



# 2020 SASB REPORT:

## Advertising & Marketing Standard

This is Interpublic Group’s (IPG) first year reporting using the Sustainability Accounting Standards Board (SASB) Standards for the Advertising & Marketing Industry. The below 2020 SASB Report discloses information from the 2019 calendar year, and has been published in conjunction with IPG’s 2020 GRI Report, found [here](#). These report publications are supplementary of one another, disclosing on the same calendar year.

### SASB TOPIC: DATA PRIVACY

SASB Code	SASB Accounting Metric	2019	2018	2017	IPG’s Detailed Response
SV-AD-220a.1	Discussion of policies and practices relating to behavioral advertising and consumer privacy				See discussion below on page 4.
SV-AD-220a.2	Percentage of online advertising impressions that are targeted to custom audiences				<p>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.</p> <p>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 agencies operate in all major world markets. These agencies include our Media, Data and Technology offerings, comprised of Mediabrands’ global media services, Acxiom’s data and technology capabilities, Kinesso’s data-driven marketing solutions, and Matterkind, an innovative media investment offering. We intend, however, to continue to enhance the technology layer within all of our offerings and to build 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.</p> <p>While the data we presently 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 agency groups 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.</p>

## SASB TOPIC: DATA PRIVACY (CONTINUED)

SASB Code	SASB Accounting Metric	2019	2018	2017	IPG's Detailed Response
<b>SV-AD-220a.3</b>	Total amount of monetary losses as a result of legal proceedings associated with consumer privacy	No material monetary losses.			<p>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, and when appropriate records liabilities and makes public disclosures.</p> <p>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.</p>

## SASB TOPIC: ADVERTISING INTEGRITY

SASB Code	SASB Accounting Metric	2019	2018	2017	IPG's Detailed Response
<b>SV-AD-270a.1</b>	Total amount of monetary losses as a result of legal proceedings associated with false, deceptive, or unfair advertising	No material monetary losses.			<p>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, and when appropriate records liabilities and makes public disclosures.</p> <p>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.</p>
<b>SV-AD-270a.2</b>	Percentage of campaigns reviewed for adherence with the Advertising Self-Regulatory Council (ASRC) procedures, percentage of those in compliance	100%	100%	100%	<p>Although advertisers are ultimately 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 also aware of these standards and develop and screen creative work with those standards in mind.</p> <p>Therefore, IPG believes that virtually all company campaigns are reviewed for adherence with the Advertising Self-Regulatory Council (ASRC) procedures.</p>

## SASB TOPIC: ADVERTISING INTEGRITY (CONTINUED)

SASB Code	SASB Accounting Metric	2019	2018	2017	IPG's Detailed Response
SV-AD-270a.3	Percentage of campaigns that promote alcohol or tobacco products	2.2%	2.1%	2.2%	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

SASB Code	SASB Accounting Metric	2019		2018	
SV-AD-330a.1	<b>Percentage of gender representation for:</b>				
	<b>Global Workforce</b>	<b>Female</b>	<b>Male</b>	<b>Female</b>	<b>Male</b>
	(1) management	54%	46%	53%	47%
	(2) professionals	58%	42%	58%	42%
	(3) all other employees	61%	39%	61%	39%
	<b>U.S. Workforce</b>	<b>Female</b>	<b>Male</b>	<b>Female</b>	<b>Male</b>
	(1) management	56%	44%	55%	45%
	(2) professionals	61%	39%	61%	39%
	(3) all other employees	57%	43%	58%	42%

## SASB TOPIC: WORKFORCE DIVERSITY & INCLUSION (CONTINUED)

SASB Code	SASB Accounting Metric	2019	2018
SV-AD-330a.1	<b>Percentage of racial/ethnic (minority) group representation for:</b>		
	(1) management	22.0%	21.6%
	(2) professionals	31.3%	29.2%
	(3) all other employees	24.1%	23.6%
<b>Note:</b> Minority data represents total U.S. workforce			

\*In 2018, IPG completed a major acquisition which affected the composition of our workforce. Therefore, 2017 numbers are not comparable and are not included on in our diversity data.

## SASB TOPIC: ACTIVITY METRICS

SASB Code	SASB Accounting Metric	2019	2018	2017
SV-AD-000.D	Number of employees	54,300	54,000	50,200

### ***SASB SV-AD-220a.1: Discussion of policies and practices relating to behavioral advertising and consumer privacy***

As a holding company, Interpublic Group (IPG) is a business-to-business operation that provides services and solutions that help our clients connect and engage consumers. Most of the companies that are part of IPG are service providers which operate at the instruction of our clients. Certain companies, specifically Acxiom, Kinesso and Matterkind, develop and activate data and technology-enabled solutions that help our clients market and advertise across addressable and connected channels. This strategic

and operating part of our holding company is built on data ethics and digital responsibility, which enables confident, safe and secure uses of a wide variety of data and technology capabilities, many of which have been engineered over years, and leverage proprietary technology.

IPG was one of the first in our industry to appoint a Chief Privacy Officer, and our commitment to customer privacy has steadily grown to become a central aspect of IPG's identity and competitive advantage

**IPG Policy & Procedures:** The policies and procedures discussed below apply to IPG, including all our agencies and their employees. Additionally, IPG’s agencies are responsible for formulating policies that address their unique activities regarding data privacy and management.

The **IPG Code of Conduct** expresses IPG’s respect for individuals’ privacy, underlining the duty to protect personal information in accordance with applicable privacy and data protection laws wherever IPG conducts business. The Code underscores that personal information should only be used for relevant and appropriate business purposes.

IPG Corporate maintains policies and operational procedures to promote effective privacy protection and data management and to comply with laws and regulations in this area, such as the General Data Protection Regulation (GDPR) in the European Union, the California Consumer Privacy Act ([CCPA](#)), and other privacy and data protection regulations across the markets in which we operate.

IPG’s **Website Privacy Notice** describes the types of information IPG collects about individuals on the IPG website, how it uses the information, with whom we share the information, and the choices available regarding IPG’s use of the information. The Website Privacy Notice also describes the measures IPG takes to safeguard personal information (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 company’s website, 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.

All employees are prohibited from sharing proprietary or confidential information belonging to clients, IPG, an IPG company, or our partners. Confidentiality obligations on all employees are set out in the IPG Code of Conduct and internal policies 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. The improper release of confidential information could cause significant financial losses and other harm to our companies and our clients’ businesses.

IPG’s commitment to protecting the personal information of our employees, our clients and their customers is expressed in our comprehensive internal Privacy Policy (SP&P 605), which provides a detailed explanation of our privacy practices, including the type of personal information that may be collected, used, disclosed, and stored. The policy covers the collection, use, processing, and protection of personal information, as well as retention and destruction policies. Agencies are advised to delete client customer PI 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 owned, processed, or stored by IPG or its companies. This policy defines the responsibility of IPG’s employees, agencies, and service providers to classify information into one of four categories (restricted, confidential, proprietary, and public), and then properly use and safeguard the information according to its classification.

Additionally, 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, retention/destruction, backup, and data loss prevention.

**Axiom, Kinesso and Matterkind** develop and activate data and technology-enabled solutions that help our clients market and advertise across addressable and connected channels:

Axiom’s core business is managing first-party data. Axiom is a pioneer and thought leader in data stewardship, with 50 years of expertise and leadership in ethical data use and best-in-class ethical standards on gathering data and respecting consumer privacy. These strong programs,

coupled with IPG's long-standing commitment to transparency in media practices, means we can provide a differentiated offering for clients. Acxiom supports brands via its compliance with data ethics and privacy regulations, including GDPR and CCPA. Acxiom is trusted by clients to go above and beyond what is legally required to ensure that customers' data is kept safe and used fairly, and believes that ethical collection and management of data are both a legal and moral responsibility.

Kinesso was established to serve as a responsible and accountable technology, data sciences, and addressable media company, with best-in-class, people-centered solutions. The Kinesso "north star" is digital responsibility by design and default, ensuring Kinesso products and services are ethical, accountable, safe and secure from engineering through activation. Kinesso uses Acxiom's ethically sourced data, and other permissible third-party data, in the development of its Kinesso 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 over their data in the [Kinesso People Care Center](#).

In 2020, Kinesso created Matterkind, a new entity to leverage the strategic data assets of Acxiom and the market-leading technology applications of Kinesso to deliver an audience-centric set of addressable activation and management solutions across the media ecosystem.

**Oversight & Reporting Concerns:** Any violations of these policies should be reported to Interpublic's Global Chief Privacy Counsel, other members of the Legal department, or IPG's [Alertline](#).

Oversight of policies and programs on data privacy is the responsibility of IPG's Global Privacy & Data Protection Legal Team, which includes The Global Chief Privacy Counsel, EMEA Regional Privacy Counsel, Senior Counsel, Global Privacy, Counsel, Global Privacy, UK/EU Data Protection Officer and GDPR Systems Manager. This team develops the regulatory compliance materials, relevant policies and guidance, and advises IPG's "Privacy Champions" at each company on their compliance obligation and requirements.

The Privacy Champions and their respective agencies are responsible for implementing policies on data privacy and managing compliance efforts. They bring privacy and data protection inquiries to the attention of the Global Privacy team for guidance as needed.

Along with IPG's Chief Information Security Officer (CISO), our Global Privacy Team co-leads incident response matters involving Personal Information. The Team also conducts vendor assessments; drafts and negotiates privacy and data protection agreements with clients and vendors; and conducts training and awareness throughout IPG and its agencies.

IPG's Internal Audit (IA) team assesses privacy and data protection controls at our agencies. The IA team audits certain controls for GDPR (including, training, processing logs, client/vendor pack distribution). For U.S. agencies, IA audits whether agencies maintain a Personal Information inventory for client data.