

# Welcome to your CDP Climate Change Questionnaire 2019

## C0. Introduction

### C0.1

**(C0.1) Give a general description and introduction to your organization.**

Through our 54,000 employees in all major world markets, our companies specialize in consumer advertising, digital marketing, communications planning and media buying, public relations and specialty marketing. IPG agencies create customized marketing programs for many of the world's largest companies through our comprehensive global services. The work our agencies produce helps clients build brands, increase sales of their products and services and gain market share. The work we provide clients is specific to their unique needs. Our solutions vary from project-based activity involving one agency to long-term, fully integrated campaigns created by multiple IPG agencies working together. With offices in over 100 countries, we can operate in a single region, or deliver globally integrated programs. The role of our holding company is to provide resources and support to ensure that our agencies can best meet clients' needs. Based in New York City, our 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, provides enterprise risk management and oversees mergers and acquisitions. In addition, we provide limited centralized functional services that offer our companies operational efficiencies, including accounting and finance, executive compensation management and recruitment assistance, employee benefits, marketing information retrieval and analysis, internal audit, legal services, real estate expertise and travel services.

### C0.2

**(C0.2) State the start and end date of the year for which you are reporting data.**

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Row 1	January 1, 2017	December 31, 2017	Yes	1 year

### C0.3

**(C0.3) Select the countries/regions for which you will be supplying data.**

- Brazil
- Canada
- China

- France
- Germany
- Israel
- Japan
- South Africa
- Spain
- United Kingdom of Great Britain and Northern Ireland
- United States of America

## C0.4

**(C0.4) Select the currency used for all financial information disclosed throughout your response.**

USD

## C0.5

**(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your consolidation approach to your Scope 1 and Scope 2 greenhouse gas inventory.**

Other, please specify

NA>50,000 SF/3 Largest France/All UK

## C1. Governance

### C1.1

**(C1.1) Is there board-level oversight of climate-related issues within your organization?**

Yes

#### C1.1a

**(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.**

Position of individual(s)	Please explain
Director on board	<p>While the entire Board of Directors considers the implications of climate change and other key issues of corporate social responsibility (CSR) as it impacts IPG, the primary responsibility sits with the Corporate Governance Committee of the Board and specifically with the Chairperson of the Committee.</p> <p>The responsibility of this committee is to oversee and make recommendations to</p>

	the Board regarding the Company's policies and practices with respect to issues of global corporate citizenship and social responsibility, including diversity and inclusion, environmental sustainability, charitable and social matters.
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## C1.1b

**(C1.1b) Provide further details on the board's oversight of climate-related issues.**

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Please explain
Scheduled – some meetings	<p>Reviewing and guiding risk management policies</p> <p>Reviewing and guiding annual budgets</p> <p>Monitoring and overseeing progress against goals and targets for addressing climate-related issues</p>	<p>IPG created a Sustainability Working Group, with representatives from the Communications, Risk, Real Estate, Procurement, Investor Relations, Travel and Legal functions, which is tasked with reviewing, coordinating and promoting the Company's efforts in the area of sustainability at the consolidated corporate level, which holds meetings involving scheduled climate-related issues on the agenda. This also involves scheduled meetings with the Board as ultimately, the Board of Directors has overall responsibility for the oversight and management of the Company's risks. Climate-related issues are integrated into multi-disciplinary company wide risk management processes, monitoring and overseeing progress against goals and targets for addressing climate-related issues (as an intensity target has been introduced in the fiscal year 2017/2018) and reviewing and guiding annual budgets as there is a dedicated budget for emissions reductions activities.</p>

## C1.2

**(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.**

Name of the position(s) and/or committee(s)	Responsibility	Frequency of reporting to the board on climate-related issues
Environment/ Sustainability manager	<p>Both assessing and managing climate-related risks and opportunities</p> <p>☞<sub>1</sub></p>	Annually

Other C-Suite Officer, please specify EVP, Chief Strategy and Talent Officer	Both assessing and managing climate-related risks and opportunities	Annually
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<sup>1</sup>Specifically relating to climate change and other sustainability issues the company has a Senior Director of Corporate Responsibility & Communications who is tasked with reviewing, coordinating and promoting the Company's efforts in this area at the consolidated corporate level. The Director works with representatives from the Communications, Risk, Real Estate, Procurement, Investor Relations, Travel and Legal functions. The Senior Director reports to the Executive Vice President, Chief Strategy and Talent Officer of IPG.

## C1.2a

**(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).**

While the entire Board of Directors considers the implications of climate change and other key issues of corporate social responsibility (CSR) as it impacts IPG, the primary responsibility for these matters sits with the Corporate Governance Committee of the Board. The responsibility of this committee is to oversee and make recommendations to the Board regarding the Company's policies and practices with respect to issues of global corporate citizenship and social responsibility, including diversity and inclusion, environmental sustainability, charitable and social matters.

Specifically relating to climate change, the Company has also formed a Sustainability Working Group, with representatives from the Communications, Risk, Real Estate, Procurement, Investor Relations, Travel and Legal functions - this mix of individuals and departments enables IPG to monitor and identify climate-related risks across all areas we do business. The Sustainability Working Group is tasked with reviewing, coordinating and promoting the Company's efforts in this area at the consolidated corporate level. The Sustainability Working Group reports to the Board of Directors and schedules appropriate meetings related to identified climate issues, risks and/or opportunities. Ultimately, the Board of Directors has overall responsibility for the oversight and management of the Company's risks.

It is the role of the Company's management, in particular agency management, to identify and pursue the opportunities presented by clients' responses to the challenges presented by climate change and their development and marketing of new products and services. At the parent-company level, senior management, including a dedicated Senior Director of Corporate Responsibility & Communications as well as the Chief Financial Officer, the Chief Strategy and Talent Officer, the Chief Risk Officer and the General Counsel, is responsible for identifying and prioritizing the risks faced by the Company and its operating units, and for identifying which risks are sufficiently material to warrant the specific consideration of the Company's Board of Directors or its committees.

## C1.3

**(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?**

Yes

### C1.3a

**(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).**

**Who is entitled to benefit from these incentives?**

All employees

**Types of incentives**

Recognition (non-monetary)

**Activity incentivized**

Efficiency project

**Comment**

Employees and IPG agencies that demonstrate a commitment to efficiency and sustainability through internal projects and client-related work have the opportunity to be recognized in internal and external communications platforms. One of these platforms resides on the Sustainability Section of the corporate website:  
<https://www.interpublic.com/about/stronger>

## C2. Risks and opportunities

### C2.1

**(C2.1) Describe what your organization considers to be short-, medium- and long-term horizons.**

	From (years)	To (years)	Comment
Short-term	0	3	
Medium-term	3	10	
Long-term	10	30	

### C2.2

**(C2.2) Select the option that best describes how your organization's processes for identifying, assessing, and managing climate-related issues are integrated into your overall risk management.**

Integrated into multi-disciplinary company-wide risk identification, assessment, and management processes

## C2.2a

**(C2.2a) Select the options that best describe your organization's frequency and time horizon for identifying and assessing climate-related risks.**

	Frequency of monitoring	How far into the future are risks considered?	Comment
Row 1	Annually	>6 years	The Board of Directors has an active role in the oversight of the Company's enterprise risk management activities. The Board of Directors conducts an annual review and assessment of the primary operational and regulatory risks facing the Company, their relative magnitude and management's plans for mitigating these risks. The Corporate Governance Committee of the IPG Board reviews and advises management on the Company's corporate social responsibility initiatives, policies and practices, including with respect to sustainability. The Audit Committee has specific oversight of the Company's financial risk exposure. The Chief Risk Officer of the Company reports regularly to the Audit Committee. Results are reported to Corporate Governance Committee and the Board. Global consideration, with an emphasis on the United States and Western Europe (including the U.K.).

## C2.2b

**(C2.2b) Provide further details on your organization's process(es) for identifying and assessing climate-related risks.**

IPG has a robust framework for evaluating a wide range of risks and opportunities, including risks and opportunities related to sustainability, and whether they have a substantive financial impact, defined as an impact exceeding 5% of group operating revenues. This process is overseen by the Company's senior management, including the Chief Financial Officer, the Chief Strategy and Talent Officer, the Chief Risk Officer and the General Counsel. These positions are responsible for the identification and remediation of the principal risks facing the Company and its operations, which includes the operational and regulatory risks that may be posed by climate change.

The Company's management, including agency management, is responsible for identifying and executing on business opportunities, including the opportunities presented by clients' responses to the challenges presented by climate change and their development and marketing of new products and services.

Specifically relating to climate change, the Company has dedicated a Senior Director of Sustainability and Corporate Communications and has also formed a Sustainability Working Group, with representatives from the Communications, Risk, Real Estate, Procurement, Investor Relations, Travel and Legal functions, which is tasked with reviewing, coordinating and promoting the Company's risks and efforts in this area at the consolidated corporate level. Ultimately, the Board of Directors has overall responsibility for the oversight and management of the Company's risks.

## C2.2c

### (C2.2c) Which of the following risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	<p>Current regulations related to climate risk and resiliency are always considered in our multi-disciplinary company-wide risk identification, assessment, and management processes.</p> <p>At IPG specifically, many of our largest office spaces are located in NYC and London, which have very progressive regulations and policy programs related to climate risk and resiliency.</p> <p>We consider all of these regulations in every municipality that we operate in around the world to make sure to minimize risk in our operations.</p>
Emerging regulation	Relevant, always included	<p>Emerging Regulations are always considered in our multi-disciplinary company-wide risk identification, assessment, and management processes.</p> <p>At IPG specifically, many of our largest office spaces are located in NYC and London, which have very progressive regulations and policy programs related to climate risk and resiliency.</p> <p>We monitor emerging regulations in this area, especially when it could change the operating cost of our leased office space.</p>
Technology	Relevant, sometimes included	<p>As a forward-looking company, IPG looks at technological change as a business opportunity for the company. Given increased consumer and business interest technologies around climate change mitigation and adaptation, IPG sees this as a major opportunity where the company can partner with clients to better explain and show clients' capabilities to deal with climate change issues.</p>

Legal	Relevant, always included	<p>Legal issues related to climate change are always considered in our multi-disciplinary company-wide risk identification, assessment, and management processes.</p> <p>Given the creative nature of IPG's work, the company is not overly exposed to climate change legislation or litigation. While this risk is fairly minor, the company has some exposure to legislation and must remain vigilant to make sure IPG is in compliance with ever changing legal mandates in the various markets around the world in which we operate or risk fines and other penalties.</p>
Market	Relevant, always included	<p>Market-related risks concerning climate change and related issues are always included in our multi-disciplinary company-wide risk identification, assessment, and management processes.</p> <p>Climate-related risks that IPG's clients deem as important are also risks that IPG deems as important.</p> <p>As a specific example at IPG, we are increasingly being asked by our clients to report on climate-related issues, performance and strategy. CDP is one of the methods that clients are reaching out to us to obtain this information.</p> <p>We consider the risk of increased reporting, or not reporting, and the tradeoffs / costs and risks these decisions entail.</p>
Reputation	Relevant, always included	<p>Increased stakeholder concern on climate-related issues or negative stakeholder feedback on IPG's response to climate-related issues are seen as risks, as they have the potential to significantly affect IPG's revenue positively or negatively depending on how we manage these issues.</p> <p>At IPG specifically, this is seen as an immediate and current risk. Reputation is always included in our multi-disciplinary company-wide risk identification, assessment, and management processes.</p> <p>At IPG our clients are increasingly engaging with us on this issues and looking to see progress each year.</p>
Acute physical	Relevant, always included	<p>Acute physical effects related to climate change such as extreme weather are always considered in our multi-disciplinary company-wide risk identification, assessment, and management processes.</p> <p>At IPG specifically, we have been affected in the past by extreme weather. For example, Super Storm Sandy greatly impacted our operations in New York, and more recent examples include work disruptions from Hurricanes Harvey, Maria and Irma.</p>



		<p>Not only do we risk property damage, or injury to our employees, but we also have the risk of our employees not being able to continue their work.</p> <p>At IPG as a response to this risk we have implemented a formal business continuity program, which includes remote working, off-site working locations, backups, and other risk management strategies to make sure we can continue delivering quality work on time as expected by our clients even in the face of extreme weather or other natural disasters that may be related to climate change.</p> <p>Some recent examples of how we supported our Puerto Rico agencies in preparation for and in the aftermath of Hurricane Maria:</p> <ul style="list-style-type: none"> <li>· Shared alerts and weather warnings ahead of the storm</li> <li>· Shared damage reports and infrastructure updates after the storm</li> <li>· Liaised with agency crisis team to establish immediate needs, including those of employees and their family members</li> <li>· Liaised with our hub office in Miami to ascertain next steps and client priorities</li> <li>· Worked to develop payroll advances for employees</li> <li>· Connected agency leadership with asset (property) management</li> </ul>
Chronic physical	Relevant, sometimes included	<p>IPG expects to be affected by sea level rise in high-risk locations, for example New York City and Miami, potentially leading to property damage, damage to assets and increased insurance premiums.</p> <p>Additionally, at IPG specifically, rising mean temperatures are a risk that will likely lead to increased operating costs through increased air conditioning use.</p> <p>As this is seen as a risk in the long term, chronic physical risks are not always included in climate-related risk assessments. They are assessed less frequently than other more immediate risks.</p>
Upstream	Relevant, sometimes included	<p>Upstream risks concerning climate-change-related issues are sometimes included in our multi-disciplinary company-wide risk identification, assessment, and management processes.</p>

		At IPG specifically, due to many of our largest buildings and clients being in areas vulnerable to extreme weather (such as New York City, surrounded on four sides by water), we consider the risk of our suppliers and partners not being able to deliver quality, on time, and on cost, sometimes due to climate-related issues such as extreme weather, limited materials, higher-cost materials, difficulty in transportation, and other issues related to climate change.
Downstream	Relevant, always included	<p>Climate-related risks that IPG's clients deem as important are also risks that IPG deems as important. Therefore, an assessment of these risks is always included.</p> <p>As a specific example at IPG, we are increasingly being asked by our clients to report on climate-related issues, performance and strategy. CDP is one of the methods that clients are reaching out to us to obtain this information.</p> <p>We consider the risk of increased reporting, or not reporting, and the tradeoffs / costs and risks these decisions entail.</p>

## C2.2d

### (C2.2d) Describe your process(es) for managing climate-related risks and opportunities.

It is the role of the Company's management, in particular agency management, to identify and pursue the opportunities presented by clients' responses to the challenges presented by climate change and their development and marketing of new products and services. At the parent-company level IPG has assigned a dedicated Senior Director of Corporate Responsibility & Communications as well as senior management, including the Chief Financial Officer, the Chief Strategy and Talent Officer, the Chief Risk Officer and the General Counsel, as responsible for identifying and prioritizing the risks, including operational and regulatory risks that may be posed by climate change, faced by the Company and its operating units, and for identifying which risks are sufficiently material to warrant the specific consideration of the Company's Board of Directors or its committees. Ultimately, the Board of Directors has overall responsibility for the oversight and management of the Company's risks and opportunities at the strategic level.

The Company's management, including agency management, is responsible for identifying and executing on business opportunities, including the opportunities presented by clients' responses to the challenges presented by climate change and their development and marketing of new products and services.

Specifically relating to climate change, the Company has also formed a Sustainability Working Group, with representatives from the Communications, Risk, Real Estate, Procurement, Investor Relations, Travel and Legal functions, which is tasked with reviewing, coordinating and promoting the Company's efforts in this area at the consolidated corporate level.

Sustainability is a core component of Interpublic's corporate values. Each IPG agency has operational responsibility for implementing policies and practices consistent with this value. As IPG strives to provide clients with globally focused marketing solutions, it is committed to managing the environmental footprint of its business operations. Interpublic approaches sustainability as an opportunity for growth, as efficiently managed resource and energy use drives employee innovation, stakeholder engagement and relevance in an increasingly connected world. Within the executive leadership of the IPG corporate group, responsible offices include those of the Chief Risk Officer, Strategy and Talent (w/ oversight of communications) and Corporate Services (real estate and procurement). The Corporate Governance Committee of the IPG Board of Directors has primary responsibility for oversight of the Company's corporate social responsibility policies and practices, including with respect to sustainability. Ultimately, the IPG Board as a whole has responsibility for the review and assessment of the primary risks and opportunities facing IPG, including those posed by climate change.

While the Board's review of the operational risks facing the Company consider regulatory and weather-related risks, customer-driven and reputational issues are more likely to be relevant, given the nature of the Company's business (a provider of marketing and communications services to clients) and physical presence (as a non-manufacturing or site-specific business). As the parent company, IPG considers the risks faced by its operating units (the individual agencies) to be risks facing the corporation as a whole.

In terms of a specific case study, IPG has migrated its IT infrastructure and applications operations to the state-of-the-art Scott Technology Center facilities located on the campus of the University of Nebraska at Omaha.

IPG consolidated its four Global IT Data Centers to this new facility, which utilizes energy-efficient technology and virtualization. As a result, since 2008, IPG IT has decreased the number of physical servers in our production and disaster recovery facilities by 30% while increasing its hosting services, more than doubling the amount of storage. IPG also achieved a 66% reduction in IT power consumption and reduced the Central IT data center square footage by half when we centralized our data centers (starting in 2008). IPG is now sustaining an 80/20 ratio of virtual to physical machines which have decreased racks, ports, and overall carbon footprint. Furthermore, IPG migrated all mail and collaboration platforms to Office 365 leveraging Microsoft Azure Cloud Services. This resulted in a further reduction of 10% of IPG's hosted infrastructure.

IPG IT continues to adopt new energy-efficient technology as older servers and storage age out and need replacement, and over the years, we have been able to continue to reduce the number of server racks and power required to run IPG's enterprise infrastructure and applications while continually adding new feature functionality. Additionally, Central IT moved from New York City to Jersey City, NJ, and achieved Gold-level LEED certification in our new IT headquarters.

## C2.3

**(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?**

Yes

### C2.3a

**(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.**

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**Identifier**

Risk 1

**Where in the value chain does the risk driver occur?**

Direct operations

**Risk type**

Physical risk

**Primary climate-related risk driver**

Chronic: Rising sea levels

**Type of financial impact**

Write-offs and early retirement of existing assets (e.g., damage to property and assets in "high-risk" locations)

**Company- specific description**

Many of our agencies' offices are in places expected to be of the worst affected by sea-level rise. For IPG a specific example is that we have a significant number of buildings and offices in New York City and Miami, which are areas anticipated to be heavily impacted by rising sea levels in the next few decades.

**Time horizon**

Long-term

**Likelihood**

About as likely as not

**Magnitude of impact**

Low

**Are you able to provide a potential financial impact figure?**

No, we do not have this figure

**Potential financial impact figure (currency)**

**Potential financial impact figure – minimum (currency)**

**Potential financial impact figure – maximum (currency)**

**Explanation of financial impact figure**

The financial impact of this risk should be low because most of our buildings are leased.

**Management method**

We maintain a Business Continuity Office, and each of our significant agencies are required to update a business continuity plan regularly which includes data backups, off-site work locations, remote working capabilities, partnerships between agencies for resiliency and many other ways to make sure the work and product deliverables continue even in extreme weather or natural disasters.

**Cost of management**

0

**Comment**

We do not anticipate any additional cost involved with this management method.

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**Identifier**

Risk 2

**Where in the value chain does the risk driver occur?**

Direct operations

**Risk type**

Physical risk

**Primary climate-related risk driver**

Chronic: Rising mean temperatures

**Type of financial impact**

Increased operating costs (e.g., inadequate water supply for hydroelectric plants or to cool nuclear and fossil fuel plants)

**Company- specific description**

Rising global average temperatures could result in increased air-conditioning costs and related energy costs in our offices.

**Time horizon**

Long-term

**Likelihood**

Likely

**Magnitude of impact**

Low

**Are you able to provide a potential financial impact figure?**

No, we do not have this figure

**Potential financial impact figure (currency)**

**Potential financial impact figure – minimum (currency)**

**Potential financial impact figure – maximum (currency)**

**Explanation of financial impact figure**

We anticipate that the impact of anticipated temperature increases could increase air-conditioning cost anywhere from 5-10%.

**Management method**

We are considering energy-efficient and sustainable office space, such as LEED-certified space, in all of our new property buildouts and re-locations to minimize and mitigate this increase in costs through efficiency.

**Cost of management**

0

**Comment**

We do not anticipate any additional cost involved with this management method.

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**Identifier**

Risk 3

**Where in the value chain does the risk driver occur?**

Customer

**Risk type**

Transition risk

**Primary climate-related risk driver**

Reputation: Increased stakeholder concern or negative stakeholder feedback

**Type of financial impact**

**Company- specific description**

If IPG were to develop a reputation for inadequate climate-related efforts in the face of growing customer awareness and increasing sustainability-related demands, clients may lose trust and respect for IPG, which could cause these clients to look at other

opportunities to meet their marketing and communications needs and result in reduced revenue for IPG.

**Time horizon**

Medium-term

**Likelihood**

About as likely as not

**Magnitude of impact**

Medium-low

**Are you able to provide a potential financial impact figure?**

No, we do not have this figure

**Potential financial impact figure (currency)**

**Potential financial impact figure – minimum (currency)**

**Potential financial impact figure – maximum (currency)**

**Explanation of financial impact figure**

The potential financial implications depend on the nature and size of the client.

**Management method**

We publish a sustainability report referencing the GRI framework each year, and we also respond to the CDP Climate and CDP Supply Chain surveys each year. This year we responded for the first time to the RobecoSAM Corporate Sustainability Assessment (CSA). We favor energy-efficient and sustainable office space whenever re-locating or building out new locations. Each year we work to improve our management of and reputation around climate-related issues, including partnering with our clients on these matters.

**Cost of management**

0

**Comment**

We do not anticipate any additional cost involved with this management method.

**C2.4**

**(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?**

Yes

## C2.4a

**(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.**

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**Identifier**

Opp1

**Where in the value chain does the opportunity occur?**

Customer

**Opportunity type**

Products and services

**Primary climate-related opportunity driver**

Development of new products or services through R&D and innovation

**Type of financial impact**

Better competitive position to reflect shifting consumer preferences, resulting in increased revenues

**Company-specific description**

IPG believes that the economic and social impact of climate change, including as a result of regulatory initiatives, presents the Company's agencies and their clients with significant marketing and communications opportunities as those challenges are addressed.

**Time horizon**

Current

**Likelihood**

Very likely

**Magnitude of impact**

Medium

**Are you able to provide a potential financial impact figure?**

No, we do not have this figure

**Potential financial impact figure (currency)**

**Potential financial impact figure – minimum (currency)**



### **Potential financial impact figure – maximum (currency)**

### **Explanation of financial impact figure**

The potential financial implications depend on the nature and size of the client.

### **Strategy to realize opportunity**

We view sustainability as a business imperative for IPG, for our agencies, and for our clients. As our talent innovates and works to drive sustainability efforts both at IPG and with our clients, we create and expand markets for sustainable products and services.

### **Cost to realize opportunity**

0

### **Comment**

We do not anticipate any additional cost involved with this management method.

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### **Identifier**

Opp2

### **Where in the value chain does the opportunity occur?**

Customer

### **Opportunity type**

Products and services

### **Primary climate-related opportunity driver**

Shift in consumer preferences

### **Type of financial impact**

Better competitive position to reflect shifting consumer preferences, resulting in increased revenues

### **Company-specific description**

IPG anticipates that the impact of climate change presents the Company's agencies and their clients with significant marketing and communications opportunities as those challenges are addressed. IPG agencies and corporate business development teams work with their clients to identify and address those challenges and opportunities. The growing demand for sustainable products and services, not only in the developed economies, but also across developing markets, presents business and financial opportunities for the Company's clients and for IPG. As the Company's clients develop and launch new products and services, IPG and its agencies have the opportunity to partner with them to market their solutions and tailor their communication strategies.

### **Time horizon**

Short-term

### **Likelihood**

Very likely

**Magnitude of impact**

Medium

**Are you able to provide a potential financial impact figure?**

No, we do not have this figure

**Potential financial impact figure (currency)**

**Potential financial impact figure – minimum (currency)**

**Potential financial impact figure – maximum (currency)**

**Explanation of financial impact figure**

The potential financial implications depend on the nature and size of the client.

**Strategy to realize opportunity**

The creative talent at IPG's agencies is driving sustainability efforts through what they do best: developing advertising campaigns that create new markets for sustainable products, in partnership with forward-thinking clients. These marketing efforts can shift demand toward more environmentally responsible products and can result in consumer behavior changes that reduce environmental and social pressures on a meaningful scale.

**Cost to realize opportunity**

0

**Comment**

We do not anticipate any additional cost involved with this management method.

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**Identifier**

Opp3

**Where in the value chain does the opportunity occur?**

Direct operations

**Opportunity type**

Resource efficiency

**Primary climate-related opportunity driver**

Move to more efficient buildings

**Type of financial impact**

Reduced operating costs (e.g., through efficiency gains and cost reductions)

**Company-specific description**

At IPG specifically, we are including assessments of climate-resilient and efficient technologies in our real estate department whenever we are relocating or looking at building out new space. By moving our offices into more efficient buildings, we have the opportunity to save on operating costs such as electricity, heating and air conditioning.

**Time horizon**

Current

**Likelihood**

Very likely

**Magnitude of impact**

Medium

**Are you able to provide a potential financial impact figure?**

No, we do not have this figure

**Potential financial impact figure (currency)**

**Potential financial impact figure – minimum (currency)**

**Potential financial impact figure – maximum (currency)**

**Explanation of financial impact figure**

We expect that the potential financial implications will lower our risk of increased energy, heating and cooling costs.

**Strategy to realize opportunity**

Beginning in 2016, all new tenant buildouts conform to LEED-certified or better.

**Cost to realize opportunity**

0

**Comment**

We do not anticipate any additional cost involved with this management method.

**C2.5**

**(C2.5) Describe where and how the identified risks and opportunities have impacted your business.**

	<b>Impact</b>	<b>Description</b>
Products and services	Impacted for some suppliers, facilities, or product lines	Better competitive position to reflect shifting customer preferences. IPG believes that the economic and social impact of climate change, including as a result of regulatory initiatives, presents the Company's agencies and their clients with significant

		marketing and communications opportunities as those challenges are addressed.
Supply chain and/or value chain	Not yet impacted	We anticipate that due to climate-related issues such as extreme weather and flooding, we could see disruptions in our supply chain including impacts on supply reliability and the cost of services / products sourced.
Adaptation and mitigation activities	Not yet impacted	<p>In order to adapt to rising temperatures, IPG will have to increase the running of air-conditioning units and increase their coverage of air-conditioned units around the world.</p> <p>To deal with rising sea levels, IPG may face costs to move facilities or from facilities lost or damaged due to flooding.</p> <p>The ability of IPG agencies to deliver their work to their clients on time could be impacted by extreme weather and natural disaster events increasing in frequency due to climate change.</p>
Investment in R&D	Impacted for some suppliers, facilities, or product lines	<p>IPG agencies and corporate business development teams work with their clients to identify and address those challenges and opportunities related to climate change.</p> <p>The growing demand for sustainable products and services, not only in the developed economies, but also across developing markets, presents business and financial opportunities for the Company's clients and for IPG.</p> <p>As the Company's clients develop and launch new products and services, IPG and its agencies have the opportunity to partner with them to market their solutions and tailor their communication strategies.</p>
Operations	Not yet impacted	<p>Rising sea levels and increasing global mean temperatures are expected to impact our operations over the long term.</p> <p>Many of our agencies are located in places expected to be of the worst affected by sea-level rise. For example, New York City and Miami, where we maintain significant operations, are areas anticipated to be heavily impacted by rising sea levels in the next few decades.</p> <p>Our operations, including the ability for our employees to work and deliver to our clients on time, could be effected by climate-related issues.</p>
Other, please specify		

## C2.6

**(C2.6) Describe where and how the identified risks and opportunities have been factored into your financial planning process.**

	Relevance	Description
Revenues	Not impacted	IPG's principal revenue risks comes from reputational risk, including not only clients' perception of the quality of our work but also their perception of the company as a valued business partner. With businesses and consumers increasingly wanting to only purchase goods and services from ethical companies, IPG needs to maintain itself as a company taking climate change and sustainability seriously or risk losing revenue opportunities.
Operating costs	Impacted	IPG is cognizant of how its activities can impact the environment. Because of that, the company has taken several actions to mitigate its energy usage which have impacted operating costs. For example, IPG now requires all new buildouts to be LEED-certified wherever possible. This has both reduced emissions and operating costs. As well, by increasing virtualization by 80% since 2008, the company has reduced power consumption by IT operations by 66%, further reducing emissions and operating costs.
Capital expenditures / capital allocation	Not impacted	While IPG includes risks and opportunities related to climate change when allocating capital, the company does not generally own physical structures that would be impacted by climate change and thus does not need to allocate capital for adaption.
Acquisitions and divestments	Not impacted	While IPG has a successful track record of integrating acquisitions, because we are expanding our reporting boundary year on year, that has the real impact rather than a particular acquisition or divestment.
Access to capital	Not impacted	At the present time our access to the capital markets and other sources of financial capital has not been impacted by climate change, although we do see an increasing number of investment funds whose investment criteria are driven by ethical and social considerations, including climate change. The true source of capital that has made IPG successful has been our human capital. Employees are more and more interested in working at ethical corporations and we expect this attitude to impact our access to talent in the future.
Assets	Not impacted	IPG rents rather than owns the overwhelming majority of its facilities and, as such, our key asset is our people. Because of that this area is not impacted.
Liabilities	Not impacted	As IPG generally lacks physical liabilities that would be impacted by climate change, we do not believe this area is relevant to our

		business.
Other	Not impacted	

## C3. Business Strategy

### C3.1

**(C3.1) Are climate-related issues integrated into your business strategy?**

Yes

#### C3.1a

**(C3.1a) Does your organization use climate-related scenario analysis to inform your business strategy?**

No, but we anticipate doing so in the next two years

#### C3.1c

**(C3.1c) Explain how climate-related issues are integrated into your business objectives and strategy.**

IPG reports on our sustainability initiatives utilizing the GRI framework. We have continued to strengthen our commitment to operating sustainably by expanding the boundary in which we collect climate-related data. Each year for the past four years we have expanded the measurement of our emissions and other environmental impacts using GHG Protocol Corporate Standards. This year Interpublic continued our journey of calculating GHG emissions by expanding our boundary to include all offices which are over 50,000 square feet worldwide. The boundary was expanded from last year's which included all of North America over 50,000 square feet and select buildings in the U.K. and France. The expanded boundary as of the end of 2017 now includes 48% of our worldwide headcount (up from 37%) and 53% of our worldwide square footage (up from 45%).

IPG continues to make strides in our areas of environmental focus – energy usage, recycling, travel and green building practices, as outlined in our recently updated sustainability policy – with a 35% reduction in square foot per employee from 2004 to 2016 and a 70% reduction in power consumption in our central IT operations since 2008. And, in terms of our greenhouse gas emissions, we've set a Scope 2 relative intensity target for 10% reduction by 2030 in metric tons CO<sub>2</sub>e per employee from a baseline of 2015.

Sustainability is a core component of Interpublic's corporate values. Our climate and sustainability strategy helps us to achieve our business strategy: a business objective of IPG is to be one of the world's most successful marketing agencies, and within that, our strategy includes keeping customers on board plus continuing to add more clients. IPG believes that as

we innovate with our products to be at the forefront of sustainability within our industry, our customers and potential customers will respond positively, and we will continue to grow, retain existing clients and take on new clients. As such, our business strategy and how we deal with climate-related issues are intrinsically linked. Our climate strategy is influenced by discussions and surveys with customers about climate risks they are facing, as well as discussions with other stakeholders where issues important to them are raised. IPG has made business decisions that have been influenced by climate change and our strategy. For example, we upgraded our business travel tool to calculate carbon footprints and to allow business travelers to sort air travel by carbon dioxide (CO<sub>2</sub>) emissions as well as by time and cost.

## C3.1g

### **(C3.1g) Why does your organization not use climate-related scenario analysis to inform your business strategy?**

Our business continuity program and site incident plans, which develop comprehensive emergency management procedures for a substantial set of our office locations to respond to disruptions caused by extreme weather, helps to make sure we are ready to react to the immediate impacts in various climate-change related scenarios. In addition, the sustainability program and its various initiatives related to climate change, such as our publishing of an annual sustainability report, our response to RobecoSAM, and our response to CDP, help us to explore these issues strategically each year and engage to meet the needs of our clients in areas related to climate change.

At the present time, IPG does not consider climate change to be a significant immediate short-term threat, given the nature of the Company's business (a provider of marketing and communications services to clients) and physical presence (as a non-manufacturing and non-site-specific business). IPG currently gains information on climate-related risks through research and discussions with stakeholders, and, considering the low immediate threat to IPG of climate-related risks based on the nature of the company, we feel that this approach is sufficient at present. We will continue to explore this each year as we anticipate that important stakeholder expectations and other factors may change over the next few years.

## C4. Targets and performance

### C4.1

#### **(C4.1) Did you have an emissions target that was active in the reporting year?**

Intensity target

### C4.1b

#### **(C4.1b) Provide details of your emissions intensity target(s) and progress made against those target(s).**

**Target reference number**

Int 1

**Scope**

Scope 2 (location-based)

**% emissions in Scope**

100

**Targeted % reduction from base year**

10

**Metric**

Metric tons CO<sub>2</sub>e per unit FTE employee

**Base year**

2015

**Start year**

2016

**Normalized base year emissions covered by target (metric tons CO<sub>2</sub>e)**

1.33

**Target year**

2030

**Is this a science-based target?**

**% of target achieved**

100

**Target status**

Achieved

**Please explain**

The intensity target covers 100% of our measured Scope 2 emissions in the base year. Our target is set on an intensity basis because each year we are expanding the boundary of the buildings that we are collecting data from, as data becomes more available. Therefore, as our absolute emissions will tend to go up, our intensity metric will allow us to measure our performance in reducing year over year emissions against our target.

**% change anticipated in absolute Scope 1+2 emissions**

50

**% change anticipated in absolute Scope 3 emissions**

0



## C4.2

**(C4.2) Provide details of other key climate-related targets not already reported in question C4.1/a/b.**

## C4.3

**(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.**

Yes

### C4.3a

**(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO<sub>2</sub>e savings.**

	Number of initiatives	Total estimated annual CO <sub>2</sub> e savings in metric tonnes CO <sub>2</sub> e (only for rows marked *)
Under investigation	0	0
To be implemented*	0	0
Implementation commenced*	0	0
Implemented*	2	2,320
Not to be implemented	0	0

### C4.3b

**(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.**

**Initiative type**

Energy efficiency: Processes

**Description of initiative**

Process optimization

**Estimated annual CO<sub>2</sub>e savings (metric tonnes CO<sub>2</sub>e)**

1,160

**Scope**

Scope 2 (location-based)

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in C0.4)**

0

**Investment required (unit currency – as specified in C0.4)**

0

**Payback period**

No payback

**Estimated lifetime of the initiative**

6-10 years

**Comment**

Information Technology – to improve IT operational efficiencies and reduce energy consumption, IPG has migrated its IT infrastructure and applications operations to the state-of-the-art Scott Technology Center facilities located on the campus of the University of Nebraska at Omaha.

IPG consolidated its four Global IT Data Centers to this new facility, which utilizes energy efficient technology and virtualization. As a result, since 2008, IPG IT has decreased the number of physical servers in our production and disaster recovery facilities by 30% while increasing its hosting services; more than doubling the amount of storage. IPG also achieved a 66% reduction in IT power consumption and reduced the Central IT data center square footage by half when we centralized our data centers (starting in 2008). IPG is now sustaining a 70/30 ratio of virtual to physical machines which have decreased racks, ports, and overall carbon footprint.

IPG IT continues to adopt new energy-efficient technology as older servers and storage age out and need replacement, and over the years, we have been able to continue to reduce the number of server racks and power required to run IPG's enterprise infrastructure and applications while continually adding new feature functionality. Additionally, Central IT moved from New York City to Jersey City, NJ, and achieved Gold level LEED certification in our new IT headquarters.

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**Initiative type**

Process emissions reductions

**Description of initiative**

Changes in operations

**Estimated annual CO2e savings (metric tonnes CO2e)**

1,160

**Scope**

Scope 1

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in C0.4)**

0

**Investment required (unit currency – as specified in C0.4)**

0

**Payback period**

No payback

**Estimated lifetime of the initiative**

6-10 years

**Comment**

IPG encourages its employees and agencies to implement policies and energy usage guidelines that meet or exceed local regulations. IPG favors occupying “green spaces,” and encourages all agencies to consider such facilities where possible. In fact, all new tenant buildouts since the beginning of 2016 are being executed at LEED-Certified or better. Sharing facilities is another component to reducing our carbon footprint. IPG Real Estate policies, SP&Ps 104 Real Estate (domestic only) and 105 Real Estate (international only) require all agencies to look within the portfolio for real estate solutions before committing to leasing new office space. We encourage agencies to employ “Green Designs” when designing their offices. This includes open space planning (80% workstations / 20% offices).

**C4.3c**

**(C4.3c) What methods do you use to drive investment in emissions reduction activities?**

Method	Comment
Dedicated budget for other emissions reduction activities	The Company has formed a Sustainability Working Group, with representatives from the Communications, Risk, Real Estate, Procurement, Investor Relations, Travel and Legal functions, which is tasked with reviewing, coordinating and promoting the Company's efforts in the area of sustainability at the consolidated corporate level. The Working Group has hired The Governance and Accountability Institute to assist the Company in developing and implementing its emissions reduction activities and policy. IPG has also named Jemma Gould as Senior Director, Corporate Responsibility & Communications, to identify and implement corporate policies and best practices with respect to sustainability.
Employee engagement	Interpublic communicates to its employees the value of individual responsibility to deliver behavioral change, including recycling, energy usage and local sourcing. Sustainability practices, including, for example, a travel program that endorses public transport and video

	conferencing where possible and a "green building" real estate initiative, are communicated throughout the Company.
Internal incentives/recognition programs	In April 2014 the Company first published STRONGER, its new report on corporate citizenship at the IPG companies. STRONGER provides a sampling of the agencies' work on social issues in the communities where employees live and work, as well as a snapshot of IPG's programming in the area of environmental responsibility. The Company has encouraged its agencies to report their activities and initiatives in this area to be considered for recognition on STRONGER, which now resides on the sustainability page of the corporate website: <a href="https://www.interpublic.com/about/stronger">https://www.interpublic.com/about/stronger</a>
Compliance with regulatory requirements/standards	IPG encourages its employees and agencies to implement policies and energy usage guidelines that meet or exceed local regulations. All new tenant build-outs are required to be LEED-certified or better whenever feasible. IPG also has a sustainability policy which you can find here: <a href="https://www.interpublic.com/about/stronger/gri">https://www.interpublic.com/about/stronger/gri</a>
Employee engagement	To help ensure that travel across the organization is as sustainable as possible, the IPG Travel department has enhanced the Company's online booking tool to allow employees to sort air travel by carbon dioxide (CO2) emissions as well as by time and cost. The Company believes this program to be one of the first of its kind to be instituted for a Fortune 500 company.

## C4.5

**(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?**

No

## C5. Emissions methodology

### C5.1

**(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).**

#### Scope 1

**Base year start**

January 1, 2015

**Base year end**

December 31, 2015

**Base year emissions (metric tons CO2e)**

2,496.8

**Comment**

**Scope 2 (location-based)**

---

**Base year start**

January 1, 2015

**Base year end**

December 31, 2015

**Base year emissions (metric tons CO<sub>2</sub>e)**

21,964.2

**Comment**

**Scope 2 (market-based)**

---

**Base year start**

**Base year end**

**Base year emissions (metric tons CO<sub>2</sub>e)**

**Comment**

## **C5.2**

**(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions.**

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

## **C6. Emissions data**

### **C6.1**

**(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO<sub>2</sub>e?**

**Reporting year**

---

**Gross global Scope 1 emissions (metric tons CO<sub>2</sub>e)**

2,358.1

**Start date**

January 1, 2017

**End date**

December 31, 2017

**Comment**

**Past year 1**

---

**Gross global Scope 1 emissions (metric tons CO<sub>2</sub>e)**

2,485.6

**Start date**

January 1, 2016

**End date**

December 31, 2016

**Comment**

## C6.2

**(C6.2) Describe your organization's approach to reporting Scope 2 emissions.**

**Row 1**

---

**Scope 2, location-based**

We are reporting a Scope 2, location-based figure

**Scope 2, market-based**

We have no operations where we are able to access electricity supplier emission factors or residual emissions factors and are unable to report a Scope 2, market-based figure

**Comment**

## C6.3

**(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO<sub>2</sub>e?**

**Reporting year**

---

**Scope 2, location-based**

25,877.4

**Start date**

January 1, 2017

**End date**

December 31, 2017

**Comment**

**Past year 1**

---

**Scope 2, location-based**

26,975.1

**Start date**

January 1, 2016

**End date**

December 31, 2016

**Comment**

## C6.4

**(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?**

No

## C6.5

**(C6.5) Account for your organization's Scope 3 emissions, disclosing and explaining any exclusions.**

**Purchased goods and services**

---

**Evaluation status**

Not relevant, explanation provided

**Explanation**

As a marketing and advertising firm, IPG does not have a material amount of purchased goods and services that that would affect Scope 3 emissions

**Capital goods**

---

**Evaluation status**

Not relevant, explanation provided

**Explanation**

As a marketing and advertising firm, IPG does not have a material amount of capital goods that would affect Scope 3 emissions.

### **Fuel-and-energy-related activities (not included in Scope 1 or 2)**

---

#### **Evaluation status**

Not relevant, explanation provided

#### **Explanation**

IPG provides advertising and marketing solutions, and does not have a material amount of fuel and energy-related activities that are not included in Scope 1 or 2.

### **Upstream transportation and distribution**

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#### **Evaluation status**

Not relevant, explanation provided

#### **Explanation**

IPG provides advertising and marketing solutions, and therefore there is not a material upstream transportation and distribution of goods.

### **Waste generated in operations**

---

#### **Evaluation status**

Not relevant, explanation provided

#### **Explanation**

As a marketing and advertising firm, IPG does not have a material amount of waste that that would affect Scope 3 emissions.

### **Business travel**

---

#### **Evaluation status**

Relevant, calculated

#### **Metric tonnes CO<sub>2</sub>e**

59,842

#### **Emissions calculation methodology**

TRX\* C02 Emissions Methodology for Air Travel 1) Gather airline schedule data (city pair, miles, carrier, aircraft, seats) 2) Determine fuel burn rates for aircraft and distance 3) Calculate total C02 emissions for the flight 4) Allocate emissions between cargo and passengers 5) Allocate emissions per cabin 6) Adjust for passenger load factors Note: The TRX model is built in a modular manner so that the highest-quality, most up-to-date, trustworthy public information available can be used. \*TRX is IPG's global travel data consolidator

#### **Percentage of emissions calculated using data obtained from suppliers or value chain partners**

100



### **Explanation**

IPG's 54,000 employees around the world travel nearly 300 million miles each year on airplanes. Several years ago, the IPG travel department developed a new way to track carbon emissions related to that travel and a way for our business travelers to play a big part in reducing those emissions.

While we work to limit our travel where possible, in a client services business, some of our travel is essential. Efficient travel policies – traveling less where possible, traveling lighter and traveling smarter – is a shared goal that we have committed to. To help ensure that travel across our organization is as sustainable as possible, we have enhanced our online booking tool to allow business travelers to sort air travel by carbon dioxide (CO<sub>2</sub>) emissions as well as by time and cost. This tracking system has been turned on in nearly all countries where online booking is available, allowing our business travelers to assess comparative CO<sub>2</sub> emissions between IPG preferred carriers, allowing us to make smarter travel choices that are also less damaging to the environment.

By understanding the impact each of us can have upon the economic, environmental, and social sustainability of our communities, our employees can contribute in small ways to the ongoing health of our communities. Our travel program that takes carbon emissions into consideration was one of the first of its kind to be instituted at a Fortune 500 company.

### **Employee commuting**

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#### **Evaluation status**

Not relevant, explanation provided

#### **Explanation**

As a marketing and advertising firm operating mostly in major cities, the majority of IPG's employee's commute via mass transit.

### **Upstream leased assets**

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#### **Evaluation status**

Not relevant, explanation provided

#### **Explanation**

As an advertising and marketing firm, IPG does not have any material upstream leased assets.

### **Downstream transportation and distribution**

---

#### **Evaluation status**

Not relevant, explanation provided

#### **Explanation**

IPG provides advertising and marketing solutions, and therefore there is no material upstream transportation and distribution of goods.

## Processing of sold products

---

### Evaluation status

Not relevant, explanation provided

### Explanation

IPG does not manufacture or produce products for sale directly as it provides advertising and marketing services to clients.

## Use of sold products

---

### Evaluation status

Not relevant, explanation provided

### Explanation

IPG does not manufacture or produce products for sale directly as it provides advertising and marketing services to clients.

## End of life treatment of sold products

---

### Evaluation status

Not relevant, explanation provided

### Explanation

IPG does not manufacture or produce products for sale directly, but provides advertising and marketing services to clients.

## Downstream leased assets

---

### Evaluation status

Not relevant, explanation provided

### Explanation

As a marketing and advertising firm, IPG does not have any material downstream leased assets.

## Franchises

---

### Evaluation status

Not relevant, explanation provided

### Explanation

IPG does not have any franchises.

## Investments

---

### Evaluation status

Not relevant, explanation provided

### Explanation

As a marketing and advertising firm, IPG does not have a material amount of investments that would affect Scope 3 emissions.

#### **Other (upstream)**

---

**Evaluation status**

**Explanation**

#### **Other (downstream)**

---

**Evaluation status**

**Explanation**

### **C6.7**

**(C6.7) Are carbon dioxide emissions from biologically sequestered carbon relevant to your organization?**

No

### **C6.10**

**(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO<sub>2</sub>e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.**

---

**Intensity figure**

1.17

**Metric numerator (Gross global combined Scope 1 and 2 emissions)**

28,236

**Metric denominator**

full time equivalent (FTE) employee

**Metric denominator: Unit total**

24,126

**Scope 2 figure used**

Location-based

**% change from previous year**

7.14

**Direction of change**

Decreased

**Reason for change**

GHG emissions intensity per full time equivalent (FTE) employee decreased from 2016 to 2017: in 2016 it was 1.26 MTCO<sub>2</sub>e Employee, and in 2017 it was 1.17 MTCO<sub>2</sub>e per employee (7.14% decrease). The reason for the decrease is due to energy efficiency programs and also due to the implementation of standards in the management of our real estate portfolio that require new leases and buildouts to be LEED certified. The expanded boundary as of the end of 2017 included 48% of our worldwide headcount, and 53% of our worldwide square footage.

---

**Intensity figure**

0.0051

**Metric numerator (Gross global combined Scope 1 and 2 emissions)**

28,236

**Metric denominator**

square foot

**Metric denominator: Unit total**

5,493,673

**Scope 2 figure used**

Location-based

**% change from previous year**

5.56

**Direction of change**

Decreased

**Reason for change**

GHG emissions intensity per square foot decreased from 2016 to 2017: in 2016 it was 0.0054 MTCO<sub>2</sub>e per square foot, and in 2017 it was 0.0051 MTCO<sub>2</sub>e per square foot (5.56% decrease). The reason for the decrease is due to energy-efficiency programs and also due to the implementation of standards in the management of our real estate portfolio that require new leases and buildouts to be LEED certified.

## C7. Emissions breakdowns

### C7.1

**(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?**

No

### C7.2

**(C7.2) Break down your total gross global Scope 1 emissions by country/region.**

Country/Region	Scope 1 emissions (metric tons CO <sub>2</sub> e)
Canada	350.7
United States of America	1,162.8
United Kingdom of Great Britain and Northern Ireland	642
France	14
Germany	188.7

### C7.3

**(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.**

### C7.5

**(C7.5) Break down your total gross global Scope 2 emissions by country/region.**

Country/Region	Scope 2, location-based (metric tons CO <sub>2</sub> e)	Scope 2, market-based (metric tons CO <sub>2</sub> e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low-carbon electricity, heat, steam or cooling accounted in market-based approach (MWh)
United States of America	17,160		53,026.6	
Canada	449.6		3,378.1	
United Kingdom of Great Britain and Northern Ireland	3,725		10,596.4	
France	442.6		3,117.6	
Brazil	97.3		1,466	

China	1,447.8		1,942.9	
Germany	222.9		515.1	
Israel	463.3		1,176.9	
Japan	349.5		838.2	
South Africa	1,354		1,458.9	
Spain	165.6		550.1	

## C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

## C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Decreased

## C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined) and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	0	No change	0	
Other emissions reduction activities	1,225.2	Decreased	4	Our combined Scope 1 and 2 emissions for 2016 were 29,461 MTCO2e and in 2017 combined emissions decreased by 1,225 MTCO2e to 28,236. This calculates to a 4% decrease in Scope 1 and 2 combined emissions YOY. The reason for the decrease is due to energy efficiency programs and the implementation of standards in the management of our real estate portfolio

				that require new leases and buildouts to be LEED certified.
Divestment	0	No change	0	
Acquisitions	0	No change	0	
Mergers	0	No change	0	
Change in output	0	No change	0	
Change in methodology	0	No change	0	
Change in boundary	0	No change	0	
Change in physical operating conditions	0	No change	0	
Unidentified	0	No change	0	
Other	0	No change	0	

## C7.9b

**(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?**

Location-based

## C8. Energy

### C8.1

**(C8.1) What percentage of your total operational spend in the reporting year was on energy?**

More than 0% but less than or equal to 5%

### C8.2

**(C8.2) Select which energy-related activities your organization has undertaken.**

	Indicate whether your organization undertakes this energy-related activity
Consumption of fuel (excluding feedstocks)	Yes

Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	Yes
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	Yes

## C8.2a

**(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.**

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)	0	12,916.9	12,916.9
Consumption of purchased or acquired electricity		0	74,030.2	74,030.2
Consumption of purchased or acquired steam		0	4,036.8	4,036.8
Consumption of self-generated non-fuel renewable energy		0		0
Total energy consumption		0	90,983.9	90,983.9

## C8.2b

**(C8.2b) Select the applications of your organization's consumption of fuel.**

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	No
Consumption of fuel for the generation of heat	Yes
Consumption of fuel for the generation of steam	No



Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	No

## C8.2c

**(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.**

---

### Fuels (excluding feedstocks)

Natural Gas

### Heating value

HHV (higher heating value)

### Total fuel MWh consumed by the organization

12,373.18

### Comment

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### Fuels (excluding feedstocks)

Fuel Oil Number 2

### Heating value

HHV (higher heating value)

### Total fuel MWh consumed by the organization

543.72

### Comment

## C8.2d

**(C8.2d) List the average emission factors of the fuels reported in C8.2c.**

### Fuel Oil Number 2

---

### Emission factor

10.21

### Unit

kg CO2 per gallon

**Emission factor source**

[https://www.epa.gov/sites/production/files/2018-03/documents/emission-factors\\_mar\\_2018\\_0.pdf](https://www.epa.gov/sites/production/files/2018-03/documents/emission-factors_mar_2018_0.pdf)

**Comment**

**Natural Gas**

---

**Emission factor**

53.06

**Unit**

kg CO2 per million Btu

**Emission factor source**

[https://www.epa.gov/sites/production/files/2018-03/documents/emission-factors\\_mar\\_2018\\_0.pdf](https://www.epa.gov/sites/production/files/2018-03/documents/emission-factors_mar_2018_0.pdf)

**Comment**

**C8.2e**

**(C8.2e) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.**

	Total Gross generation (MWh)	Generation that is consumed by the organization (MWh)	Gross generation from renewable sources (MWh)	Generation from renewable sources that is consumed by the organization (MWh)
Electricity	0	0	0	0
Heat	12,916.9	12,916.9	0	0
Steam	0	0	0	0
Cooling	0	0	0	0

**C8.2f**

**(C8.2f) Provide details on the electricity, heat, steam and/or cooling amounts that were accounted for at a low-carbon emission factor in the market-based Scope 2 figure reported in C6.3.**

**Basis for applying a low-carbon emission factor**

No purchases or generation of low-carbon electricity, heat, steam or cooling accounted with a low-carbon emission factor

**Low-carbon technology type**

**Region of consumption of low-carbon electricity, heat, steam or cooling**

**MWh consumed associated with low-carbon electricity, heat, steam or cooling**

**Emission factor (in units of metric tons CO<sub>2</sub>e per MWh)**

**Comment**

## **C9. Additional metrics**

### **C9.1**

**(C9.1) Provide any additional climate-related metrics relevant to your business.**

## **C10. Verification**

### **C10.1**

**(C10.1) Indicate the verification/assurance status that applies to your reported emissions.**

	<b>Verification/assurance status</b>
Scope 1	No third-party verification or assurance
Scope 2 (location-based or market-based)	No third-party verification or assurance
Scope 3	No third-party verification or assurance

### **C10.2**

**(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?**

No, but we are actively considering verifying within the next two years

## C11. Carbon pricing

### C11.1

**(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?**

No, and we do not anticipate being regulated in the next three years

### C11.2

**(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?**

Yes

### C11.2a

**(C11.2a) Provide details of the project-based carbon credits originated or purchased by your organization in the reporting period.**

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#### **Credit origination or credit purchase**

Credit purchase

#### **Project type**

Other, please specify

Offset donations have been pooled with other business offset donations and have supported carbon offset projects in our renewable energy projects categories:  
<https://carbonfund.org/renewable-energy/>

#### **Project identification**

Purchased 2,545.239 Tonnes of CO2 Emissions Offsets from CarbonFund.org which supports carbon reduction projects worldwide including renewable energy, methane destruction, energy efficiency, and forestry. Here are examples of some of the projects included in the basket: <https://carbonfund.org/renewable-energy/>

#### **Verified to which standard**

Other, please specify

Carbonfund.org carbon offsets must meet the same, strict eligibility requirements to ensure the validity and transparency of the carbon emissions neutralization process: <https://carbonfund.org/standards/>

#### **Number of credits (metric tonnes CO2e)**

2,545.24

#### **Number of credits (metric tonnes CO2e): Risk adjusted volume**

2,545.24

**Credits cancelled**

No

**Purpose, e.g. compliance**

Voluntary Offsetting

## C11.3

**(C11.3) Does your organization use an internal price on carbon?**

No, and we do not currently anticipate doing so in the next two years

## C12. Engagement

### C12.1

**(C12.1) Do you engage with your value chain on climate-related issues?**

Yes, our suppliers

Yes, our customers

Yes, other partners in the value chain

### C12.1a

**(C12.1a) Provide details of your climate-related supplier engagement strategy.**

---

**Type of engagement**

Compliance & onboarding

**Details of engagement**

Included climate change in supplier selection / management mechanism

**% of suppliers by number**

100

**% total procurement spend (direct and indirect)**

100

**% Scope 3 emissions as reported in C6.5**

0

**Rationale for the coverage of your engagement**

Sustainability is now considered in Company and agency activities, planning, operations and outreach, as well as with IPG's suppliers and business partners. Every time a supplier contract is signed, the Company requests that the supplier complete a detailed questionnaire, including information about their sustainability practices. IPG policy is to review its contracts with existing suppliers at least every three years. IPG expects its suppliers to share its commitment to operating in sync with the long-term health of the

environment. Interpublic has also adopted a Supplier Code of Conduct applicable to all suppliers and their employees, agents and subcontractors. IPG believes it is necessary to engage 100% of their suppliers relating to climate change and other sustainability-related issues in order to ensure 100% on boarding and that progress towards sustainability can be made throughout the supply chain. This also ensures that all suppliers are treated equally, in terms of sustainability-related engagement and requirements. In accordance with the Supplier Code of Conduct, IPG expects its suppliers to share the same social responsibility it does of growing business in a sustainable fashion. IPG believes that environmental stewardship and local business development are of utmost importance, and the Company constantly seeks new ways to fulfill its responsibilities to the environment. Interpublic expects its suppliers to adopt an environmentally friendly policy, share its commitment to sustainability, and comply with all applicable environmental laws and regulations.

### **Impact of engagement, including measures of success**

Ensures that IPG has a benchmark for their suppliers' sustainability and climate-related performance at the beginning of the relationship and can then work together from there to improve it. Assessing supplier's for climate-related performance and other sustainability-related performance at the beginning of the contract means that IPG can identify their forerunners and those lagging behind and concentrate their efforts on engaging with and helping to improve those lagging behind. Potential climate-related risks throughout the supply chain can be assessed and consequently monitored. IPG can target specific suppliers to engage with on these issues to manage and reduce the risk.

### **Comment**

## **C12.1b**

**(C12.1b) Give details of your climate-related engagement strategy with your customers.**

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### **Type of engagement**

Education/information sharing

### **Details of engagement**

Run an engagement campaign to education customers about your climate change performance and strategy

### **% of customers by number**

100

### **% Scope 3 emissions as reported in C6.5**

0

**Please explain the rationale for selecting this group of customers and scope of engagement**

Increasingly, IPG's clients have been asking for more information on their sustainability programs, including information relevant to climate change. In response to this growing demand, IPG has developed several methods of engaging and educating all our clients about our climate-change performance and strategy. We feel it is important to communicate about our efforts and performance to all of our clients, and this is the rationale for engaging with the entire group. Sustainability is now considered in Company and agency activities, planning, operations and outreach, as well as with IPG's suppliers and business partners. IPG's Sustainability Report, 'Stronger' is publicly available online for all of our customers to access and is shared pro-actively by our agencies with their clients. This report is part of an engagement campaign to educate customers about IPG's climate change performance, strategy, and wider sustainability-related achievements and targets. Further, IPG dedicates a section of our website to Sustainability, including videos and relevant news articles to educate our customers on climate-related and broader sustainability issues. We also respond to CDP each year including the supply chain survey which we share with our clients in response to their growing demands.

**Impact of engagement, including measures of success**

The impact of this engagement is an improvement in the relationships with our clients. As a measure of success, we have recently been approached by several of our largest clients to partner together in working on emissions reductions projects, and are forming stronger relationships with these clients around shared values. Further, we are finding that as these relationships build, new opportunities arise around client engagements related to sustainability. Through these types of engagements with clients/customers, we are working together to create a fundamental change in marketing, which shifts demand toward more environmentally responsible products and can result in consumer behavior changes that reduce environmental and social impacts on a meaningful scale. The creative minds at our agencies are driving sustainability strategy through what they do best: innovation. As part of Interpublic's long-term growth strategy, our agencies are developing advertising campaigns that create new markets for sustainable products, in partnership with forward-thinking clients.

## **C12.1c**

**(C12.1c) Give details of your climate-related engagement strategy with other partners in the value chain.**

Other partners in the value chain constitute NGOs that IPG works with and also the Governments in IPG's countries of operations.

IPG is a participant in the United Nations Global Compact, an initiative that encourages companies to align strategies and operations with universal principles on human rights, labor, environment and anti-corruption, and to report on the actions the company takes to advance these societal goals. Additionally, we are part of Common Ground, an initiative that brings together the companies in our sector in support of the UN Sustainable Development Goals. IPG

has adopted Goal #6, access to water and sanitation, and is working on a number of initiatives in support of this goal including a partnership with charity: water that funded a rehabilitated hand pump for a well in Ethiopia, a community where about 70% of the population previously lacked access to clean water.

We also aim to strengthen the communities where our employees live and work. Every day, around the world, teams from our agencies are working in their local markets on projects that include raising awareness of child abuse, encouraging sustainability in its offices and celebrating diversity and equal rights around the world.

## C12.3

**(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?**

- Trade associations
- Funding research organizations
- Other

## C12.3b

**(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?**

- Yes

## C12.3c

**(C12.3c) Enter the details of those trade associations that are likely to take a position on climate change legislation.**

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### **Trade association**

American Association of Advertising Agencies (the 4As)

### **Is your position on climate change consistent with theirs?**

Consistent

### **Please explain the trade association's position**

The mission of the 4As is to improve and strengthen the advertising agency business in the United States. As part of that goal, the organization works with federal, state, and local governments to help achieve desirable social and civic goals, and facilitates the application of its members' skills and talents to pro bono efforts on behalf of worthwhile social and community causes.

### **How have you influenced, or are you attempting to influence their position?**

The Company engages with policy makers principally through its membership in trade organizations such as the 4As. Through its Washington office, the 4As represents the interests of 4As members as well as of the advertising industry as a whole. As the



Company does not believe its interests with respect to the challenges posed by climate change differ from those of its fellow industry participants, it does not typically engage policy makers on an individual basis in this area.

## C12.3d

**(C12.3d) Do you publicly disclose a list of all research organizations that you fund?**

Yes

## C12.3e

**(C12.3e) Provide details of the other engagement activities that you undertake.**

Interpublic continually engages on in sustainability through the creative work of its agencies. As part of Interpublic's long-term growth strategy, its agencies develop advertising campaigns that create new markets for sustainable products, in partnership with forward-thinking clients. The Company believes this represents a fundamental change in marketing, since it shifts demand toward more environmentally responsible products, and can result in consumer behavior changes that reduce environmental and social pressures on a meaningful scale.

At the corporate level, IPG is a signatory of the United Nations Global Compact, an initiative that encourages companies to align strategies and operations with universal principles on human rights, labor, the environment and anti-corruption.

This year, IPG has continued its support of United Nations Sustainable Development Goal #6, access to water and sanitation for all. Some of our agencies' work in this important area includes client partnerships that bring clean water to areas where it is sorely lacking, as well as corporate initiatives like our donation this year to fund a rehabilitated hand pump for a well in Ethiopia that will help bring clean water to hundreds there. IPG and its agency Huge were recognized by the United Nations for our work with Common Ground, the initiative that brings together the large holding companies in our sector in support of the Sustainable Development Goals (SDGs). Huge helped create a YouTube campaign aimed at garnering Gen Z's support of the SDGs.

Understanding that sustainability is a significant opportunity as well as an important responsibility for IPG, we began to report on our sustainability initiatives utilizing the GRI-G4 framework. In this, our fourth year of reporting, we continue to progress on our sustainability journey, making strides on this key indicator of our success as a company and as a corporate citizen.

## C12.3f

**(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?**

All IPG employees must act with integrity and transparency to build relationships and trust with clients. For that reason the IPG Code of Conduct forms the foundation of how employees

should act and do business day-to-day. The code lays out key policies such as anti-bribery and anti-corruption, as well as around political and lobbying activities. While IPG employees are permitted to participate in political activities, they may only do so in a personal capacity and not as a representative of the company, nor may they make political contributions in the name of IPG or using IPG funds. All lobbying activities must first be cleared with the IPG Legal Department except where the applicable office's regular business activities consist of such lobbying activities.

## C12.4

**(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).**

---

### Publication

In voluntary sustainability report

### Status

Complete

### Attach the document

 ipg-gri.pdf

### Page/Section reference

All

### Content elements

Governance  
Strategy  
Risks & opportunities  
Emissions figures  
Emission targets

### Comment

## C14. Signoff

### C-FI

**(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.**

## C14.1

**(C14.1) Provide details for the person that has signed off (approved) your CDP climate change response.**

	<b>Job title</b>	<b>Corresponding job category</b>
Row 1	Chairman and Chief Executive Officer	Chief Executive Officer (CEO)