



ENVIRONMENTAL SUSTAINABILITY POLICY

IPG is responsible for creating some of the world's most iconic marketing campaigns, and we recognize that we have a special responsibility to ensure that the work we do and how we deliver it supports the long-term health and well-being of our communities and our planet.

As an organization, we are responsible for creating policies and changing behaviors to move us closer to our sustainability goals. This Policy serves as a statement of our commitment to the highest environmental standards and fulfillment of our responsibility on climate action, protecting natural resources, limiting pollution and being transparent about our progress.

The purpose of this Policy is to establish best practices in which individual employees as well as IPG overall can improve our impact on the environment.

Additional commitments and practices related to sustainability at IPG can be reviewed in our Code of Conduct, Supplier Code of Conduct, Responsible Media & Content Principles, and both our domestic and international Travel and Entertainment Policies including guidance for low-carbon business travel. These policies are available for review on the [Corporate Governance section](#) of our website.

Policy compliance across the IPG network:

IPG is committed to full compliance with all relevant environmental laws and regulations. That commitment as well as the other provisions of this Policy apply to all domestic and international offices across all of IPG's companies, agencies, subsidiaries, suppliers and affiliates.

All companies across the IPG network are important components of how we work toward our climate goals and should align their commitments to those at the corporate level. Companies must seek approval from the Chief Sustainability Officer (CSO) before making any type of client or industry commitments.

IPG will take appropriate corrective action in the event of any violation of this Policy.

BACKGROUND

IPG has made our commitment to environmental, social and governance (ESG) initiatives a cornerstone of our values, and we have invested significant time, effort and resources in support of our ESG programs.

In recognition of ongoing global environmental challenges, we seek to accelerate our progress on a range of environmental goals, including the transition to a lower-carbon future.

In the spirit of an integrated approach to ESG – which pursues environmental protection, social protection and good governance simultaneously – IPG is committed to environmental sustainability in all our operations and wider impacts, recognizing that this also brings mutual benefits to our people and the communities where we live and work.

We believe an integrated approach to ESG will help IPG continue to make positive contributions for our stakeholders – positioning our company as a stronger partner to our clients, an organization that supports our people and one that contributes positively to the world around us for the long term.

The actions mandated in this Policy not only serve to improve our impact on the environment, but can also lead to cost savings, help us align with clients' expectations and demonstrate our responsibility to other important stakeholders by tracking our progress.

ESG GOVERNANCE AND OVERSIGHT

IPG's Board of Directors is involved in the oversight and governance of ESG issues that align with our purpose as a company. The entire Board, including our Chief Executive Officer (CEO) and our Chairman, has responsibility for the oversight and management of the company's risks, including those related to ESG issues.

The Board of Directors reviews and considers the implications of environmental issues that affect the company. The Board's Audit Committee holds primary responsibility for the company's risks, including those related to environmental and climate change issues, while its Corporate Governance and Social Responsibility Committee has primary oversight of IPG's corporate responsibility and sustainability-related policies and practices. This Committee — and specifically its Chair — is responsible for overseeing and making recommendations to the entire Board regarding the company's policies and practices on climate and social responsibility issues.

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

The CFO is the executive sponsor of IPG's ESG programs and oversees the ESG Steering Committee, described below. The CFO collaborates with our Chief Risk Officer and General Counsel, reports to the CEO on related risks and strategy, and communicates regularly with the Board.

Our environmental policies and programming are overseen by the CSO, who is designated with reviewing, coordinating and promoting IPG's efforts on ESG-related issues at the consolidated corporate level. The CSO formally reports to the Board on an annual basis, with written updates quarterly. Our CSO also reports to the SVP of Communications. The CSO regularly meets with IPG's ESG Steering Committee and ESG Task Force, both of which are described below.

The ESG Steering Committee, a management-level committee, is responsible for:

- Identifying and remediating risks posed by ESG issues
- Coordinating and promoting IPG's ESG efforts, including monitoring progress toward our ESG targets and commitments

The ESG Steering Committee is overseen by the CFO and includes representatives from IPG's various business functions, including Human Resources; Diversity, Equity and Inclusion; Communications; Information Technology; Real Estate; Procurement; Investor Relations; Travel; Legal; Finance; and Controllers. The Committee ensures that ESG-related issues are integrated into multi-disciplinary, company-wide risk identification, assessment and management processes.

In addition to the ESG Steering Committee, an enterprise-wide ESG Task Force coordinates ESG action across IPG companies. The Task Force meets quarterly with the CSO to exchange updates on sustainability activities. The Task Force is comprised of individuals from throughout the IPG network who are charged by their CEOs and management with oversight for sustainability at their respective companies; it includes chief financial officers, executives, managers and facilities representatives.

IPG'S COMMITMENT TO ENVIRONMENTAL SUSTAINABILITY

IPG's policy is to take active steps to further its commitment to enhancing environmental sustainability. IPG is a signatory to, or member of, several alliances and campaigns to reinforce our own environmental sustainability commitments.

As a participant in the UN Global Compact since 2015, IPG is committed to upholding the Compact's Ten Principles on human rights, labor, the environment and anti-corruption, and to aligning our strategies and operations with these principles.

We also engage in work that supports the UN Sustainable Development Goals (SDGs). These 17 global goals are part of the 2030 Agenda for Sustainable Development, which is a roadmap for stakeholders to pursue a more sustainable future for all.

IPG is committed to monitoring our environmental performance against measurable targets, reporting on our progress and engaging with our stakeholders throughout the process. We disclose our emissions and energy data on an annual basis through our ESG report, and we regularly respond to ESG surveys including the CDP Climate Change questionnaire, S&P Global's Corporate Sustainability Assessment (CSA), EcoVadis and Ecodesk.

It is the policy of IPG and its subsidiaries to: limit our carbon emissions through greater energy efficiency, a balanced approach to business travel and increased use of renewable sources, and IT management, among other strategies; manage our water and energy usage, such as through green building practices; and reduce waste, including through recycling programs. Every IPG company and employee should make an effort to improve their impacts on the environment whenever possible.

Guided by the principles and frameworks mentioned above, IPG makes specific commitments in several areas.

CLIMATE ACTION

IPG understands that climate change has consequences for all of us, bringing challenges for environmental protection, social wellbeing and good governance. It is a priority for the entire IPG network to take action to address both causes and impacts of climate change.

Targets: IPG sets measurable targets for reducing our global emissions in line with the Paris Agreement on climate change. Our climate commitments and targets include:

- Net-zero emissions by 2040
- 100% renewable electricity by 2030
- Science-based targets:
 - 50% reduction of Scope 1 and Scope 2 emissions (2019 baseline) by 2030
 - 30% reduction of Scope 3 emissions (2019 baseline) by 2030

IPG is committed to having our science-based targets validated to align with limiting global temperature rise to 1.5 degrees Celsius above pre-industrial levels through the [Science Based Targets initiative \(SBTi\)](#). This commitment also makes IPG a signatory to the [Business Ambition for 1.5°C](#) and a member of the United Nations-backed [Race to Zero](#) campaign.

As part of this strategy, we are committed to action in the following areas:

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

Energy efficiency: Minimizing the demand for energy is essential to our climate change strategy. As a matter of policy:

- All energy-consuming equipment should be switched off when not in use, and lighting and climate-control sensors should be used to save energy when offices are not in use. Low-energy lighting should be installed whenever existing light bulbs expire. Any remaining standard tungsten light bulbs should be upgraded to energy-saving compact fluorescent lamps (CFLs) which use 75% less energy, produce less unwanted heat and last eight to ten times longer.
- The electricity used by IT equipment should be reduced through maintaining equipment for optimal operating efficiency and performance, such as keeping all parts clean and free of dust and blockages and following manufacturers' advice on servicing schedules. This includes checking and cleaning printers, fax machines, copiers, air conditioning units, refrigerators and more.

- IT purchasing should consider improved energy efficiency as it replaces and acquires new equipment to meet business needs, including moving to energy-efficient cloud providers.

Building operations: IPG implements sustainable standards in the management of our real estate portfolio.

We have decreased our physical office footprint, offering flexible working options when possible, while working toward greater responsibility in the spaces we occupy.

Commitments in the area of building operations include:

- **Minimum standards for new office spaces:** It is the policy of IPG Real Estate to seek the most energy-efficient tenant spaces and office buildings, wherever possible. All new tenant occupancies are to be in buildings that are LEED-certified, whenever feasible.
- **When designing and renovating offices:** We encourage IPG companies to employ “green designs” and to proactively seek, and obtain when feasible, LEED certification for each new office build. This includes open space planning (80% open plan / 20% offices and conference rooms), efficient energy use planning measures (i.e. lighting, climate control) to generate lower levels of carbon emissions and strategies to contribute positively to environmental protection, such as green roofs.
- **Efficiency through sharing space:** IPG’s real estate policies require our companies to seek real estate solutions within the existing portfolio of office space before leasing additional space. The policies provide a benchmark of square footage needed per person.
- **Reducing need for storage:** Offices can reduce physical space requirements by minimizing the storage of paper records, both in the office and in outside storage. Retained records should be reviewed annually against SP&P 301 Record Retention, and records should be destroyed accordingly. Only original records should be stored.
- **IT efficiencies:** IPG is committed to continuous efforts to consolidate IT operations and other means of reducing power consumption in IT operations and data processing, such as replacing older systems with more efficient systems, and increasing our use of virtualization technology.

Low-carbon business travel, commuting and meetings: IPG’s domestic and international travel policies specifically address sustainable business travel and aim to reduce our carbon emissions associated with employee business travel and commuting.

The policies ask employees to consider carbon dioxide (CO2) emissions among preferred IPG carriers when making travel choices – including the consideration of rail travel over air and carefully selecting air travel class. This process is aided by IPG’s travel tool which allows employees to sort flights and accommodations by CO2 emissions, in addition to schedule and cost. We also endorse the use of video conferencing where appropriate. Many IPG offices have enhanced videoconferencing capabilities to encourage these practices.

For commuting to work and transportation to meetings, IPG encourages carpooling, biking and the use of public transportation.

As a client services business, IPG recognizes that travel and in-person collaboration often play a role in relationship-building and creativity. We seek, however, to promote the use of appropriate alternatives to in-person meetings requiring travel and to neutralize our unavoidable emissions with carbon offsets, and we are exploring opportunities to support the development of sustainable aviation fuels (SAFs).

Partnerships: IPG is a signatory of [America is All In](#), a coalition of leaders working alongside the federal government to develop a national climate strategy to reduce U.S. emissions by 50% by 2030 (from a 2005 baseline) and reach net-zero emissions by 2050. IPG is also a member of [The Climate Pledge](#), joining over 200 global companies and organizations who have committed to reach net zero carbon emissions by 2040.

WASTE MANAGEMENT & POLLUTION REDUCTION

IPG is working toward greater responsibility for waste and consumption in the spaces we occupy.

Four-stream waste disposal is required at IPG’s headquarters, with separate compartments for:

- Paper
- Containers (metal, plastic, glass)
- Organic waste (composting/food scrap recycling)
- Trash

The director of administration or office services at each IPG location is encouraged to work with building management to employ best practices to maximize recycling whenever and wherever possible, including collection of food scraps for composting.

Electronic equipment that is broken or obsolete must be properly disposed of or sent for recycling to an EPA-certified recycling firm, and not placed in IPG trash or recycling as it may contain heavy metals and other materials that can be hazardous to human health and the environment.

IPG is committed to minimizing negative environmental impacts from our purchased goods and services. The following practices and initiatives are encouraged:

- Procurement of post-consumer recycled goods wherever possible, to minimize the impacts of our consumption on natural resources
- Printers default to double-sided printing to conserve paper
- “Follow-me-printing” employee ID system which reduces unnecessary printing
- Use of hot/cold aisles for energy-efficiency in data centers
- Minimizing reliance on single-use plastic

ENVIRONMENTAL IMPACT IN THE SUPPLY CHAIN

IPG is committed to the highest environmental standards and fulfillment of our responsibility on climate action, protecting natural resources, limiting pollution and being transparent about our progress. We consider environmental impacts throughout our global activities and planning, and we expect our suppliers and business partners to do the same.

The Strategic Sourcing & Procurement team (SS&P) at IPG applies a disciplined approach to sourcing and procurement in the categories where we have significant spend. SS&P follows a standard process for strategic sourcing which includes due diligence to assess key criteria, including our commitment to sustainability.

With the support of the Board of Directors, IPG also implements a Third-Party Risk Management (TPRM) process to assist in identifying, assessing and managing

risks that can arise when conducting business with third parties. IPG has launched a project to develop and maintain a Preferred Vendor list of vetted third-party suppliers that is readily available to all of our companies. The criteria for selecting preferred suppliers relate to environmental impact, among other factors, including capability, credibility and price, as well as diversity and inclusion criteria and human rights. TPRM also assesses vendor cybersecurity and privacy posture.

IPG’s Supplier Code of Conduct communicates our expectations related to legal and regulatory compliance including laws and regulations governing environmental protection. All suppliers are required to adopt an environmental sustainability policy and share our commitment to sustainability, and to comply with all applicable environmental laws and regulations.

In 2021, IPG enhanced our climate strategy by setting a variety of emissions reduction targets, including a 30% reduction of our Scope 3 emissions by 2030 (2019 baseline). In connection with this target, IPG is currently launching a supplier engagement program to better understand, monitor and support reduction of our suppliers’ emissions.

More details on supplier requirements can be found in our Supplier Code of Conduct.

CLIENT AND INDUSTRY WORK

IPG proactively works with clients to advance environmental sustainability. We encourage our companies to:

- promote responsible consumption through clients’ marketing and communication campaigns;
- undertake pro bono work and other partnerships with organizations working to advance environmental protection; and
- reduce the carbon emissions and waste production associated with marketing and communication campaigns.

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

In addition, IPG and its affiliates proactively review the climate impacts of prospective clients that operate in the oil, energy and utility sectors before accepting new work. We have worked with a third-party expert in the area of climate change to develop a set of questions that we expect prospective clients to affirm before we enter a new partnership. IPG will review the effectiveness of our approach to working with clients in this sector on a bi-annual basis.

Our review of prospective clients is based on a set of questions including:

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

At the same time, and fully consistent with our culture, no employee anywhere within IPG is ever required to work on an account that runs counter to their personal values.

Additionally, we do not support or engage in marketing or communications aimed at influencing public policy to extend the life of fossil fuels.

Partnerships: We are also committed to working with partners on initiatives that support environmental sustainability. IPG is a founding member of the Advertising Association’s [AdGreen](#), an initiative that provides tools to help advertisers track and mitigate the environmental impacts of production to advance a zero-waste and zero-carbon future. IPG company Jack Morton is also a founding member of the [isla](#) initiative, which aims to accelerate the event industry’s transition to a more sustainable future.

IPG engages with our industry on sustainability in a variety of ways, including the American Association of Advertising Agencies (the 4A’s), working with governments to advance social and civic goals, and facilitates pro bono efforts on the part of its members to support social and community causes. Our CSO is a member of the 4A’s Sustainability Task Force.

IPG is also on the steering committee working to globalize the Advertising Association’s [Ad Net Zero](#), an initiative working to reduce the environmental impact of developing, producing and running advertising. IPG agencies, UM and Initiative, are also members of the [IPA Media Climate Charter](#), an initiative which provides media agencies with resources to transition to a zero-carbon future.

TRAINING AND AWARENESS

IPG is committed to creating environmental awareness among employees at IPG’s corporate offices and across the companies in our network. Fostering employee awareness of environmental impacts and best practices increases our impacts on-site and extends positive behaviors beyond IPG offices, including into employees’ remote workspaces.

IPG understands the importance of training as it relates to ensuring our operations protect the environment and contribute to climate action. This Environmental Sustainability Policy is incorporated into training for all new hires globally and is included in employees’ annual Code of Conduct training as of 2022.

IPG regularly communicates with employees on the value of individual responsibility to change behaviors and highlights client work across our network that advances our sustainability goals. One example is the quarterly “Essential ESG” employee newsletter, updating global employees about our progress on climate action and sustainability campaigns for clients.

Additionally, IPG has established a business resource group for employees interested in the environment, sustainability and environmental justice. IPG Sustainability Allies provides opportunities to share information about environmental initiatives across IPG, brainstorms eco-conscious solutions for our work and hosts educational events.

REPORTING A CONCERN

IPG seeks to engage employees, suppliers, consultants, freelancers and other business partners who share our sustainability values and standards, and who uphold this commitment in the work they do for IPG.

If you believe that any of these entities are not meeting these standards, you are strongly encouraged to report the situation. There will be no retaliation against anyone who, in good faith, complains of or opposes Policy or Code violations or who participates in any investigation. You may make report anonymously if you choose and where allowed by local law.

In accordance with IPG policy and local laws, you may make a report by contacting our Alertline at 1-800-828-0896 (if you are located in the U.S.) or report concerns through the Alertline portal, [found here](#). The Alertline is a third-party, independently operated hotline available 24/7 in more than 40 languages.

For more details on IPG's grievance and reporting mechanisms and its Non-Retaliation Policy, see IPG's [Code of Conduct](#).