures; conducts vendor assessments; drafts and negotiates privacy and data protection agreements with clients and vendors; conducts training and awareness at IPG and its companies; and advises IPG's Privacy Champions at each company on their compliance obligations and requirements.

- Our **Chief Information Security Officer** (CISO) works closely with key stakeholders, including internal committees such as the Information Security Steering Committee, peer institutions and industry groups, to manage cybersecurity and information security risk. The CISO provides annual updates to the Board and its Audit Committee, as well as periodically throughout the year, regarding policies and practices, cybersecurity updates, industry trends and ongoing efforts to prevent, detect and respond to internal and external critical threats.

- Our **Chief Information Officer** (CIO) works closely with key stakeholders, including the Chief Information Security Officer (CISO), internal committees such as the Information Security Steering Committee, the vulnerability management working group and global IT leadership, to manage information technology and security risk. The CIO provides annual updates to the Board and its Audit Committee, as well as periodically throughout the year, regarding policies and practices, technology updates and industry trends.

- IPG has identified **Privacy Champions** across our network of companies. These Privacy Champions are responsible for implementing data privacy policies at their companies and for managing compliance efforts. They bring privacy and data protection inquiries to the attention of the IPG Global Privacy Team for guidance as needed.

*Board-level oversight related to information security and data privacy is discussed in the **ESG Strategy** chapter of this report.*

Protecting Privacy & Data

IPG is committed to ensuring the data privacy and security of our clients. We build privacy into our business strategies, allowing our network to create better solutions to help clients address their privacy needs.

We retain a staff of cross-functional experts comprised of privacy engineers, privacy legal specialists and compliance experts. This team partners with our companies and our clients to ensure we continue to focus on ethically sourcing data, evaluating advertising and marketing technology partners, and providing ongoing governance of the data in our care.

When we process customer data on behalf of our clients, we work to ensure those customers also retain control over their data. IPG has policies and programs in place to protect this data and assure appropriate use, including using it only for our clients' specified and permitted uses. We do not use client data for secondary purposes without appropriate permission. We also promote policies within the industry that would do the same.



Managing Security Risk

IPG has established a multi-year security program that incorporates aspects of industry-recognized security frameworks (e.g., NIST CSF, ISO 27001) to identify, protect, detect, recover and respond to security threats to our company. Continuous improvements will be deployed in the IPG information system environment to address security risk.

Below are some recent highlights of the program:

- Enhanced threat detection, monitoring and response capability
- Improved security management of cloud platforms
- Improved vendor risk evaluation process to mitigate vendor risk
- Continually enhanced software security program to protect digital assets
- Continually strengthened security for system and data access
- Enhanced privileged account management and network access controls
- Improved user awareness on security through phishing simulations and additional mandatory training

IPG maintains, and we require our third-party service providers to maintain, security controls designed to ensure the confidentiality, integrity and availability of our systems and the confidential and sensitive information we maintain and process.

Policies Supporting Data Ethics & Privacy

IPG is committed to transparent, accountable and ethical data use to power our marketing intelligence services. Several policies and other guidance documents are in place to support IPG employees and companies in fulfilling this commitment.

Protecting Personal Information: Our use of data must be transparent, fair, appropriately permissioned and respect individuals' preferences. The IPG **Code of Conduct**, which applies to all our companies and their employees, expresses IPG's respect for individuals' privacy, underlining the duty to protect personal information (PI) in accordance with applicable privacy and data protection laws wherever IPG conducts business. The Code underscores that PI should only be used for relevant and appropriate business purposes. In addition, IPG's companies are individually responsible for formulating policies that address their unique activities regarding data privacy and management.

IPG's commitment to protecting the PI of our employees, our clients and their customers is expressed in our comprehensive **Privacy Policy** (SP&P 605), which provides a detailed explanation of our privacy practices, including the type of PI that may be collected, used, disclosed and stored. Agencies are advised to delete customer PI of clients as soon as it is no longer needed. The policy also discusses certain data protection requirements, including organizational, physical and technical controls, as well as how to report violations of the policy. IPG's internal **data classification policy** (SP&P 625) pertains to data that is accessed, processed or stored by IPG or its companies. This policy defines the responsibility of IPG's employees, companies and service providers to classify information into one of four categories (restricted, confidential, proprietary and public), and then to properly use and safeguard the information according to its classification.

IPG's **Website Privacy Notice** describes the types of information IPG and its companies collect about individuals on IPG websites, how the information is used and shared, and the choices available regarding IPG's use of the information. The Website Privacy Notice also describes the measures IPG takes to safeguard PI, how long IPG retains it and how individuals can contact IPG about its privacy practices and to exercise their rights. IPG has a dedicated team of experts that defines the requirements of each of our companies' websites and ensures that IPG standards are implemented consistently. IPG provides guidance and support to our companies to help them with their specific website practices and policies.

In 2022, IPG adopted a set of **Responsible Media & Content Principles**. Among the seven principles is "Protect Personal Information." It calls on all IPG companies, including those involved with gathering and managing clients' customer data, to comply with all applicable laws and regulations governing data privacy and security so that personal data is kept safe and used fairly. Personal data should not be used in marketing communications or services in a way that discriminates against an individual or group of individuals, including in regard to their ability to access employment, housing or other products and services.

Client Confidentiality: All employees are prohibited from sharing proprietary or confidential information belonging to IPG, an IPG company, our clients or our partners. Confidentiality obligations on all employees are set out in the IPG Code of Conduct and internal policies including those related to responsible use of social media (SP&P 421). This means that employees may not share non-public client work, product developments, upcoming campaigns, financial or employee information, or proprietary methodologies of IPG or its companies.

Data Security: IPG's data security program has prioritized seven requirements regarding the data lifecycle. These requirements cover data inventory, application criticality (for structured data that resides in apps), data classification, data treatment (includes security architecture, encryption and configuration expectations), retention/destruction, backup and data-loss prevention.

IPG maintains policies and operational procedures to promote effective privacy protection and data management, including data protection impact assessments (DPIA) and privacy impact assessments (PIA), vendor assessments, and additional data governance procedures. Our DPIA and PIA programs align with the U.S. Office of Management and Budget's (OMB) M-03-22 and include processes to evaluate and document the use of data and technology against applicable laws and ethical standards to determine the impact to people and to ensure the responsible and respectful uses of data and technology.

IPG complies with privacy and data security laws and regulations across the markets in which we operate, including the General Data Protection Regulation (**GDPR**) in the EU and UK, the General Data Protection Law (LGPD) in Brazil and the California Consumer Privacy Act (**CCPA**).

IPG's **Physical & Environmental Security Policy** (SP&P 640) requires removing sensitive data by using a secure file deletion utility before disposing, selling or donating used computers and electronic storage equipment. Employees also must ensure that commercial software is removed from the machine to ensure they are not violating the terms of any software license agreements.

IPG has additional internal policies and procedures covering the following topics:

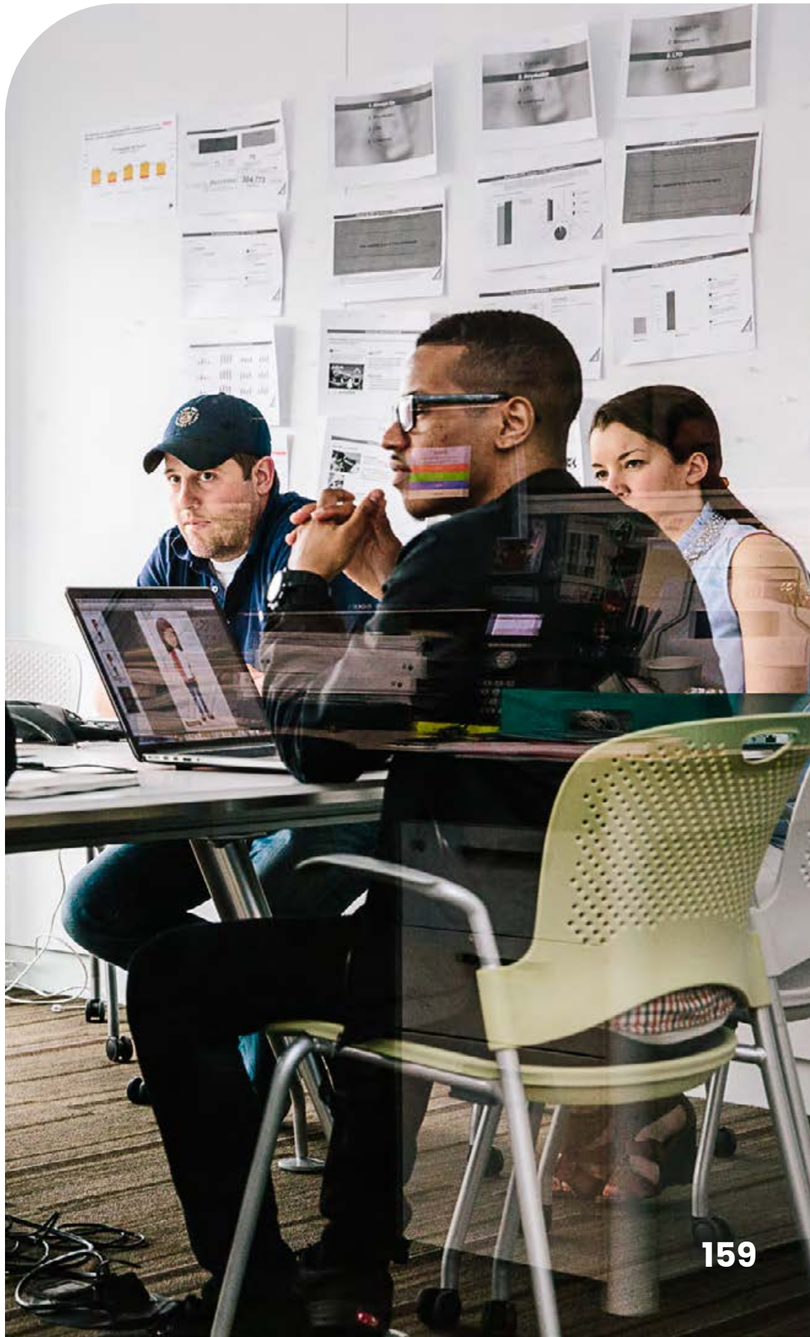
- Incident Response
- Information Security
- Data Classification
- Cloud Security
- Access Controls
- Remote Access
- Acceptable Use of IPG Information & Systems
- Information Exchange & Electronic Communications
- Internet of Things (IoT)
- Social Media

Audit & Compliance

IPG utilizes various measures and metrics to track compliance with policies and identify opportunities for improvement. Our measures and metrics include:

- Internal and external auditors review critical controls annually (including access, hygiene, change management and training).
- Our vulnerability management working group reviews the results of vulnerability scans to prioritize remediation. We track closure rate and prioritize action based on criticality.
- We use threat intelligence, threat models and security tools to continuously scan our landscape. Critical areas are escalated for review and action by the Information Security Steering Group.
- We use a leading program for attack surface management to identify vulnerabilities on our external perimeter, classify them and prioritize them for remediation.
- We regularly measure security operations – events, alerts, tickets and incidents – measured by mean time to detection and mean time to remediation.
- We measure the security posture of our third parties using Third-Party Risk Management (TPRM) software to obtain scores and metrics for measuring improvement.

IPG will take appropriate corrective action (up to and including termination) in the event of any violation of our data privacy policies.



Internal Audit: IPG leverages our internal audit team to help gauge compliance with our data privacy policies. The team conducts additional reviews at IPG's individual business units, as determined through a risk assessment model that covers a variety of metrics, including data privacy.

As part of our continued effort to enhance cybersecurity capabilities and stay abreast of emerging threats, IPG instituted an enhanced annual security testing program in 2014. This year's testing program was led by IT Audit, and was coordinated and performed by an independent third-party service provider.

Reporting Concerns: Any violations of IPG policies on privacy and data security are required to be reported to IPG's Global Chief Privacy Counsel, other members of the legal department or IPG's **Alertline**. IPG's CISO and the IPG Global Privacy Team jointly investigate incident reports involving PI.

Employees can contact **ESD@interpublic.com** or call **888-IPG-8778** to report suspected violations of laws, regulations or company policy.

The security testing includes the following assessments:

- **Internet assessment:** The internet assessment includes identification and testing of external-facing IPG hosts, including servers and network devices that are connected to and accessible through the public internet.
- **Intranet assessment:** The intranet assessment consists of a review of the IPG internal network infrastructure to identify vulnerabilities that could lead to access to sensitive information and privileged access on the internal network.
- **Wireless assessment:** The wireless assessment consists of a review of internal and guest wireless networks, as well as search for rogue access points at the test site.
- **Social engineering assessment:** The social engineering assessment consists of phishing emails to IPG's technical staff to determine what information or access could be gained (e.g., URLs for access, password resets, naming conventions).



Vulnerability Testing: IPG's IT Security team conducts regular exercises including: technical simulations to test people, processes and tools; threat hunts to scan for missing secure configuration; and tabletop exercises to prepare staff who are involved with incident response.

External attack and penetration testing is performed by a third-party on an annual basis, and vulnerability scans are run on all assets within the IPG Internet Protocol range on a monthly basis.

Simulated Hacking Attacks: Each year, IPG conducts an internal simulated hacking exercise and prioritizes the outcomes by risk. IPG uses an industry-recognized breach and attack simulation (BAS) software, which is run by a managed service provider and conducted as a simulated surprise attack to measure the effectiveness of our security controls.

Additional simulated hacking attacks are part of third-party external vulnerability analysis, where a simulated surprise attack is conducted on IPG's network both internally and externally each year.

Vulnerability Analysis: IPG uses several tools and a managed service provider to identify vulnerabilities in a manner consistent with the U.S. National Institute of Standards and Technology's (NIST) cybersecurity framework. We use vulnerability management software on all systems that have an operating system such as workstations, servers and cloud virtual machines. We run periodic threat hunts to identify any missing secure configurations and standard security controls. We also use threat hunts to search for emerging zero-day vulnerabilities that may not yet be classified by detection software. We use static and dynamic software scans to ensure that the software and platforms we build are free from defects, and we prioritize the remediation of any issues found.

In addition, agents on all workstations and servers report back daily on the state of vulnerabilities and patching status.

Third-Party Vulnerability Analysis: For our external third-party vendors, we use an industry-recognized software tool to conduct a vulnerability analysis that monitors vendors' cybersecurity scores and alerts IPG when a vendor has a significant change. We also use questionnaires to assess the security posture and understand vulnerabilities and risk based on the size and maturity of people, processes and technologies they have in place.

Employee Training & Awareness

IPG believes that privacy and data protection are everyone's responsibility. We engage with our employees and provide regular training to foster our data privacy culture.

IPG employees are required to complete trainings that cover security and privacy best practices and company policies:

- All employees are required to undergo training on data protection and information security covered in our mandatory annual Code of Conduct training. In 2022, IPG had a 96% completion rate for this employee training.
- All employees are also trained in this area through simulated phishing attacks. If an employee fails these exercises, they receive additional training, and repeated failures are addressed by managers through performance reviews or other means. Reports on phishing campaign results are sent to IPG and agency leadership on a quarterly basis.
- IT administrators are trained on secure use of admin accounts in the performance of their duties. IT admins have more privileges than regular users and therefore require additional awareness training on IPG security capabilities, controls, obligations and objectives.
- Non-developer employees are trained on threat modeling to ensure they are knowledgeable on approaches to effectively ensure security is built into all our projects and includes guidance on identifying and mitigating threats.
- IPG's human resources employees complete annual privacy and security training on the types of employee, beneficiary, applicant and other personal information which they may process on a daily basis. The training addresses department-specific recommendations, guidance and best practices.

In 2022, IPG's Global Privacy Team created an intranet site to provide all of our companies with a central location for privacy-related policies, training and guidance resources.

96%

Completion rate for employee training on data protection and information security

International Data Privacy Day

A Shared Responsibility for Protection

We regularly communicate with employees regarding the shared responsibility of protecting data and privacy. On International Data Privacy Day, we send an annual message to all IPG employees.

In 2022, IPG's General Counsel called on all employees to ensure that use of data is transparent, fair, appropriately permissioned and respects the individual's preferences. His email message also provided a reminder of how to contact IPG leadership with questions or client inquiries about privacy, data protection or the use of personal data.

Acxiom utilizes the Forge Institute, a cybersecurity training center, to increase employees' cyber defense skills.

Industry Initiatives

It is IPG's duty not only to protect and assure appropriate use of personal information, but also to promote policies within the industry that do the same. IPG companies are active participants in several industry initiatives focused on advancing data privacy, including International Data Privacy Week, advancing fair and balanced U.S. federal data privacy legislation, I-COM Data Ethics Council, and Digital University for Regulator series advancing fair and balanced regulatory approaches to data privacy and protection.



IPG companies are also affiliated with several organizations addressing privacy and information policy, including:

- Privacy for America - Steering Committee
- The Information Accountability Foundation
- The Center for Information Policy Leadership - Advisory Board
- The Future of Privacy Forum - Advisory Board
- Global Privacy Assembly
- International Association of Privacy Professionals (IAPP) - Education Advisory Board
- Global Privacy Alliance
- Business Roundtable - Privacy Working Group
- Association of National Advertisers (ANA) - Ethics Review Committee

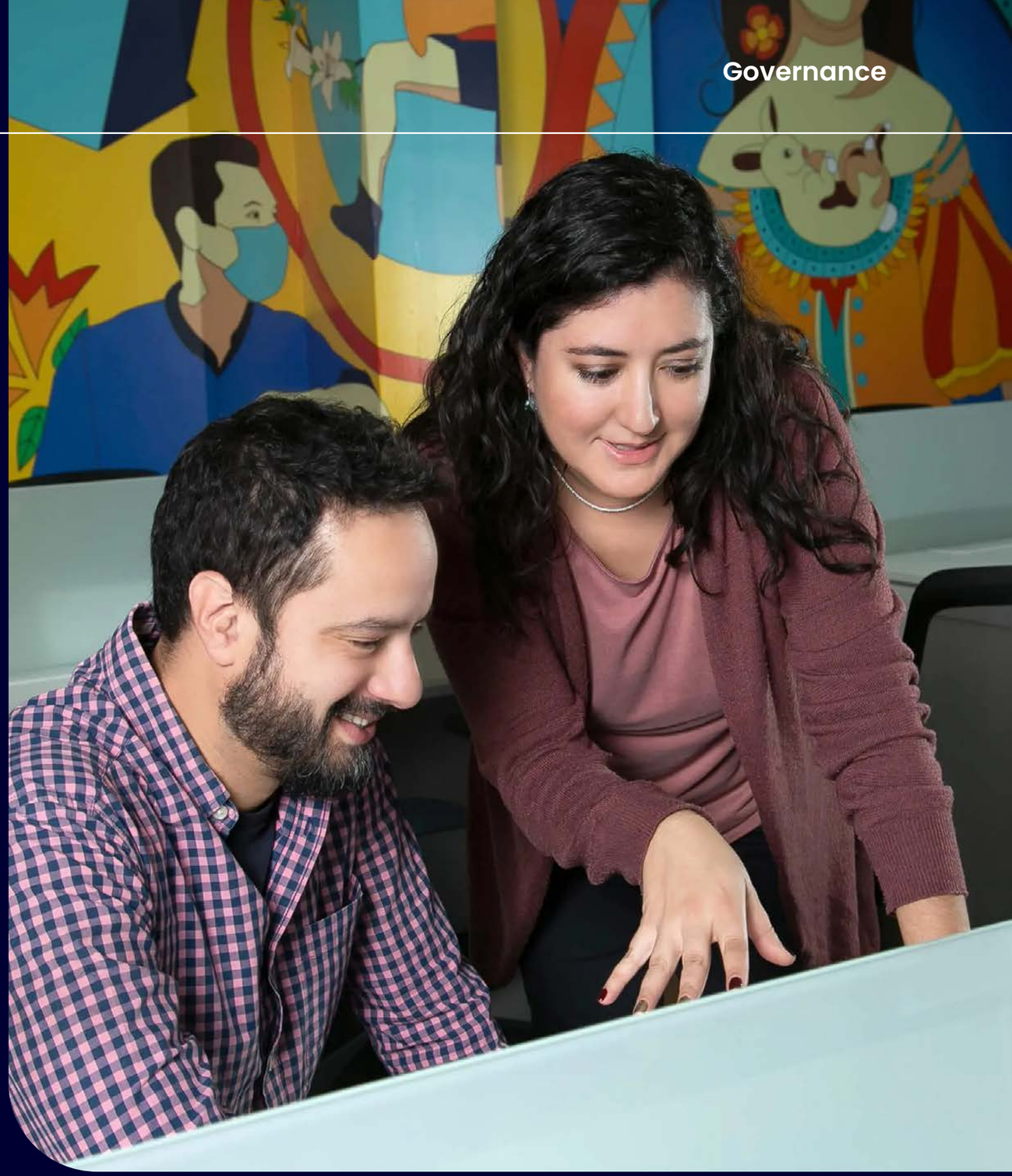
In 2022, our data privacy team engaged directly with policy makers around the globe and held seats at many key privacy organizations.

*For more information on our policy engagement related to data ethics and privacy, see the **Public Policy** chapter of this report.*

Responsible Media & Content

Our companies are responsible for creating some of the world's most recognizable marketing campaigns, and we expect our work to support the long-term well-being of our communities and our planet. IPG recognizes our opportunity to drive real change by using our strategic and communications skills to create a more accepting society, as well as to broaden perspectives and understanding.

As a leading provider of marketing solutions for clients around the world, IPG plays an influential role in determining what information consumers receive and how they receive it. We take our responsibility seriously in countering misinformation and disinformation as an element of good citizenship and ethical business conduct. We also work to eliminate stereotypes in our content, ensure it is environmentally responsible, promote diverse media and improve digital accessibility.



Policies Supporting Responsible Media & Content

In 2022, IPG led the industry when we established and published a set of **Responsible Media & Content Principles**. The Principles apply to all companies in the IPG network around the world, including employees and suppliers. Their goal is to make our marketing campaigns and choice of media channels consistent with ESG values and ensure they do not cause or contribute to harm.

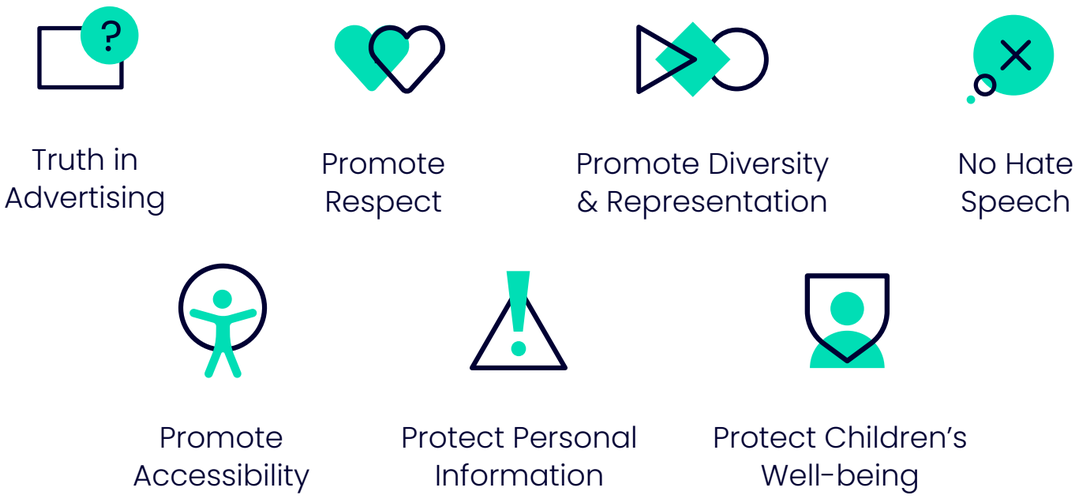
In addition to these principles, all marketing communications and services should be prepared in compliance with local customs and laws regulating these activities. IPG will take appropriate action to address any violation of these principles.

On a global basis, our operating policies require campaigns to adhere to industry guidelines for truthfulness in advertising and many other significant matters relating to advertising integrity.

"I'm really passionate about the role that we can play given the unique business that we're in. We understand the impact we can have because of our reach, and we take that seriously."

–Ellen Johnson, IPG Chief Financial Officer

Responsible Media & Content Principles



Programs & Initiatives

Tracking Media Responsibility

In 2022, **IPG Mediabrands** issued its Media Responsibility Index (MRI) 4.0, a quantitative report that raises industry awareness and standards around harm reduction for brands and consumers in digital advertising. The MRI enables clients to identify and invest in media outlets that support their values.

The **latest MRI** assessed platforms for accountability in four areas: safety, inclusivity, sustainability and data ethics. These priorities align with ESG frameworks and enable businesses to easily extend how they measure their ESG impacts to include media.





ENDORSED BY

GARM

Promoting Responsibility in Technology and Innovation: At CES 2023, IPG hosted its annual **Innovation Conversation event** – "Ecosystem of Responsibility" – which explored the roles that individuals, agencies, clients, creators and platforms play in responsible media, technology and innovation. Panelists from **MAGNA** and **UM** discussed the unpredictable nature of the media landscape and how to unlock new opportunities by putting people at the center of creativity and innovation.

Supporting Reliable Media

IPG **signed onto a letter** organized by Climate Action Against Disinformation and addressed to the CEOs of leading social media platforms regarding the threat of misinformation and disinformation related to climate change. Ahead of the 2022 UN Climate Change Conference, signatories called for action from social media platforms to create transparent plans to eliminate the spread of such content on their platforms, publicize a zero-tolerance approach to users and decline to publish ads that contain climate misinformation or disinformation.

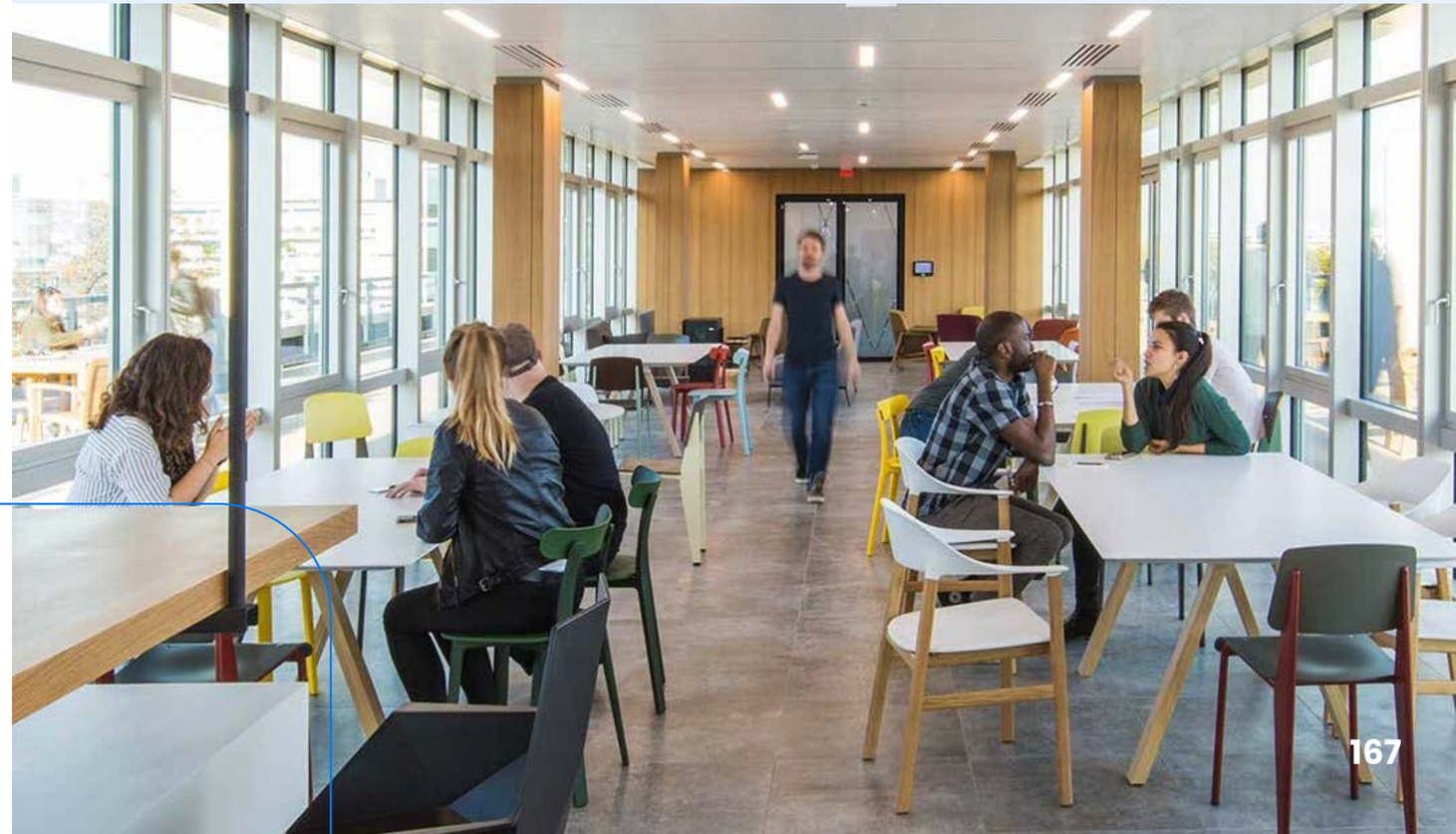
Partnering for Responsible Addressable Media

IPG is a member of the governing group of the **Partnership for Responsible Addressable Media**, launched in 2020 to protect critical functions of media and advertising while safeguarding consumers' privacy.

IPG Company Spotlight

Ensuring Green Claims are Accurate

McCann Worldgroup developed guidelines and held training workshops to help its employees partner with brands to avoid "greenwashing" and ensure that their green marketing claims are accurate.



Eliminating Stereotypes & Bias

IPG is a founding member and Vice-Chair of the **Unstereotype Alliance**, an organization convened in 2017 by UN Women, the United Nations' entity for gender equality. The Unstereotype Alliance seeks to eliminate harmful stereotypes in all media and advertising content. As a member, IPG and our companies strive to eliminate such stereotypes from marketing campaigns.

Additionally, IPG participates in and sponsors industry initiatives to highlight, celebrate and promote increased representation of women in client organizations and in media and technology industry organizations. IPG has partnered with organizations like Free the Bid and The Female Quotient. **Free The Bid's** pledge calls for ad agencies, production companies and brands to have at least one female director on every commercial production job. **The Female Quotient** provides advisory solutions and global exchanges to help organizations close gender equality gaps.





Promoting Diverse Media

The **Equity Upfront™** continues to accelerate support for diversely owned media businesses in order to redress gaps in the marketing industry by facilitating deep collaborations between these media partners and **IPG Mediabrands** clients. The week-long event, first held in 2021, established a new industry precedent for investment in diverse-owned media.

The second Equity Upfront took place in April 2022 with a focus on accelerating support for Black-owned media businesses as well as media partners with Asian, Hispanic and LGBTQ+ ownership. The 2022 event coincided with the release of **MAGNA**'s latest research on Black consumers and the launch of MAGNA's Equity Portal, an online resource exclusively available to Mediabrands' clients and affiliates that serves as a reference guide for those seeking to invest in trusted, diverse-owned media partners.

EQUITY BY MAGNA UPFRONT

IPG MEDIABRANDS

10 REDUCED INEQUALITIES

IPG Company Spotlight

Building the Case for Diverse Audiences

In 2022, MAGNA hosted Equity Sessions on a quarterly basis. The webinars featured nearly 100 diverse-owned media partners, and viewership surpassed 2,000 attendees. Sessions highlighted the strategic significance of diverse audiences and the need for brands to connect with them in authentic, culturally resonant ways on platforms with diverse ownership.

This work was informed by MAGNA's signature research, which continues to reveal the indisputable value of multicultural audiences. Reports including *The Black American Consumer* (February 2022), *Hispanic/Latino Americans: Driving Popular Culture* (October 2021) and *The Asian American Consumer* (May 2021) demonstrate the growing influence of diverse audiences and the power of representation.

Content Creation Benefits from Diversity & Equity

The CEO of **Weber Shandwick** moderated a **discussion** on media equity, asserting the value of diversity in creation of content for clients.

ACCESSIBLE BY DESIGN | current global

Improving Accessibility

Current Global is educating clients on making communications fully accessible to people of all abilities. As part of the **Accessible by Design** initiative, the Public Relations and Communications Association (PRCA) published the industry's first **Accessible Communications Guidelines**, pointing to tools and standards to make content inclusive for all.

*Examples of IPG companies' client work on accessibility are featured in the **Creative Work for People & Planet** section of this report.*

Creative Work in Support of Responsible Media & Content

IPG companies work with partners and clients on campaigns focused on eliminating stereotypes, fostering inclusion, promoting the empowerment of women and combatting discrimination and sexual violence.

*Examples of our work can be found in the **Creative Work for People & Planet** section of this report.*



Client Due Diligence

IPG proactively works with clients to advance environmental sustainability. When IPG adopted new climate commitments and targets in mid-2021, our CEO emphasized that "each of us has an important part to play – from our role as consumers and as thought partners to our clients."

Additionally, IPG is the first advertising holding company to publish its decision not to support or engage in marketing or communications aimed at influencing public policy that seeks to extend the life of fossil fuels.

For our existing clients whose businesses are carbon-intensive, we aim to positively impact their business transformation journeys, and we are committed to aligning all future IPG work on their behalf with IPG's sustainability values. At the same time, and fully consistent with our culture, no employee anywhere within IPG is ever required to work on an account that runs counter to their personal values.

In addition, in 2022 IPG **announced** a review process for prospective clients that operate in the oil, energy and utility sectors before accepting new work. The review is based on a set of questions including:

- Has the potential client set specific emission reduction goals that are aligned with 1.5°C ambition to achieve net-zero GHG emissions by 2050 or sooner with no greater than 10% off-setting?
- Is the company publishing clear climate reporting, including scope, baseline, timeline and the tracking of Scopes 1, 2 and 3 emissions?
- Are the potential client's goals in line with the goals IPG has made in our own ecosystem and **reported on publicly**?
- Has the company ceased any controversial form of oil and gas production?

Since putting this review policy in place, we have, on multiple occasions, turned down potential new business opportunities.

13 CLIMATE ACTION

Protecting the Climate

IPG recognizes a growing focus and sense of immediacy regarding climate change around the world. In this context, advertisers have an opportunity to use this conversation to drive stronger impact.

"Climate change is important to everyone, because it affects everyone. But in advertising we have a special responsibility because we are able to reach huge audiences. When we take that responsibility seriously, there is a lot we can do."

– Jemma Gould, IPG Chief Sustainability Officer

Creative Work for People & Planet







As a leading global provider of marketing solutions, IPG recognizes the impact that our business activities can have on the world around us. We therefore strive to use our platforms to help create a healthier planet and a better society. In line with our values, IPG is committed to the Sustainable Development Goals (SDGs) – part of the UN's 2030 Agenda for people and planet. The **17 SDGs** address critical aspects of environmental and social protection and inclusive prosperity.

IPG companies regularly work with partners and clients on campaigns that are designed to eliminate stereotypes, foster inclusion, combat violence, promote good health, mobilize voters, and drive climate action and sustainable consumption.

In 2022, IPG companies across the globe created campaigns that support these objectives, highlighted in the following pages.

No Schoolgirl Left Behind: By **MullenLowe Sri Lanka** for Eva

Introduced more affordable menstrual products in Sri Lanka to combat period poverty and ensure that the cost of menstrual products doesn't keep students out of school during their periods.
Read More

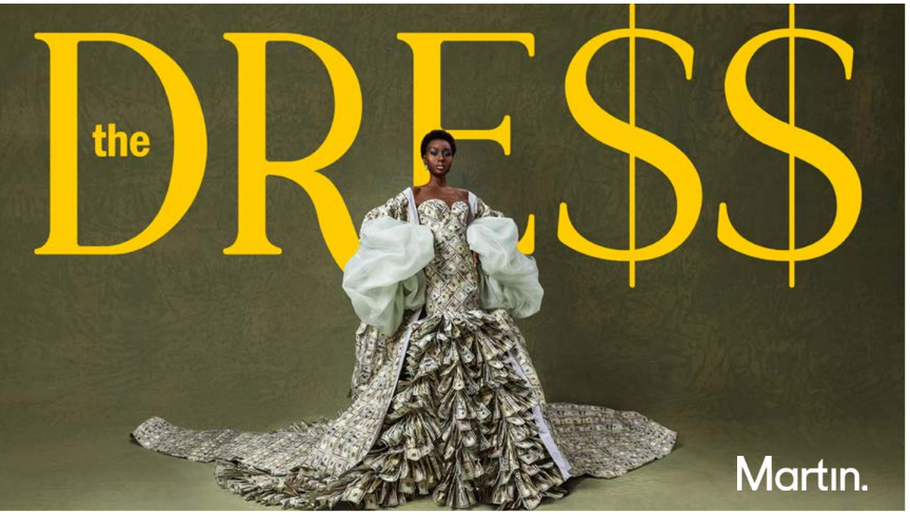
From Shop to Pantry: By **MullenLowe Group UK** for Co-op

Collaborated with rapper Big Zuu to spotlight Your Local Pantry, a network of food shops bringing food to communities across the UK.
Read More

Equitable Skin Health & Information: By **Golin** for Neutrogena

Launched "For People with Skin" campaign with a new annual ceremony hosted on TikTok, featuring Kerry Washington, addressing disparities in skin healthcare for Black and brown skin.
Read More













Children as Agents of Health: By **MullenLowe Accra** for the Ghana Health Service and the Ghana Education Service

Launched an animated series to inspire children to be positive agents of change in health, sanitation and education.
Read More

Buying Ad Space for Cleaner Air: By **UM Australia** for Lion

Launched Australia's first carbon-neutral, alcohol-free beer. The out-of-home campaign used paint that cleans the air to demonstrate environmentally-friendly media buying practices.
Read More

Better Education with Black Male Teachers: By **Golin** for General Mills

Supported Black Men Teach in achieving its goal to increase Black male representation in participating schools to 20% by 2025 – increasing students' likelihood of graduating from high school.
Read More

A More Accepting Society for Trans Children: By **FCB India** and **FCB Chicago** for UNAIDS

Launched the "Unbox Me" campaign to increase acceptance and empathy for transgender children in India, where over 90% of transgender people leave their homes by age 15.
Read More

Gender Wage Gap on the Runway: By **The Martin Agency** for TIAA and Fe Noel

Debuted couture gown stitched with artificial money during New York Fashion Week. Emphasized that women could lose $1.6 billion in retirement savings due to the gender wage gap. Garnered more than $1 billion in earned media.
Read More











Reaching the Last "I'm Sorry": By **Neon** for the Safe in Harm's Way Foundation and DomesticShelters.com

Placed out-of-home campaigns in highly visible public areas to highlight emotional manipulation as an aspect of control and abuse, and offer services to help.
Read More

Master Class in Stopping Harassment: By **McCann Paris** for L'Oréal Paris

Developed a training video featuring Eva Longoria showing how to safely intervene when encountering harassment in public spaces.
Read More

Collectively Driving Net Zero: By **FCB Inferno** for NS&I Bank

Launched "Green Savings Bonds," enabling UK savers to put their money toward environmentally sustainable projects, with a low minimum investment amount. Advanced UK government's goal of net-zero emissions by 2050 by supporting zero-emission buses, offshore wind and flood defenses.
Read More

Building Business Case for Indigenous Sourcing: By **FCB Canada** and **UM** for BMO

Campaign highlighted an Indigenous business owner who received a BMO loan to move into a larger production space for her soap company, which is based on the traditional territory of the First Nation of Na-Cho Nyäk Dun and uses ingredients from the Boreal Forest. BMO has committed to spending $10 million a year with Indigenous businesses across Canada by 2023.
Read More

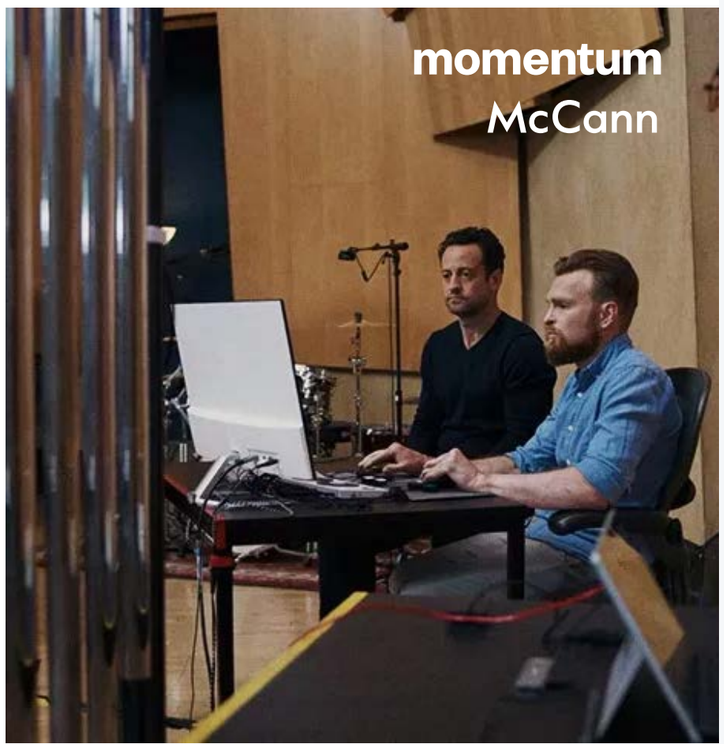
Meaningful Representation in Toys: By **Weber Shandwick** for American Girl

Introduced skier Corinne Tan as first Chinese American Girl of the Year. Taught children about xenophobia and anti-Asian racism and inspired children to be allies for each other.
Read More









Paving the Way to Safer Roads: By **FCB Wellington** for Waka Kotahi (New Zealand's transport agency)

Launched two ads as part of public awareness campaign of "Road to Zero," New Zealand's campaign for road safety. Advanced goal of 40% fewer deaths and serious injuries on New Zealand roads by 2030 and zero by 2050.
Read More

Dyslexic Thinking as Workplace Advantage: By **FCB Inferno** for Made By Dyslexia

Collaborated with Sir Richard Branson, LinkedIn and Dictionary.com to include dyslexic thinking as an official Dictionary.com term which LinkedIn members can list in their professional profiles. Redefined dyslexia as a set of positive traits, fostered understanding of cognitive diversity and its workplace value.
Read More

Music by Veterans, for Veterans: By **McCann London** and **Momentum Worldwide** for Microsoft and Invictus Games Foundation

Showcased the use of bespoke technology and Xbox adaptive controllers to create an orchestra of instruments that can be played with limited hand mobility. Enabled wounded, injured and sick service personnel and veterans to take part in the Invictus Games by composing and playing an anthem for the Games.
Read More

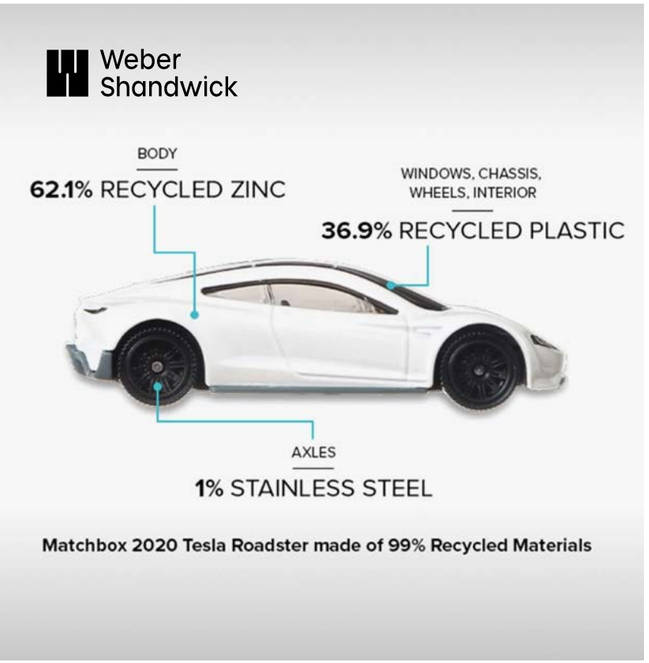
Freeing Grocery Stores of Waste: By **Initiative** for Unilever

Built a supermarket refillery to provide package-free shopping for groceries and showcase the "Waste Free World" campaign.
Read More











Mobile Gallery for Sustainable Products: By **GGH MullenLowe** and **The Martin Agency** for UPS

Decorated UPS delivery vehicles throughout Germany with artwork highlighting 10 small businesses that use UPS to ship sustainable products, showcasing visual artists at the same time.
Read More

Electric Driving for Good and Evil: By **McCann** and **Weber Shandwick Detroit** for General Motors

Created Super Bowl ad for electric vehicles, featuring Dr. Evil as he tries to stop climate change – but only so he can destroy the world on his own terms.
Read More

Playing with Less Plastic: By **Weber Shandwick** for Mattel

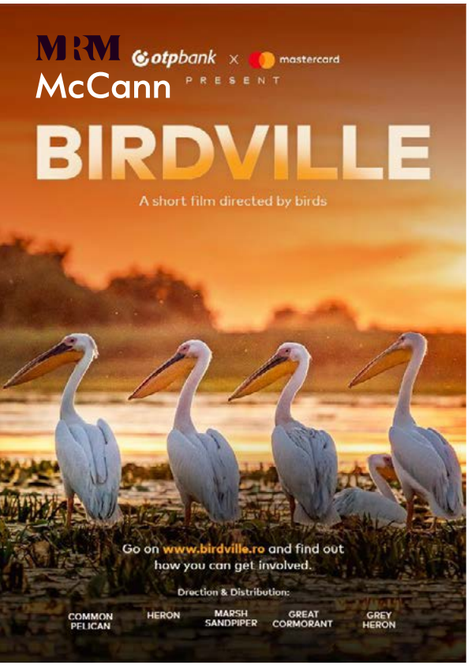
Supported launch of sustainable offerings for MEGA and Matchbox toys, including the first-ever carbon-neutral toy line for mass retail. Advanced Mattel's goal of using 100% recycled, recyclable or plant-based materials in all products and packaging by 2030.
Read More

Pushing Back for Plant-based Food: By **McCann London** for Birds Eye Green Cuisine

Launched billboards that cover up chicken ads. Accompanying animated films featured children challenging their parents for not choosing plant-based food.
Read More

Banking in Harmony with the Ocean: By **FCB Malaysia** for RHB

Introduced first debit card in Asia made from ocean plastic, which directed consumer donations to sea turtle research.
Read More











Protecting Freedom for Wildlife: By **MRM Romania** and **McCann Bucharest** for Mastercard and OTP Bank

Created a short film directed by birds – using video cameras activated by birds' movement – to showcase the Danube Delta's rare level of biodiversity, which is threatened by tourism and business development.
Read More

From Boarded Up to Turning Out: By **FCB** for the City of Chicago

The "Boards of Change" campaign celebrated a project that built voter registration booths out of plywood from boarded up storefronts during the protests after George Floyd's murder.
Read More

The Visible Toll of Gun Violence: By **McCann** for March for our Lives

Created a film from a demonstration that laid out body bags on the National Mall in Washington, DC, to illustrate lack of action on gun violence.
Read More

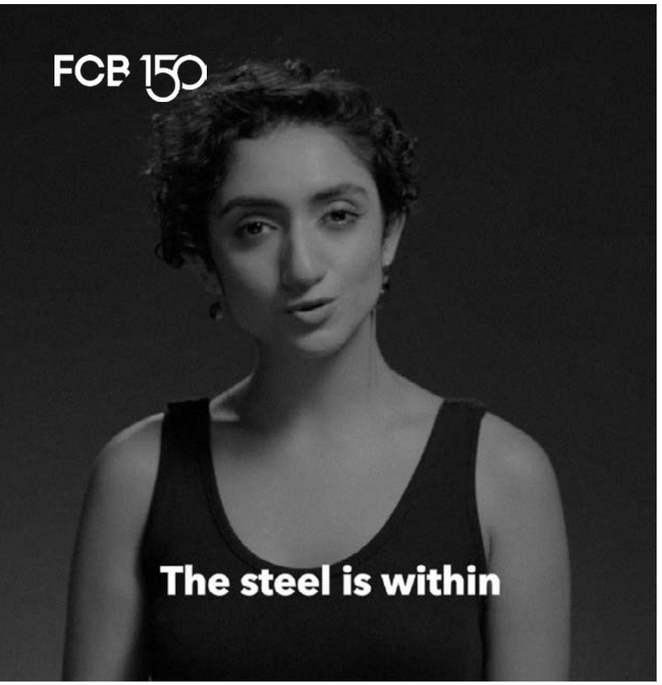
Sweet Apologies from the Internet: *Pro bono* campaign by **MullenLowe MENA**

Promoted online safety with "Chocapologies" – printed with messages of apology for cyberbullying, on behalf of the internet.
Read More

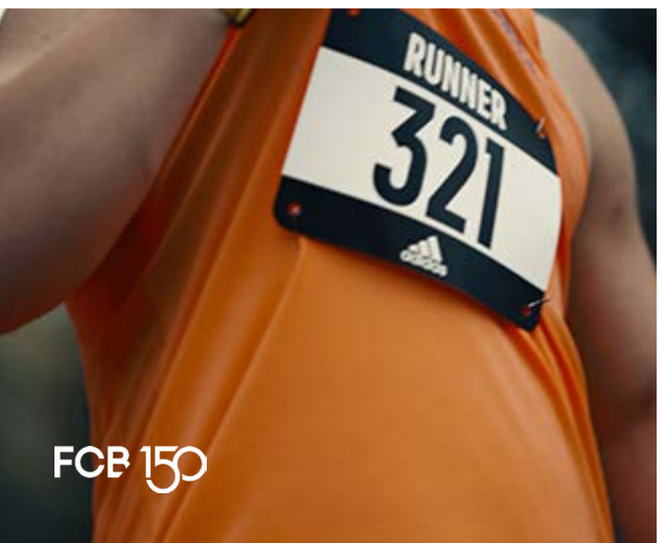
More Ethical Online Businesses: By **Huge** for "Catfish" host Nēv Schulman and Zelle

Helped educate people on how to avoid scams when using payment platforms and Facebook Marketplace.
Read More

Award-Winning Work









Recognition for Gender-Inclusive Work: By **Lowe Lintas** for Vim, **Mullen Lintas** for Saffola, **FCB India** for UNAIDS, and **FCB India** for Elegant Steel

Business Insider India recognized gender-inclusive work from several IPG companies.
Read More

Gold Lion for Sustainable Fashion Collection: By **Prime Weber Shandwick** for H&M Foundation

Created a collection of garments, each representing an innovation that could make fashion more sustainable. One fashion-innovation startup closed a seven-figure funding round and began scaling up its technology.

The campaign won a Gold Lion in Design at the 2022 Cannes Lions International Festival of Creativity.
Read More

Making Space for Neurodivergent Athletes: By **FCB Canada** for adidas

Created a film that spotlights Chris Nikic, the first athlete with Down syndrome to finish an Ironman triathlon. In all six of the world's major marathons (Berlin, Boston, Chicago, London, New York and Tokyo), bib 321 – the medical identifier for Down syndrome – was reserved for neurodivergent runners.

The campaign won the Grand Prix award at the 2023 Cannes Lions Festival.
Read More

Support for Farmers' Transition: By **FCB Chicago** and **FCB New York** for MichelobULTRA

Created a film about Michelob's offer to U.S. farmers to switch to organic farming, with a guarantee of buying their eventual yield to produce organic beer. Financially supported farmers to switch from conventional to organic crops; positions farmers to sell future organic yield to food companies.

The film won the Creative Effectiveness Grand Prix at the 2022 Cannes festival.
Read More

About this Report

This 2023 ESG Report provides an annual update on our sustainability journey. IPG pursues continuous improvement of our programs by contributing to the global development of sustainability practices and reporting on those initiatives. We recognize the importance of transparency and are committed to reporting on our ESG disclosures on an annual basis.

*IPG has been reporting on our sustainability performance and publishing related reports since 2015. Our historical sustainability reporting can be found **here**.*

This report primarily covers data and metrics related to the 2022 calendar year from January 1, 2022, to December 31, 2022, unless otherwise noted. IPG also made great strides in our sustainability journey during 2023, and some of this progress is highlighted throughout the report where indicated.

As a global holding company, IPG has worked diligently to increase our emissions inventory monitoring and reporting boundary to include our entire network of operations. This multi-year project has included incremental scope increases every year since 2014. Beginning with our 2019 emissions inventory, we accomplished the incorporation of 100%[1] of our locations and offices worldwide - representing over 350 facilities. Our historical energy and emissions inventories prior to 2018 are based on a reduced scope of operations.

To inform perspectives on trends regarding our environmental footprint, it's important to consider our global business restructuring initiative to reduce our office space, which in turn helps to reduce our overall carbon footprint. The program launched during the pandemic in 2020, and by year-end 2022, it has resulted in a total reduction of 2.8 million square feet globally, representing an approximate 28% cut of our occupied spaces.

*Additional energy and emissions disclosures can be found in our **2023 CDP Response**.*

IPG is continually exploring opportunities to improve workforce and employee data tracking across our 100 companies globally. The scope of our reporting around workforce data is indicated throughout the report, where relevant. For example, our gender diversity data is available for our entire operations globally, while minority and ethnicity data are provided for our U.S. operations only. Some workforce data may only be available at the corporate level.

This report was prepared in alignment with various reporting frameworks including the **Global Reporting Initiative** (GRI) Universal Standards, **Sustainability Accounting Standards Board** (SASB) Advertising & Marketing Standards, the **Task Force on Climate-related Financial Disclosures** (TCFD) recommendations, and the Ten Principles of the **UN Global Compact**. Our disclosures and initiatives are also mapped by relevance to specific **UN Sustainable Development Goals** (SDGs). As a participant of the UN Global Compact, we also submit our annual Communication on Progress.

*Specific alignment with these reporting frameworks can be found in the **Appendix** of this report.*

PricewaterhouseCoopers LLP (PwC) performed a limited assurance engagement on certain greenhouse gas emissions metrics and certain employee diversity metrics for the year ended or as of December 31, 2022.

*See PwC's Report of Independent Accountants on **page 193**.*

We welcome your review and engagement on IPG's ESG reporting practices, as we continue enhancing our work in this area. Please send inquiries to **Jemma Gould**, IPG's Chief Sustainability Officer (CSO).

1 - All data for RafterOne, which was acquired by IPG in October 2022, has been excluded from the reported metrics due to limited availability of data.

Our performance data and frameworks to measure progress

Appendix

Environmental Data

Environmental Data[1]	Unit	2022	2021	2020	2019	GRI Link
Operational Data						
Total Revenue	$ in Millions	$10,923	$10,241	$9,061	$10,221	-
Total Employees	#	58,400	55,600	50,200	54,300	
Total Locations	#	351	360	408	368	
Total Square Footage	sq ft	9,326,316	10,035,188	11,116,946	10,443,054	
GHG Emissions Data						
Total Scope 1 Emissions	$MTCO_2e$	11,193	9,350	6,803	7,316	305-1
Natural Gas	$MTCO_2e$	7,856	5,884	4,672	4,669	
Other Fuels [2]	$MTCO_2e$	140	140	32	204	
Refrigerant Losses	$MTCO_2e$	3,197	3,326	2,099	2,443	
Total Scope 2 Emissions (location-based)	$MTCO_2e$	36,553	38,854	60,385	85,205	305-2
Electricity	$MTCO_2e$	34,194	36,146	58,723	83,673	
District Heat (Steam)	$MTCO_2e$	1,733	2,464	1,662	1,483	
Chilled Water	$MTCO_2e$	625	244	0	50	
Total Scope 2 Emissions (market-based)	$MTCO_2e$	29,293	35,988	63,674	88,787	305-2
Electricity	$MTCO_2e$	26,935	33,280	62,012	87,254	
District Heat (Steam)	$MTCO_2e$	1,733	2,464	1,662	1,483	
Chilled Water	$MTCO_2e$	625	244	0	50	
Total Combined Scope 1 + 2 Emissions (location-based)	$MTCO_2e$	47,746	48,204	67,188	92,521	305-1 305-2
Total Combined Scope 1 + 2 Emissions (market-based)	$MTCO_2e$	40,486	45,338	70,477	96,102	
Total Scope 3 Emissions [3]	$MTCO_2e$	432,314	350,419	319,611	540,474	305-3

1 - Each year IPG may have slight updates and improvements to our GHG emissions inventory methodology which are detailed in each year of our reporting. Our 2022 data methodology is discussed in the management assertion letter at the back of this report, while prior years' methodology can be found in the management assertion letter of our prior reports.

2 - "Other Fuels" includes emissions mostly from diesel, with small amounts of gasoline and petrol included in the 2019 and 2021 data.

3 - Category 4: Upstream transportation and distribution is included under Category 1: Purchased goods and services.

Note: Reported data may not total due to rounding to the nearest whole number. Currency-related data is reported in USD.

Environmental Data[1]	Unit	2022	2021	2020	2019	GRI Link
GHG Emissions Intensity[4]						
GHG Emissions (Scope 1 + 2) per employee	$MTCO_2e$ per employee	0.69	0.82	1.40	1.77	305-4
GHG Emissions (Scope 1 + 2) per square feet	$MTCO_2e$ per sq ft	0.0043	0.0045	0.0063	0.0092	
GHG Emissions (Scope 1 + 2) per total revenue	$MTCO_2e$ per $	0.0000037	0.0000044	0.0000078	0.0000094	
Energy Data						
Total Energy Consumption	MWh	152,156	150,155	191,049	253,288	302-1
Total Direct Energy Consumption	MWh	42,332	31,903	25,887	26,585	
Natural Gas	MWh	41,782	31,354	25,781	25,764	
Other Fuels[2]	MWh	550	549	106	821	
Total Indirect Energy Consumption	MWh	109,824	118,252	165,162	226,703	
Electricity	MWh	97,825	103,610	155,533	217,940	
Chilled Water	MWh	2,538	898	0	342	
District Heat (Steam)	MWh	9,461	13,744	9,629	8,421	
Energy Intensity						
Energy Consumption per employee	MWh per employee	2.61	2.70	3.81	4.66	302-3
Energy Consumption per square feet	MWh per sq ft	0.016	0.015	0.017	0.024	
Energy Consumption per total revenue	MWh per $	0.000014	0.000015	0.000021	0.000025	

1 - Each year IPG may have slight updates and improvements to our GHG emissions inventory methodology which are detailed in each year of our reporting. Our 2022 data methodology is discussed in the management assertion letter at the back of this report, while prior years' methodology can be found in the management assertion letter of our prior reports.

2 - "Other Fuels" includes emissions mostly from diesel, with small amounts of gasoline and petrol included in the 2019 and 2021 data.

4 - GHG Emissions Intensity metrics were calculated using Scope 2 market-based emissions.

Note: Reported data may not total due to rounding to the nearest whole number. Currency-related data is reported in USD.

Workforce Productivity Data

Workforce Productivity Data	Unit	2022	2021	2020	2019
Total Global Employees	#	58,400	55,600	50,200	54,300
Total U.S. Employees	#	25,000	23,300	21,100	22,400
Total Assets	$	$18,845.0	$19,909.2	$18,042.7	$17,751.9
Total Revenue	$	$10,927.8	$10,241	$9,061	$10,221.3
Net Revenue	$	$9,449.4	$9,107.9	$8,064.5	$8,625.1
Domestic	$	$6,157.7	$5,763.1	$5,211.4	$5,386.1
United Kingdom	$	$742.2	$781.5	$664.3	$727
Continental Europe	$	$764.6	$799.7	$683.6	$742.4
Asia Pacific	$	$772.7	$791.4	$710.5	$858.3
Latin America	$	$423.6	$396.4	$323.4	$389.9
Other	$	$588.6	$575.8	$471.3	$521.4
Net Revenue per FTE	$	$161,804.79	$163,811.15	$160,647.41	$158,841.62
Adjusted Net Income Available to IPG Common Stockholders	$	$1,085.7	$1,036.9	$680.2	$756
Adjusted Net Income per FTE	$	$18,590.75	$18,649.28	$13,549.80	$13,922.65
Adjusted Operating Expenses [1]	$	$7,965.8	$7,661.1	$7,062.3	$7,507.2
Total Employee-related Expenses [2]	$	$6,258.3	$5,975.4	$5,345.0	$5,568.8
Salaries as a % of Adjusted Operating Expenses	%	79%	78%	76%	74%
USD currency amounts are presented in Millions, except “per FTE” amounts.					

1 - IPG’s reported “Adjusted Operating Expenses” represent adjustments for our billable expenses and restructuring charges each year.

2 - IPG’s reported “Total Employee-related Expenses” include base salaries, benefits and payroll tax, incentive expense, severance expenses, temporary help and all other salaries and related expenses.

Employee Training Data

Training Course	2022 Employee Course Completion	2022 Training Hours	2022 Course Completion Rate[1]: from required employee groups
Code of Conduct			
New Hires	10,480	4,821	83%
Current Employees	54,694	39,375	96%
Data Protection & Information Security	54,694	39,375	96%
Anti-Harassment Training [2]			
Employees & Supervisors	19,819	26,291	83%
California Employees & Supervisors	1,726	3,642	72%

*More information on training, learning and development are available in the **Human Capital Management** chapter of this report.*

1 - In 2022, we continued to experience technical challenges with our training platforms which impacted overall participation rates.

2 - IPG provides anti-harassment training to all new hires in the U.S. and to senior managers outside the U.S. Every two years, we retrain California managers, and every four years, we retrain all U.S. employees.

U.S. EEO Workforce Diversity & Inclusion Data[1, 2]

	Women			White			Black or African American			Asian American			Hispanic or Latino			Other[3]		
Level	**2022**	**2021**	**2020**	**2022**	**2021**	**2020**	**2022**	**2021**	**2020**	**2022**	**2021**	**2020**	**2022**	**2021**	**2020**	**2022**	**2021**	**2020**
Senior/Executive Level Managers	50.7%	49.6%	48.1%	79.0%	80.4%	82.3%	4.7%	4.7%	4.2%	7.7%	7.1%	6.5%	5.8%	5.2%	5.0%	2.8%	2.6%	2.0%
First/Mid Level Managers	60.7%	59.7%	59.0%	71.6%	73.8%	76.0%	5.8%	5.2%	4.5%	10.6%	10.2%	9.6%	9.1%	8.0%	7.4%	2.9%	2.8%	2.5%
Professionals	61.3%	61.1%	60.0%	63.5%	64.4%	68.2%	9.9%	9.3%	7.6%	12.5%	12.6%	11.6%	10.4%	10.0%	8.9%	3.7%	3.8%	3.7%
Total U.S. Workforce	60.7%	-	-	68.2%	-	-	8.0%	-	-	11.1%	-	-	9.4%	-	-	3.3%	-	-

*For more information around IPG's workforce diversity and inclusion data, disclosures, strategy and initiatives can be found in the **SASB Table** and **Diversity, Equity & Inclusion** chapter of this report.*

1 - Our workforce representation data reported here encompasses approximately 99% of our U.S. workforce. Due to this scope the data reported here differs from other references throughout the ESG Report.

2 - The diversity data reported in the management assertion of this report (pg. 194) presents employees who did not self-report their race/ethnicity, which differs from the data presented in this table. The data in this table is not subject to the limited assurance engagement.

3 - Our overall U.S. diversity data is in accordance with the Equal Employment Opportunity Commission's (EEOC) Employer Information EEO-1 report (EEO-1 Survey). "Other" includes the following EEO classifications: American Indian or Alaska Native, Native Hawaiian or Other Pacific Islander, and "Two or More Races."

IPG 2023 TCFD Table

SDG MAPPING: 13

This is IPG's third publication utilizing the Task Force on Climate-related Financial Disclosures (TCFD) recommendations. The below 2023 TCFD Table discloses information from the 2022 calendar year, and has been published in conjunction with IPG's 2023 ESG Report and 2023 CDP Response. These report publications are supplementary to one another, disclosing on the same calendar year.

TCFD Disclosure	IPG Reference Location	IPG Response
Governance		
a) Describe the board's oversight of climate-related risks and opportunities.	**2023 ESG Report** Climate Action, pages 40-42 **2023 CDP Climate Response** C1. Governance, pages 3-5	IPG's Board of Directors, including our CEO and Chairman, has overall responsibility for the oversight and management of the company's risks, including those caused by climate change and other implications of climate change as it affects IPG. Within the Board of Directors, the Corporate Governance and Social Responsibility Committee has primary responsibility for IPG's ESG-related policies and practices, including those specific to climate change. Our Board and its committees are kept informed on climate-related issues through direct communication with our Chief Financial Officer (CFO) and the Chief Sustainability Officer (CSO). The CFO is the executive sponsor of IPG's ESG programs and oversees the ESG Steering Committee, described below. The CFO collaborates with our General Counsel, reports to the CEO on related risks and strategy and reports to the CEO. The CSO is designated with overseeing IPG's efforts on ESG-related issues at the consolidated corporate level. Her responsibilities include monitoring climate action performance, while assessing and managing climate-related risks and opportunities. The CSO formally reports to the Board on an annual basis, with written updates quarterly. The CSO also reports to the SVP of Global Communications. IPG's ESG Steering Committee, a management-level committee, is overseen by the CFO and includes representatives from IPG's various business functions, including Human Resources; Diversity, Equity and Inclusion; Communications; Information Technology; Real Estate; Procurement; Investor Relations; Travel; Legal; Finance; and Controllers. This mix of individuals and departments enables IPG to monitor and identify climate-related risks across all areas of our operations. The Committee's work ensures that ESG-related issues are integrated into multidisciplinary, company-wide risk identification, assessment and management processes. The ESG Steering Committee, or a subset of its members, meets regularly with the CSO. In addition to the ESG Steering Committee, an enterprise-wide ESG Task Force coordinates ESG action across IPG companies. The Committee regularly meets with the CSO. *Refer to our **2023 CDP Response**, and the **Climate Action** chapter of this report for more details.*
b) Describe management's role in assessing and managing climate-related risks and opportunities.		

TCFD Disclosure	IPG Reference Location	IPG Response
Strategy		
a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	**2023 ESG Report** Climate Action, pages 43-44, 47-48 **2023 CDP Climate Response** C2. Risks & Opportunities, pages 5-13 C3. Business Strategy, pages 13-15	IPG has identified a wide range of climate-related risks with the potential to impact our business. At the center of our climate strategy, we have set a net-zero carbon commitment supported by science-based reduction targets aligned with a 1.5°C scenario. The disclosures in our **2023 CDP Response** and the **Climate Action** chapter of this report discuss both our physical and transitional risks, as well as climate-related opportunities in more detail.
b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.		
c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.		
Risk Management		
a) Describe the organization's processes for identifying and assessing climate-related risks.	**2023 ESG Report** Climate Action, pages 39-44, 47-58 **2023 CDP Climate Response** C2. Risks & Opportunities, pages 5-8 C3. Business Strategy, pages 13-15	IPG has a robust framework for evaluating a wide range of risks and opportunities, including risks and opportunities related to climate change, and whether they have a substantive financial impact. At IPG, climate-related issues are integrated into multidisciplinary company-wide risk management processes, including monitoring and overseeing progress against related goals and targets. *This approach to climate risk is described more in our **2023 CDP Response**, and the **Climate Action** chapter of this report.*
b) Describe the organization's processes for managing climate-related risks.		
c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.		

TCFD Disclosure	IPG Reference Location	IPG Response
Metrics & Targets		
a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	**2023 ESG Report** Climate Action, pages 43-46 Environmental Data Table, pages 181-182 **2023 CDP Climate Response** C4. Targets & Performance, pages 15-25 C6. Emissions Data, pages 29-35 C7. Emissions Breakdowns, pages 35-37 C8. Energy, pages 37-60	In 2022, IPG made great strides in our climate action strategy. Our overall climate goal is to become net-zero carbon across our global operations by 2040. To ensure we reach this goal, we are committed to reaching a number of targets by 2030, including sourcing 100% renewable electricity, and our science-based targets of reducing 50% of our Scope 1 and Scope 2 emissions (2019 baseline) and reducing 30% of our Scope 3 emissions (2019 baseline). IPG is committed to tracking our performance against these targets and reporting on our progress annually to stakeholders. IPG monitors the following metrics to track performance against these targets: Scope 1, Scope 2 and Scope 3 emissions, along with related energy usage. Refer to the **Climate Action** chapter of this report for more details. **2022 Data:** **Scope 1:** 11,193 MTCO2e **Scope 2:** 29,293 MTCO2e (market-based) **Scope 3**: 432,314 MTCO2e *More detailed GHG emissions data is available in our Environmental Data Performance Table in the **Appendix** of this report.*
b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.		
c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.		

IPG 2023 SASB Table: Advertising & Marketing Standard

This is IPG's fourth year reporting using the Sustainability Accounting Standards Board (SASB) Standards for the Advertising & Marketing Industry. The below 2023 SASB Table discloses information from the 2022 calendar year, and has been published in conjunction with IPG's 2023 ESG Report. These report publications are supplementary to one another, disclosing on the same calendar year.

SASB Topic: Data Privacy

SDG Mapping: 16

SASB Code	SASB Accounting Metric	2022	2021	2020	IPG's Detailed Response
SV-AD-220a.1	Discussion of policies and practices relating to behavioral advertising and consumer privacy		—		Information on this disclosure can be found in the **Data Ethics & Privacy** chapter of our 2023 ESG Report.
SV-AD-220a.2	Percentage of online advertising impressions that are targeted to custom audiences		—		IPG does not track this data across all areas of its business in a manner conducive to a precise and verifiable response to this metric at this time. IPG believes understanding data and our related obligations and responsibilities is critical to the current and future success of our company. The incorporation of data expertise and responsibility into the core of the company has been and continues to be a key market strategy of the company. IPG's approximately 100 companies operate in all major world markets. These companies include our Media, Data and Technology offering segment, comprised of **Mediabrands**' global media services, **Acxiom's** data and technology capabilities and **KINESSO's** data-driven marketing solutions. We intend to continue to enhance the data and technology layer within all of our offerings and to build data and tech-enabled marketing solutions, informed by a holistic understanding of audiences. This will allow us to deliver personalized user experiences and more accountable marketing for brands. As a fundamental part of this strategic vision, we believe in an ethical and conscious approach that respects consumer privacy and promotes brand safety. While the data we currently collect might permit estimates of targeted digital spend as a percentage of total spend across certain digital specialist agencies or groups, any such calculation would not capture total digital spend across all IPG companies and the geographies in which they operate, nor would such calculations of spend necessarily correspond to impressions. We continue to explore methods to expand our reporting boundary of this calculation.
SV-AD-220a.3	Total amount of monetary losses as a result of legal proceedings associated with consumer privacy	No material monetary losses.			In light of the global scope and scale of operations, IPG, and its clients, are at times involved in various legal proceedings, and subject to investigations, inspections, audits, inquiries and similar actions by governmental authorities, arising in the normal course of business. Although uncommon, these may include proceedings related to consumer privacy. IPG management evaluates all such proceedings for materiality, whether individual or in the aggregate. When appropriate, management records liabilities and makes public disclosures. For each of the periods presented, IPG recorded no monetary losses as a result of legal proceedings associated with consumer privacy that it believes were material.

SASB Topic: Advertising Integrity

SDG Mapping: 16

SASB Code	SASB Accounting Metric	2022	2021	2020	IPG's Detailed Response
SV-AD-270a.1	Total amount of monetary losses as a result of legal proceedings associated with false, deceptive, or unfair advertising	No material monetary losses.			In light of the global scope and scale of operations, IPG, and its clients, are at times involved in various legal proceedings, and subject to investigations, inspections, audits, inquiries and similar actions by governmental authorities, arising in the normal course of business. Although uncommon, these may include proceedings related to allegations of false, deceptive, or unfair advertising. IPG management evaluates all such proceedings for materiality, whether individual or in the aggregate. When appropriate, management records liabilities and makes public disclosures. For each of the periods presented, IPG recorded no monetary losses as a result of legal proceedings associated with allegations of false, deceptive, or unfair advertising that it believes were material.
SV-AD-270a.2	Percentage of campaigns reviewed for adherence with the Advertising Self-Regulatory Council (ASRC) procedures, percentage of those in compliance	—			On a global basis, our policies require campaigns to adhere to industry guidelines for truthfulness in advertising and many other significant matters relating to advertising integrity. Although advertisers are primarily accountable for what is said in their communications and what support they have for their claims, our corporate and company attorneys, as well as company business affairs teams, are aware of these standards and develop and screen creative work with the standards in mind. Therefore, IPG believes that virtually all company campaigns requiring review are reviewed for adherence with the Advertising Self-Regulatory Council (ASRC) or equivalent procedures.
SV-AD-270a.3	Percentage of campaigns that promote alcohol or tobacco products	2.2%	2.2%	2.0%	Alcohol clients make up the majority of this percentage, while revenue associated with tobacco products was negligible and focused on transitioning current smokers to smoke-free tobacco products.

SASB Topic: Workforce Diversity & Inclusion

The below diversity data is focused on the required SASB disclosures. For more information around IPG's workforce diversity and inclusion data, disclosures, strategy and initiatives can be found in the **Diversity, Equity & Inclusion** chapter of this report.

SDG Mapping: 5 10

SASB Code	SASB Accounting Metric	2022[1]		2021		2020		2019	
SV-AD-330a.1	**Percentage of gender representation for:**								
	Global Workforce	**Female**	**Male**	**Female**	**Male**	**Female**	**Male**	**Female**	**Male**
	(1) management	57%	43%	56%	44%	55%	45%	54%	46%
	(2) professionals	59%	41%	59%	41%	58%	42%	58%	42%
	(3) all other employees	66%	34%	66%	34%	66%	34%	61%	39%
	U.S. Employees	**Female**	**Male**	**Female**	**Male**	**Female**	**Male**	**Female**	**Male**
	(1) management	59%	41%	58%	42%	58%	42%	56%	44%
	(2) professionals	62%	38%	61%	39%	60%	40%	61%	39%
	(3) all other employees [2]	69%	31%	69%	31%	70%	30%	57%	43%
	Percentage of minority [3] representation for: [4,5]								
	(1) management	28%		25%		23%		22%	
	(2) professionals	36%		36%		32%		31%	
	(3) all other employees	30%		28%		26%		24%	

1 - All data for RafterOne, which was acquired by IPG in October 2022, has been excluded from the reported metrics due to limited availability of data.

2 - In 2020, IPG company Acxiom underwent a restructuring of EEO job categories, including the professional and technician job codes. The company moved a large group of employees from technicians to professionals. This resulted in reducing the overall count of male employees in the "Other" EEO category, causing a large change in our female to male ratio from the prior year (2019).

3 - Minority data includes all race/ethnicity group representation excluding "White" employees.

4 - Our reported race/ethnicity data represents the IPG U.S. workforce only.

5 - The diversity data reported in the management assertion of this report (pg. 194) presents employees who did not self-report their race/ethnicity, which differs from the data presented in this table. The data in this table is not subject to the limited assurance engagement.

Note: Reported data has been rounded to the nearest whole number and may not equal 100%.

SASB Topic: Workforce Diversity & Inclusion

SDG Mapping: 5 10

SASB Code	SASB Accounting Metric					
SV-AD-330a.1	Percentage of 2022[1] racial/ethnic group representation of U.S. employees: [5]					
		Asian American	Black or African American	Hispanic or Latino	White	Other [6]
	(1) management	10%	6%	9%	73%	3%
	(2) professionals	12%	10%	10%	64%	4%
	(3) all other employees	5%	14%	7%	71%	4%

SASB Topic: Activity Metrics

SASB Code	SASB Accounting Metric	2022[1]	2021	2020	2019
SV-AD-000.D	Number of full and part-time employees, globally [7]	55,454	51,416	46,688	50,233
	Number of U.S. full and part-time employees [7]	24,574	23,161	21,139	22,359

1 - All data for RafterOne, which was acquired by IPG in October 2022, has been excluded from the reported metrics due to limited availability of data.

5 - The diversity data reported in the management assertion of this report (pg. 194) presents employees who did not self-report their race/ethnicity, which differs from the data presented in this table. The data in this table is not subject to the limited assurance engagement.

6 - Our overall U.S. diversity data is in accordance with the Equal Employment Opportunity Commission's (EEOC) Employer Information EEO-1 report (EEO-1 Survey). "Other" includes the following EEO classifications: American Indian or Alaska Native, Native Hawaiian or Other Pacific Islander, and "Two or More Races".

7 - Our SASB workforce reporting metrics encompass approximately 99% of our U.S. workforce, and approximately 96% of our global workforce. Due to this scope the data reported here differs from other references throughout the ESG Report.

Note: Reported data has been rounded to the nearest whole number and may not equal 100%.

Report of Independent Accountants

To the Board of Directors of The Interpublic Group of Companies, Inc.

We have reviewed the accompanying management assertion of The Interpublic Group of Companies, Inc. (IPG) that the greenhouse gas (GHG) emissions and employee diversity metrics for the year ended or as of December 31, 2022 (collectively, the "metrics") in management's assertion are presented in accordance with the assessment criteria set forth in management's assertion. IPG's management is responsible for its assertion and for the selection of the criteria, which management believes provide an objective basis for measuring and reporting on the metrics. Our responsibility is to express a conclusion on management's assertion based on our review.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants (AICPA) in AT-C section 105, *Concepts Common to All Attestation Engagements,* and AT-C section 210, *Review Engagements.* Those standards require that we plan and perform the review to obtain limited assurance about whether any material modifications should be made to management's assertion in order for it to be fairly stated. The procedures performed in a review vary in nature and timing from, and are substantially less in extent than, an examination, the objective of which is to obtain reasonable assurance about whether management's assertion is fairly stated, in all material respects, in order to express an opinion. Accordingly, we do not express such an opinion. Because of the limited nature of the engagement, the level of assurance obtained in a review is substantially lower than the assurance that would have been obtained had an examination been performed. We believe that the review evidence obtained is sufficient and appropriate to provide a reasonable basis for our conclusion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements related to the engagement.

The firm applies the Statements on Quality Control Standards established by the AICPA.

The procedures we performed were based on our professional judgment. In performing our review, we performed inquiries, read relevant policies to understand terms related to relevant information about the metrics, performed tests of mathematical accuracy of computations on a sample basis, and reviewed supporting documentation in regard to the completeness and accuracy of the data comprising the metrics on a sample basis.

GHG emissions quantification is subject to significant inherent measurement uncertainty because of such things as GHG emissions factors that are used in mathematical models to calculate GHG emissions, and the inability of these models, due to incomplete scientific knowledge and other factors, to accurately measure under all circumstances the relationship between various inputs and the resultant GHG emissions. Environmental, energy use and business travel-related data used in GHG emissions calculations are subject to inherent limitations, given the nature and the methods used for measuring such data. The selection by management of different but acceptable measurement techniques could have resulted in materially different amounts or metrics being reported.

As discussed in management's assertion, IPG has estimated GHG emissions for certain emissions sources for which no primary usage data is available.

As discussed in management's assertion, in 2022, IPG refined the criteria used to calculate Scope 3, Category 6: Business travel GHG emissions.

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Based on our review, we are not aware of any material modifications that should be made to IPG's management assertion in order for it to be fairly stated.

PricewaterhouseCoopers LLP

New York, New York
February 21, 2024

The Interpublic Group of Companies, Inc. Management Assertion

With respect to the greenhouse gas (GHG) emissions and employee diversity metrics for the year ended or as of December 31, 2022 (collectively, the "metrics") presented in the tables below, management of The Interpublic Group of Companies, Inc. (IPG) asserts that such metrics are presented in accordance with the assessment criteria set forth below. Management is responsible for the selection of the criteria, which management believes provide an objective basis for measuring and reporting on the metrics, and for the completeness, accuracy, and validity of the metrics.

The metrics include data for office and data center locations of IPG and its operating subsidiaries (collectively referred to as "locations") unless otherwise defined in the assessment criteria. All data for RafterOne, which was acquired by IPG in October 2022, has been excluded from the reported metrics due to limited availability of data.

Table 1- Metrics - GHG Emissions

Metric	Definition of Metric[1,2,3,4,5]	Metric Quantity[6]
Total Scope 1 GHG emissions	Direct emissions from stationary combustion (natural gas and diesel) and refrigerant losses.[7]	11,193 $MTCO_2e$
Total Scope 2 GHG emissions (location-based)	Indirect emissions from purchased electricity, purchased chilled water, and purchased district heat (steam) (location-based).[8]	36,553 $MTCO_2e$
Total Scope 2 GHG emissions (market-based)	Indirect emissions from purchased electricity, purchased chilled water, and purchased district heat (steam) (market-based).[8]	29,293 $MTCO_2e$
Total Scope 3, Category 6: Business travel GHG emissions	Indirect emissions from the transportation of employees for business-related activities in vehicles owned or operated by third parties. This includes transportation by air, rail, and car travel, as well as hotel stays.[9]	55,659 $MTCO_2e$

GHG emissions disclosures

1. IPG considers the principles and guidance of the World Resources Institute (WRI) and the World Business Council for Sustainable Development's (WBCSD) *The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, Revised Edition, GHG Protocol Scope 2 Guidance: An amendment to the GHG Protocol Corporate Standard,* and *Corporate Value Chain (Scope 3) Accounting and Reporting Standard: Supplement to the GHG Protocol Corporate Accounting and Reporting Standard* (together, the "GHG Protocol") to guide the criteria to assess, calculate, and report direct and indirect GHG emissions.
2. GHG emissions quantification is subject to significant inherent measurement uncertainty because of such things as GHG emissions factors that are used in mathematical models to calculate GHG emissions, and the inability of these models, due to incomplete scientific knowledge and other factors, to accurately measure under all circumstances the relationship between various inputs and the resultant GHG emissions. Environmental, energy use and business travel-related data used in GHG emissions calculations are subject to inherent limitations, given the nature and the methods used for measuring such data. The selection by management of different but acceptable measurement techniques could have resulted in materially different amounts or metrics being reported.
3. Carbon dioxide equivalent (CO_2e) emissions are inclusive of carbon dioxide (CO_2), nitrous oxide (N_2O), methane (CH_4), and industrial gases, which include hydrofluorocarbons (HFCs). The other GHGs of sulfur hexafluoride (SF_6), perfluorocarbons (PFCs), and nitrogen trifluoride (NF_3) are not emitted by IPG's locations. Emissions data by individual gas is not disclosed as a majority of CO_2e in Table 1 relates to CO_2. The CO_2e emissions utilize Global Warming Potentials (GWPs) as follows: (i) where the emission factor is reported in CO_2e, the embedded GWPs are applied, or (ii) where the emission factor is not reported in CO_2e, the GWPs defined by the Intergovernmental Panel on Climate Change's (IPCC) Fifth Assessment Report (AR5 - 100 year) are applied. CO_2e emissions are calculated by multiplying actual or estimated activity data by relevant emission factors and/or GWPs.
4. IPG excluded the following from its Scope 1 and 2 GHG emissions reporting per the GHG Protocol definition of operational control: serviced space (e.g., WeWork), apartments, subleased space, storage locations, signage space, and parking.

5. IPG excluded the following from its Scope 1 and 2 GHG emissions reporting due to limited availability of data: fuel for company owned/leased vehicles and diesel fuel for Scope 1 GHG emissions and purchased electricity for Scope 2 GHG emissions used in backup generators at certain office locations.
6. $MTCO_2e$ = metric tons of carbon dioxide equivalent.
7. Related to total Scope 1 GHG emissions:
   - Annual usage of natural gas, diesel, and refrigerant loss were collected from third-party invoices, where available, for a representative sample of IPG locations.
   - If annual usage data was not available or not received, the following methodologies were applied to estimate usage:
     - For natural gas, a natural gas average intensity factor was determined for office and data center locations, which was then multiplied by the square footage of each office and data center location. If it was confirmed that a location did not use natural gas, then no natural gas was estimated.
       - For office locations, a natural gas average intensity factor (by square footage) was determined based on data from third-party invoices received for a sample of IPG locations, which was then multiplied by the square footage of each office location. A distribution of heating source use according to the United States (U.S.) Energy Information Administration (EIA) 2018 Commercial Buildings Energy Consumption Survey (CBECS) was used which assumes that 49% of office location floor space uses natural gas.
       - For data center locations, IPG's 2021 natural gas average intensity factor (by square footage) was used as a proxy versus determining a natural gas average intensity factor. This natural gas average intensity factor was then multiplied by the square footage of each data center location. Unless electricity was confirmed as the sole heating source, it was assumed natural gas is the sole heating consumption source.
     - For diesel, the following methodologies were applied to estimate usage:
       - For office locations, the 2018 CBECS fuel oil intensity factor was used, which was then multiplied by the square footage of each office location. A distribution of heating source use according to the 2018 CBECS was used which assumes that 2% (office location confirmed natural gas use) or 3% (office location confirmed no natural gas use) of the office location floor space uses diesel.
       - For data center locations, no diesel was estimated as it was assumed that natural gas is the sole heating consumption source (unless it was confirmed that electricity was the sole heating source).
     - For annual refrigerant loss, losses are estimated for office and data center locations by multiplying square footage by the estimated loss rate per square foot.
       - 1kg (refrigerant charge)/500 ft^2 (estimated cooling) * 10% (operating loss factor) / 1000 * 1,300 (GWP) = 0.00026 tCO_2e per ft^2 (estimated loss rate per square foot)
       - Assumptions used in the above formula included the following:
         - 1 kg of refrigerant charge capacity (source: Hightower Service Inc., *How Much Refrigerant is in a Home Air Conditioner*, August 10, 2018) is used for each 500 square feet (source: HVAC-ENG, *Cooling Load Rules of Thumb*)
         - There is a 10% annual operating loss factor (United States Environmental Protection Agency (EPA), *Direct HFC and PFC Emissions from Use of Refrigeration and Air Conditioning Equipment*, Section 4, Table 2: Default Emission Factors for Refrigeration/Air Conditioning Equipment, 2004)
         - All locations use HFC-134a (U.S. EPA, *Refrigerant Transition & Environmental Impacts*, 2023)
   - Emission factors:
     - Sources which provided emission factors for both natural gas and diesel:
       - United Kingdom and Europe: U.K. Department for Energy Security & Net Zero (DESNZ) Government conversion factors for company reporting of greenhouse gas emissions 2022
       - Canada: Environment and Climate Change Canada National Inventory Report 1990 - 2021: Greenhouse Gas Sources and Sinks in Canada 2023

- Australia: Australian Government Department of Climate Change, Energy, the Environment and Water. National Greenhouse Accounts Factors 2022
- New Zealand: New Zealand Government Ministry for the Environment Measuring Emissions: A Guide for Organisations 2022
- Sweden: Swedish Environmental Protection Agency National Inventory Report Sweden 2022: Greenhouse Gas Emission Inventories 1990-2021 Submitted under the United Nations Framework Convention on Climate Change and the Kyoto Protocol for CH_4 factor. CO_2 and N_2O factors are from U.K DESNZ Government conversion factors for company reporting of greenhouse gas emissions 2022
- Ireland: Sustainable Energy Authority of Ireland (SEIA) Emission Factors 2023 for CO_2 factor. CH_4 and N_2O factors are from U.K. DESNZ Government conversion factors for company reporting of greenhouse gas emissions 2022
- Netherlands: Milieu Centraal, Stimular, Stichting Klimaatvriendelijk Aanbesteden & Ondernemen, Connekt, Rijksoverheid and National Government CO_2 Emission Factors 2023
- All other countries: 2019 Revised IPCC Guidelines for National Greenhouse Gas Inventories: Reference Manual

○ Natural gas:
- United States: U.S. EPA 2022 GHG Emission Factors Hub, Center for Corporate Climate Leadership
- Switzerland: Swiss Confederation Switzerland's Greenhouse Gas Inventory 1990-2021 National Inventory Report 2023

○ Diesel:
- United States: U.S. EIA Carbon Dioxide Emissions Coefficients by Fuel (2021) for CO_2 factor. CH_4 and N_2O factors are from 2019 Revised IPCC Guidelines for National Greenhouse Gas Inventories: Reference Manual
- Brazil: GHG Protocol Brazil GHG Protocol Tool, version 2022
- Japan: Ministry of the Environment, Japan Greenhouse Gas Inventory Office of Japan (GIO), Center for Global Environmental Research (CGER), National Institute for Environmental Studies (NIES) National Greenhouse Gas Inventory of Japan 2022
- Costa Rica: National Meteorological Institute Greenhouse Gases Emission Factors 2023

- Estimated emissions from the sources above account for approximately 72% of reported total Scope 1 GHG emissions.

8. Related to total Scope 2 GHG emissions:
- Annual usage of purchased electricity, purchased chilled water, and purchased district heat (steam) were collected from third-party invoices, where available, for a representative sample of IPG locations.
- If annual usage data was not available or not received, the following methodologies were applied to estimate usage:
  - For purchased electricity, an electricity average intensity factor (by square footage) was determined for office and data center locations based on data from third-party invoices received for a sample of IPG locations, which was then multiplied by the square footage of each office and data center location. It was assumed that all locations use electricity.
    - Energy attribute certificates (EACs) purchased by IPG were applied in calculating total Scope 2 market-based GHG emissions for the year-ended December 31, 2022.
    - The commercial availability of EACs in the United Arab Emirates (UAE), Peru and Colombia were limited due to the small quantity of electricity consumption in these countries. In these cases, IPG grouped the electricity consumption from these countries together as noted below to reach a sufficient quantity of electricity consumption and sourced the corresponding EACs from the closest possible market.
      - IPG sourced EACs from (i) Israel and applied them to electricity consumption from Israel and UAE, and (ii) Brazil and applied them to electricity consumption from Brazil, Peru and Colombia. These EACs therefore do not follow the application and retirement guidelines on geography established by the GHG Protocol and RE100.

      - The impact of these EACs is less than 1% of reported total Scope 2 market-based GHG emissions.
    - Other EACs follow application and retirement guidelines on geography, vintage, certification and retirement established by the GHG Protocol and RE100.
    - EACs applied in calculating total Scope 2 market-based GHG emissions for the year ended December 31, 2022 have been contracted for and retired in full.
    - Emissions related to purchased electricity remaining after the application of EACs were calculated based on the market-based emission factors as described below.
  - For purchased chilled water, no consumption was estimated as emissions were only included if actual usage was available.
  - For purchased district heat (steam), the following methodologies were applied to estimate usage:
    - For office locations, a purchased district heat (steam) average intensity factor (by square footage) was determined based on data from third-party invoices received for a sample of IPG locations, which was then multiplied by the square footage of each office location. A distribution of heating source use according to the 2018 CBECS was used which assumes that 11% (office location confirmed natural gas use) or 21% (office location confirmed no natural gas use) of the office location floor space uses district heat (steam).
    - For data center locations, no district heat (steam) was estimated as it was assumed that natural gas is the sole heating consumption source (unless it was confirmed that electricity was the sole heating source).
- Emission factors: Location-based:
  - Purchased Electricity:
    - United States: U.S. EPA Emissions & Generated Resource Integrated Database (eGrid) 2021 for the U.S. factors by sub-region
    - United Kingdom: U.K. DESNZ Government conversion factors for company reporting of greenhouse gas emissions 2022
    - Australia: Australian Government Department of Climate Change, Energy, the Environment and Water. National Greenhouse Accounts Factors 2022
    - Canada: Environment and Climate Change Canada National Inventory Report 1990 - 2021: Greenhouse Gas Sources and Sinks in Canada 2023
    - Brazil: Government of Brazil Ministry of Science, Technology and Innovation Average CO_2 Emission Factors Grid by Month/Year 2023 for CO_2 factor. CH_4 and N_2O factors are from UN DESA 2020
    - Ireland: Sustainable Energy Authority of Ireland (SEIA) Emission Factors 2023 for CO_2 factor. CH_4 and N_2O factors are from the UN DESA 2020
    - All other countries: Emission factors were calculated using data from the Energy Balances and Electricity Production for each country from the United Nations Department of Economic and Social Affairs (UN DESA) Statistics Division – 2020 Energy Balance Visualizations and emission factors from the 2019 Revised IPCC Guidelines for National Greenhouse Gas Inventories: Reference Manual
  - Purchased District Heat (Steam):
    - Finland: Production of district heat by year and information and SYKE 2022, GHG Emissions of Finnish Municipalities and Regions
    - United States: U.S. EPA 2022 GHG Emission Factors Hub, Center for Corporate Climate Leadership
    - Germany: German Environment Agency 2022. CO_2 Emission Factors for Fossil Fuels
    - Poland: Department of Electricity and Heat Markets 2022. Thermal Energies in Numbers. Warsaw, Energy Regulatory Office
    - Denmark: Danish Energy Agency 2021. Key figures - Denmark - 2021
    - Hungary: Ministry for Innovation and Development 2019. Hungary's Fourth Biennial Report Under the United Nations Framework Convention on Climate Change
    - Italy: Noussan, Michel 2018. Performance indicators of District Heating Systems in Italy – Insights from a data analysis. Applied Thermal Engineering

        - Austria: Anderl et al., 2021. Austria's national inventory report 2021. Submission under the United Nations Framework Convention on Climate Change and under the Kyoto Protocol. Environment Agency Austria
        - France: District Heating and Cooling Networks. 2022 District Heating and Cooling in France
        - Norway: Hafslund Oslo Celsio. 2022 The Norwegian EPD Foundation, Environmental Product Declaration
        - China: Climate Transparency. 2019 brown to green: the g20 transition towards a net-zero emissions economy. China country profile
        - All other countries: U.K. DESNZ Government conversion factors for company reporting of greenhouse gas emissions 2022
    - Purchased Chilled Water:
        - Canada: Environment and Climate Change Canada National Inventory Report 1990 - 2021: Greenhouse Gas Sources and Sinks in Canada 2023
        - United Kingdom and Europe: U.K. DESNZ Government conversion factors for company reporting of greenhouse gas emissions 2022
        - All other countries: Emission factors were calculated using data from the Energy Balances and Electricity Production for each country from the UN DESA Statistics Division - 2020 Energy Balance Visualizations and emission factors from the 2019 Revised IPCC Guidelines for National Greenhouse Gas Inventories: Reference Manual; with kilowatt hours (kWh) converted to ton-hour of cooling using the U.S. EIA Form EIA-1605 Voluntary Reporting of Greenhouse Gases - Emission benchmarks for chilled water
- Emission factors: Market-Based:
    - Purchased Electricity:
        - United Kingdom and Europe: Association of Issuing Bodies (AIB) European Residual Mixes 2021 for CO_2. CH_4 and N_2O emissions are excluded from the CO_2e calculation of IPG's reported total Scope 2 market-based emissions.
        - All other countries: Same as the location-based emissions factors
    - Purchased Chilled Water:
        - Same as the location-based emissions factors
    - Purchased District Heat (Steam):
        - Same as the location-based emissions factors
- Estimated emissions from the sources above account for approximately 20% and 24% of reported total Scope 2 (location-based and market-based, respectively) GHG emissions.

9. Related to Scope 3, Category 6: Business travel GHG emissions:
- Annual business travel-related activity and spend data was collected from the IPG Corporate Travel Reporting and Procurement departments as follows:
    - Air travel: flight routes with origin and destination locations, segment mileage, and service class
    - Rail and car travel: spend (USD) on rail and car services (taxi, ride-sharing services, and rental car) by region. The following assumptions were used to convert spend data to mileage for rail and car travel.
        - For rail travel, spend (USD) is converted into mileage using the 2022 average passenger fare per mile traveled computed based on information reported by the U.S. Bureau of Transportation Statistics (BTS) and Amtrak.
        - For car travel, spend (USD) is converted into mileage using the average cost and distance driven per rental day for rental cars from Bankrate (2023) and Auto Renewal News (2010) and the average cost per mile for taxi and black cars (i.e., ride-sharing) from Uber (2023).
    - Hotel nights: number of hotel nights by country
- IPG excluded GHG emissions related to business travel not booked through IPG Travel systems (except for taxi travel booked directly through vendors).
- In 2022, IPG refined the criteria used to calculate emissions from air travel included in its Scope 3, Category 6: Business travel GHG emissions. Prior to 2022, mileage data was based on air travel booked. In 2022, mileage associated with canceled air travel is now excluded from the calculation of emissions from air travel. The reported total Scope 3, Category 6: Business travel GHG emissions were

approximately 10% lower. This change is not reflected in the comparative information for years prior to 2022.
- Emission factors:
    - Air travel (all countries): U.K. DESNZ Government conversion factors for company reporting of greenhouse gas emissions 2022, Business travel - air emission factors (with radiative forcing) expressed in emissions per kilometers traveled by passengers depending on the flight distance and service class.
        - The following assumptions were made to calculate custom emissions factors for the following class types:
            - The emission factor for Medium Haul First Class was estimated by multiplying the Medium Haul Business emission factor by the Long Haul ratio (First/Business).
            - The emission factor for Medium Haul Economy was used as the emission factor for Medium Haul Premium Economy Class as a proxy.
            - The emission factor for Medium Haul First was used as the emission factor for Medium Haul Premium First Class as a proxy.
            - The emission factor for Long Haul First was used as the emission factor for Long Haul Premium First Class as a proxy.
    - Rail travel:
        - United States and Canada: U.S. EPA 2023 GHG Emission Factors Hub, Center for Corporate Climate Leadership, Table 10 (emissions per passenger-mile on Intercity Rail – Northeast Corridor)
        - All other countries: U.K. DESNZ Government conversion factors for company reporting of greenhouse gas emissions 2022, Business travel - land emission factors expressed in emissions per passenger-km for national rail
    - Car travel:
        - United States and Canada (rental car travel): U.S. EPA 2023 GHG Emission Factors Hub, Center for Corporate Climate Leadership, Table 10 (emissions per mile for a passenger car)
        - All other countries (rental car travel), global taxi and ride-sharing services: U.K. DESNZ Government conversion factors for company reporting of greenhouse gas emissions 2022, Business travel - land emission factors expressed in emissions per km for an average car with unknown fuel and for taxi / black cab
    - Hotel nights (all countries): U.K. DESNZ Government conversion factors for company reporting of greenhouse gas emissions 2022, Hotel stay emission factors expressed in emissions per room per night
        - Where country-specific emission factors were not available, an average emission factor by region (Africa, Australia & Pacific, Europe, Asia, Latin America, Middle East, North America) was calculated using emission factors from the U.K. DESNZ for countries within the region as a proxy.

Table 2 - Metrics - Employee Diversity

Metric	Definition of Metric	Metric Quantity
Percentage of gender representation for U.S. employees	The gender representation of IPG's U.S. employees by job category, as self-reported by the employee, and recorded in IPG's Human Resource systems as of December 31, 2022.[10]	(1) Management: Female: 59% Male: 41% (2) Professionals: Female: 62% Male: 38% (3) All other employees: Female: 69% Male: 31%
Percentage of 2022 racial/ethnic group representation of U.S. employees	The racial/ethnic group representation of IPG's U.S. employees by job category, as self-reported by the employee, and recorded in IPG's Human Resource systems as of December 31, 2022.[10]	(1) Management:[11] Asian: 9% Black or African American: 5% Hispanic or Latino: 8% White: 60% Other: 3% Did not self-report: 16% (2) Professionals: Asian: 11% Black or African American: 9% Hispanic or Latino: 10% White: 58% Other: 4% Did not self-report: 8% (3) All other employees: Asian: 4% Black or African American: 13% Hispanic or Latino: 6% White: 65% Other: 3% Did not self-report: 9%

Employee diversity disclosures

10. Related to the employee diversity metrics, the workforce includes full-time (employees working at least 35 hours per week) and part-time (employees working less than 35 hours per week) U.S. employees.

- IPG's employee diversity metrics include the following U.S. employees by job category: (1) management, (2) professionals, and (3) all other employees.
  - Management includes executive/senior-level officials and managers and first/mid-level officials and managers as defined within IPG's Human Resource systems.
  - Professionals include professional level employees as defined within IPG's Human Resource systems.
  - All other employees include personnel other than management and professionals as defined within IPG's Human Resource systems.
- Racial and ethnic diversity
  - The other race/ethnicity category includes the following classifications: American Indian or Alaska Native, Native Hawaiian or Other Pacific Islander, and Two or More Races.
  - The data reported in this management assertion presents employees who did not self-report their race/ethnicity, which differs from the data presented in the SASB Topic: Workforce Diversity & Inclusion (SV-AD-330a.1) and U.S. EEO Workforce Diversity & Inclusion Data tables in IPG's ESG Report 2023. These tables within IPG's ESG Report 2023 are not subject to the limited assurance engagement.

11. The percentages in this job category do not equal 100% due to rounding.

GRI Content Index

IPG has long reported in alignment with the Global Reporting Standards (GRI). For our 2023 ESG Report, we have reported the information cited in this GRI Content Index for the 2022 calendar year with reference to the 2021 Universal GRI Standards.

GRI Disclosure	IPG Reference Location	SDGs	UN Global Compact
GRI 2: General Disclosures 2021			
Organizational Profile			
2-1 Organizational details	**2023 ESG Report** About IPG, pages 4-6 **2022 Annual Report** Business, pages 2-10 **2023 CDP Climate Response** C1. Introduction, page 2		
2-2 Entities included in the organization's sustainability reporting	**2023 ESG Report** About IPG, pages 5-7 About this Report, page 179		
2-3 Reporting period, frequency and contact point	**2023 ESG Report** About this Report, page 179		
2-4 Restatements of information	**2023 ESG Report** About this Report, page 179		
2-5 External assurance	**2023 ESG Report** External Assurance, pages 193-197 **2022 ESG Report** External Assurance, pages 154-157		

GRI Disclosure	IPG Reference Location	SDGs	UN Global Compact
2-6 Activities, value chain and other business relationships	**2023 ESG Report** About IPG, pages 4-7 Responsible Supply Chain, pages 109-115 Data Ethics & Privacy, pages 153-154 Responsible Media & Content, pages 164-171 Creative Work for People & Planet, pages 172-178 About this Report, page 179 Workforce Productivity Data Table, page 183 **2022 Annual Report** Business, pages 2-10 MD&A of Financial Condition & Results of Operations, pages 19-43 Financial Statements & Supplementary Data, pages 46-94		
2-7 Employees	**2023 ESG Report** About IPG, pages 5-6 Diversity, Equity & Inclusion, page 67 Performance Data Tables, pages 183, 185 SASB Table, pages 191-192		
2-9 Governance structure and composition	**2023 ESG Report** ESG Strategy, pages 14-16 Corporate Governance & Risk, pages 131-139 **2023 Proxy Statement** Election of Directors, pages 5-9 Our Corporate Governance Framework, pages 10-18		
2-10 Nomination and selection of the highest governance body	**2023 Proxy Statement** Election of Directors, pages 5-9 Our Corporate Governance Framework, pages 10-18		
2-11 Chair of the highest governance body	**2023 Proxy Statement** Board Leadership Structure, page 16		

GRI Disclosure	IPG Reference Location	SDGs	UN Global Compact
2-12 Role of the highest governance body in overseeing the management of impacts	**2023 ESG Report** ESG Strategy, pages 14-17, 20-24 Corporate Governance & Risk, pages 134-139 **2023 Proxy Statement** Our Corporate Governance Framework, pages 17-18 **Corporate Governance & Social Responsibility Committee Charter**		
2-13 Delegation of responsibility for managing impacts	**2023 ESG Report** ESG Strategy, pages 14-17 Climate Action, pages 40-42 Diversity, Equity & Inclusion, pages 63-64 Human Capital Management, page 86 Data Ethics & Privacy, pages 155-161 Responsible Media & Content, page 165		
2-14 Role of the highest governance body in sustainability reporting	**2023 ESG Report** ESG Strategy, page 11 About this Report, page 179 External Assurance, pages 193-197		
2-15 Conflicts of interest	**2023 ESG Report** Ethics & Integrity, pages 143, 145 **2023 Proxy Statement** Board's Role in Risk Oversight & Transactions with Related Persons, pages 15-16		
2-17 Collective knowledge of the highest governance body	**2023 Proxy Statement** Election of Directors, pages 5-8		
2-18 Evaluation of the performance of the highest governance body	**2023 Proxy Statement** Our Corporate Governance Framework, page 15 Compensation Discussion & Analysis, pages 36-40		

GRI Disclosure	IPG Reference Location	SDGs	UN Global Compact
2-19 Remuneration policies	**2023 Proxy Statement** Compensation Discussion & Analysis, pages 36-47		
2-20 Process to determine remuneration	**2023 Proxy Statement** Compensation Discussion & Analysis, pages 36-47		
2-21 Annual total compensation ratio	**2023 Proxy Statement** CEO Pay Ratio, page 65		
2-22 Statement on sustainable development strategy	**2023 ESG Report** CEO Letter, page 3		
2-23 Policy commitments	**2023 ESG Report** ESG Strategy, page 17 Ethics & Integrity, pages 141-142		
2-24 Embedding policy commitments	**2023 ESG Report** ESG Strategy, page 17 Sustainable Operations, pages 27-29 Diversity, Equity & Inclusion, pages 64, 75 Employee Health & Safety, pages 102, 105 Responsible Supply Chain, pages 110-112 Community & Social Impact, pages 116-117 Ethics & Integrity, pages 141-144 Public Policy, page 147 Data Ethics & Privacy, pages 157-162 Responsible Media & Content, page 165		
2-26 Mechanisms for seeking advice and raising concerns	**2023 ESG Report** Ethics & Integrity, page 145 **AlertLine Document**		

GRI Disclosure	IPG Reference Location	SDGs	UN Global Compact
2-27 Compliance with laws and regulations	In 2022, IPG was in compliance with laws and regulations that it believes were material. Any non-compliance or litigation proceeedings would be reported in our annual 10-K. **2022 Annual Report**		
2-28 Membership associations	**2023 ESG Report** ESG Strategy, pages 18-19 Sustainable Operations, pages 35-37 Climate Action, pages 56-59 Diversity, Equity & Inclusion, page 81 Responsible Supply Chain, page 115 Community & Social Impact, page 121 Public Policy, page 151 Data Ethics & Privacy, page 163 Responsible Media & Content, pages 167-170		
2-29 Approach to stakeholder engagement	**2023 ESG Report** ESG Strategy, pages 20-24 **2023 Proxy Statement** Our Corporate Governance Framework, page 13		**Principle 10:** Anti-Corruption
2-30 Collective bargaining agreements	In the U.S., IPG has not had any labor union organizing activity at our offices, nor do we have employees who are covered by collective bargaining agreements. The percentage of IPG's U.S. employees covered by collective bargaining is 0%, but a small percentage of employees in select IPG offices throughout Japan and Europe have employee-led, Works Councils. At these locations, IPG management teams and the Works Councils collaborate and cooperate, as applicable, on labor relations.		**Principle 3:** Labour

GRI Disclosure	IPG Reference Location	SDGs	UN Global Compact
GRI 3: Material Topic 2021			
3-1 Process to determine material topics	**2023 ESG Report** ESG Strategy, pages 10-12		
3-2 List of material topics	**2023 ESG Report** ESG Strategy, pages 10-12		
3-3 Management of material topics	**2023 ESG Report** ESG Strategy, pages 14-17 Climate Action, pages 40-42 Diversity, Equity & Inclusion, pages 63-64 Human Capital Management, page 86 Data Ethics & Privacy, pages 155-161 Responsible Media & Content, page 165		
Economic Topics			
GRI 201: Economic Performance 2016			
201-1 Direct economic value generated and distributed	**2023 ESG Report** About IPG, pages 4-6 Performance Data Tables, page 183 **2022 Annual Report** Business, pages 2-8 Financial Statements & Supplementary Data, pages 46-94		**Principle 10:** Anti-Corruption
201-2 Financial implications and other risks and opportunities due to climate change	**2023 ESG Report** Climate Action, pages 47-48 TCFD Table, pages 186-188 **2023 CDP Climate Response** C2. Risks & Opportunities, pages 5-13		**Principle 7:** Environment

GRI Disclosure	IPG Reference Location	SDGs	UN Global Compact
201-3 Defined benefit plan obligations and other retirement plans	**2023 ESG Report** Human Capital, pages 91-95 **2022 Annual Report** MD&A of Financial Condition & Results of Operations, page 41-42 Notes to Consolidated Financial Statements, pages 60-61, 75-80, 84-85		**Principle 6:** Labour
GRI 205: Anti-Corruption 2016			
205-1 Operations assessed for risks related to corruption	**2023 ESG Report** Corporate Governance & Risk, pages 137-139 Ethics & Integrity, page 144		**Principle 2:** Human Rights **Principle 10:** Anti-Corruption
205-2 Communication and training about anti-corruption policies and procedures	**2023 ESG Report** Corporate Governance & Risk, page 138 Ethics & Integrity, pages 141-145		
GRI 206: Anti-Competitive Behavior 2016			
206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	In 2022, IPG did not have any legal and/or regulatory fines, penalties, or other legal action associated with violations of anti-competitive behavior, anti-trust, monopoly practices, as well as violations relating to anti-corruption or corruption standards.		**Principle 10:** Anti-Corruption

GRI Disclosure	IPG Reference Location	SDGs	UN Global Compact
GRI 207: Tax 2019			
207-1 Approach to tax	**2023 ESG Report** Ethics & Integrity, page 142 **Tax Policy**		**Principle 10:** Anti-Corruption
207-2 Tax governance, control, and risk management	**2023 ESG Report** Corporate Governance & Risk, pages 134, 137 Ethics & Integrity, page 142 **Tax Policy**		
Environmental Topics			
GRI 302: Energy 2016			
302-1 Energy consumption within the organization	**2023 ESG Report** Environmental Data Table, page 182		**Principle 8:** Environment **Principle 9:** Environment
302-3 Energy intensity	**2023 ESG Report** Environmental Data Table, page 182		
302-4 Reduction of energy consumption	**2023 ESG Report** Climate Action, pages 43-44, 51-55 Environmental Data Table, page 182		

GRI Disclosure	IPG Reference Location	SDGs	UN Global Compact
GRI 305: Emissions 2016			
305-1 Direct (Scope 1) GHG emissions	**2023 ESG Report** Climate Action, pages 45-46 Environmental Data Table, page 181		**Principle 8:** Environment **Principle 9:** Environment
305-2 Energy indirect (Scope 2) GHG emissions	**2023 ESG Report** Climate Action, pages 45-46 Environmental Data Table, page 181		
305-3 Other indirect (Scope 3) GHG emissions	**2023 ESG Report** Climate Action, pages 45-46, 50 Environmental Data Table, page 181		
305-4 GHG emissions intensity	**2023 ESG Report** Environmental Data Table, page 182		
305-5 Reduction of GHG emissions	**2023 ESG Report** Climate Action, pages 43-46, 49-55 Environmental Data Table, pages 181-182		
GRI 308: Supplier Environmental Assessment 2016			
308-1 New suppliers that were screened using environmental criteria	**2023 ESG Report** Climate Action, page 49 Responsible Supply Chain, pages 109-115		**Principle 6:** Labour

GRI Disclosure	IPG Reference Location	SDGs	UN Global Compact
Social Topics			
GRI 401: Employment 2016			
401-1 New employee hires and employee turnover	**2023 ESG Report** Diversity, Equity & Inclusion, pages 65-66 Human Capital, pages 96-97 **2023 DEI Report**[1] **2023 Gender Equality Disclosure** Talent Pipeline, pages 2-3		**Principle 6:** Labour
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	**2023 ESG Report** Human Capital, pages 91-95		
401-3 Parental leave	**2023 ESG Report** Human Capital, page 94 **2023 DEI Report**[1] **2023 Gender Equality Disclosure** Inclusive Culture, pages 3-4		
GRI 403: Occupational Health & Safety 2018			
403-1 Occupational health and safety management system	**2023 ESG Report** Employee Health & Safety, pages 102-105		**Principle 1:** Human Rights
403-2 Hazard identification, risk assessment, and incident investigation	**2023 ESG Report** Employee Health & Safety, pages 103-105		
403-3 Occupational health services	**2023 ESG Report** Employee Health & Safety, pages 106-108		

1 - IPG plans to publish our 2023 DEI Report in the coming months and will be posted on our website **here**.

GRI Disclosure	IPG Reference Location	SDGs	UN Global Compact
403-4 Worker participation, consultation, and communication on occupational health and safety	**2023 ESG Report** Human Capital, pages 88-89 Employee Health & Safety, pages 103-105		
403-5 Worker training on occupational health and safety	**2023 ESG Report** Employee Health & Safety, pages 105-108		
403-6 Promotion of worker health	**2023 ESG Report** Diversity, Equity & Inclusion, pages 69, 76 Human Capital, pages 91-93 Employee Health & Safety, pages 106-108		
GRI 404: Training & Education 2016			
404-1 Average hours of training per year per employee	**2023 ESG Report** Employee Training Data Table, page 184		**Principle 2:** Human Rights
404-2 Programs for upgrading employee skills and transition assistance programs	**2023 ESG Report** Human Capital, pages 96-100		
404-3 Percentage of employees receiving regular performance and career development reviews	**2023 ESG Report** Human Capital, page 98		

GRI Disclosure	IPG Reference Location	SDGs	UN Global Compact
GRI 405: Diversity & Equal Opportunity 2016			
405-1 Diversity of governance bodies and employees	**2023 ESG Report** Diversity, Equity & Inclusion, page 67 Corporate Governance & Risk, page 130, 133 Performance Data Tables, page 185 SASB Table, pages 191-192 **2023 DEI Report**[1] **2023 Gender Equality Disclosure** Leadership, page 2 Talent Pipeline, pages 2-3		**Principle 6:** Labour
405-2 Ratio of basic salary and remuneration of women to men	**2023 ESG Report** Diversity, Equity & Inclusion, page 70 **2023 DEI Report**[1] **2023 Gender Equality Disclosure** Pay, page 3		
GRI 413: Local Communities 2016			
413-1 Operations with local community engagement, impact assessments, and development programs	**2023 ESG Report** Community Engagement, pages 116-128		**Principle 1:** Human Rights **Principle 8:** Environment

1 - IPG plans to publish our 2023 DEI Report in the coming months and will be posted on our website **here**.

GRI Disclosure	IPG Reference Location	SDGs	UN Global Compact
GRI 414: Supplier Social Assessment 2016			
414-1 New suppliers that were screened using social criteria	**2023 ESG Report** Responsible Supply Chain, pages 109-115		**Principle 1:** Human Rights **Principle 2:** Human Rights **Principle 6:** Labour
414-2 Negative social impacts in the supply chain and actions taken	**2023 ESG Report** Responsible Supply Chain, pages 109-115		
GRI 415: Public Policy 2016			
415-1 Political contributions	**2023 ESG Report** Public Policy, pages 146-151		**Principle 10:** Anti-Corruption
GRI 417: Marketing & Labeling 2016			
417-3 Incidents of non-compliance concerning marketing communications	**2023 ESG Report** SASB Table, page 190		**Principle 2:** Human Rights
GRI 418: Customer Privacy 2016			
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	**2023 ESG Report** SASB Table, page 189		**Principle 2:** Human Rights **Principle 10:** Anti-Corruption

Looking Forward

This report contains forward-looking statements. Statements in this report that are not historical facts, including statements regarding goals, intentions, and expectations as to future plans, trends, events, or future results of operations or financial position, constitute forward-looking statements. Without limiting the generality of the foregoing, words such as "may," "will," "expect," "believe," "anticipate," "estimate," "project," "forecast," "plan," "intend," "could," "would," "should," "estimate," "will likely result" or comparable terminology are intended to identify forward-looking statements. Forward-looking statements are based on current expectations and assumptions that are subject to risks and uncertainties, which could cause our actual results and outcomes to differ materially from those reflected in the forward-looking statements.

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