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# **Rising to Our Potential**

# Launching IPG's Inaugural Inclusion + Impact Report

Our people are at the heart of everything we do, and this means that diversity, equity and inclusion (DEI) are crucial to our success. As we continue to create groundbreaking work that sparks positive change across the globe, we consistently aim to place DEI at the center of our work



With this inaugural *Inclusion + Impact Report*, we share an expanded vision of what it means to have the greatest talent in the world, and how fully realized DEI goals can drive business in unprecedented ways. To craft this vision, we engaged people across the global enterprise in reimagining our DEI potential. Our new RISE strategy is the result. We expect it to transform how we operate and deliver for our people, our clients, our industry and our community.

R emove barriers limiting equity & inclusion

nvest in the potential of our global talent

**S** park industry innovation & growth

E mpower local & global communities for social impact

This report makes our strongest case yet for DEI as a business strategy and an essential driver of our growth and success. Our workforce and work must reflect our clients and their customers. Diverse teams outperform on innovation and creativity—stand-out indicators for our success. However, a diverse workforce is not enough. We also take an equity-centered approach to talent and we work proactively to nurture an inclusive environment that allows all of our people to be at their best. Our client work and our community engagements carry the same thread: including everyone and representing our complex world. Whether we are working across our enterprise or with valued partners, we know that by working together, our campaigns, activations and initiatives can have an impact.

In this first edition of our report, we will look at the best outcomes of our unwavering commitment to DEI and how we are putting it into action.

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# Letter from our Chief Executive Officer

In our inaugural *Inclusion + Impact Report*, we seek to represent and celebrate the powerful work created by our people every day. This, in turn, reflects how we show up as a company—



whether that's in our agencies' campaigns that challenge biases or promote antiracism, in the increasingly diverse leadership teams that lead significant portions of our portfolio, or through the impact of an ever-more diverse global workforce.

Our ability to innovate and ideate is powered by talented individuals who bring many different perspectives to the work we do together. Our company plays an important role in defining cultural norms, and we are committed to ensuring that the work we create (and the people who create it) are not only powerful and effective in the marketplace, but also a force for good in our communities that impact positive behaviors across our society.

IPG's progress in this journey is built on a strong foundation, since we've long been at the forefront in our industry when it comes to equity and inclusion. We were the first company among our competitive set to put in place a Chief Diversity Officer, to link executive incentive compensation to diversity objectives, and to release our EEO-1 numbers related to the racial and gender composition of leadership across the company.

And while we're proud of the ground we have covered to date, much work remains to be done—which is why equity and inclusion remain business priorities, and why we continue to invest in the talent and resources to lead our programs and mark our achievements. Going forward, we'll continue to lean into a broad range of efforts to ensure that our insights and our work, as well as the leadership and the teams responsible for that work, are representative of the markets that we serve. We'll also stay committed to building and fostering a culture that embodies fairness, where opportunity is equally available to all of our colleagues and business partners.

Thank you for playing your part,

Philippe Krakowsky

Chief Executive Officier, IPG

#### **IPG 2023 INCLUSION + IMPACT REPORT**

# Letter from our Senior Vice President, Chief Diversity & Social Impact Officer

At IPG, we are entering our next chapter, investing in building a 22<sup>nd</sup>-century workplace that empowers our people, sustains the planet, and disrupts our industry for good. We're creating new ways of working that are helping drive business results for our clients and our company.

Over the last 20 years, we have led the charge in diversity, equity and inclusion in this industry. While we are proud of our progress, particularly our diverse leadership teams, the evolution of talent pipeline programs and the systems of accountability that reinforce our commitments, we are well aware of the work we have ahead of us.



This inaugural *Inclusion + Impact Report* details and highlights our strategic approach to integrating DEI as a core function across our business. Our evolved strategy focuses on four key pillars to sustaining a culture of equity, embracing a global workforce, innovating through diversity, and leveraging our business for social change.

Our business is about people and is driven by our talent. To move our business forward, we must seek to understand and represent our clients' brands and our own communities across the globe. We must make evidence-based decisions and think creatively about the complex identities that exist in our current workforce and the untapped talent potential available. We have seen the dangers of inequitable systems and structures for far too long. Our pursuit is to ensure that our people, brands and clients can thrive. The collaboration, creativity and innovation that is being delivered by talented people across the globe shapes behavior and new, more equitable norms every day.

As we continue to carry forward the torch of DEI and integrate it into everything we do, we hope this report gives you a glimpse into our work and the many talented people, leaders and partners that make it all possible.

Together we RISE,

**Channing Martin** 

Senior Vice President, Chief Diversity & Social Impact Officer, IPG

# **Our DEI Journey**

# Raising the Bar for Two Decades

**2004:** Hired a **full-time Supplier Diversity Director** 0



2009: Celebrated inclusion

Established the IPG Inclusion Awards

recognizing our companies and employees

Corporate Equality Index and Best Places to

who bring diversity and inclusion to life

in their creative work, workplace and

· Named to Human Rights Campaign's

Work for LGBTQ+ Equality list 1

2017: Helped found the United Nations' **Unstereotype Alliance** 

· Aims to eliminate harmful stereotypes from advertising and marketing campaigns





2006: Appointed a Chief **Diversity Officer** 1



### founding member of the 30% Club

**2014:** Became

Endorsing 30% or higher representation of women on corporate boards

**2011:** Held inaugural **Women's Equity Breakfast** (later called Inclusion **Breakfast) at Cannes Lions** Festival of Creativity 🙆



**2019: Named to Bloomberg Gender** Equality Index 🔞

#### 2020: Made notable progress on transparency, pay and representation

- · Became the first advertising holding company to publicly release EEO-1 data around gender and race composition of leadership in U.S.
- Committed to further improve pay practices
- Achieved at least 40% women Board members



foundation for our bold aspirations in the years to come.

We are recognized pioneers in DEI accountability, leadership and employee support with milestones dating back to 2004. With DEI as a key driver of our business, we continue to set an example within the advertising and marketing industry. Below we take you through our primary accomplishments in the DEI space—a strong

#### 2021: Took key steps in building a diverse supply chain and workforce

- · Launched a supplier management platform to support diverse supply chain
- Included on "best employers" lists, such as Forbes' and Statista's "America's Best Employers for Diversity" 🚓

#### 2023: Advanced employee voice

- · Established the IPG Executive DEI Council composed of DEI leaders from across IPG companies
- · Launched the BELONG global employee survey, achieving 71% participation rate enterprise-wide
- · Relaunched program supporting business resource groups

#### **2022: Reinforced DEI commitment** at the highest levels

- · Appointed Global Chief Diversity & Social Impact Officer with mandate to realize new vision and strategy to amplify impact of DEI throughout IPG
- Expanded disclosure on Board diversity by indicating gender and racial identity of each Director within proxy statement



Legend

and equality

communities

• First in the Industry • Recurring through 2022

**OUR DEI JOURNEY** TABLE OF CONTENTS

# **RISE Strategy**

# Becoming the Industry Leader in Creating Authentic Work Driven by DEI

A global assessment in 2022 identified our major strengths in DEI: commitment and investment by leadership; initiatives at our companies to attract, retain and develop a diverse talent base; and creativity and innovation powered by a diverse workforce. Environmental, Social and Governance (ESG) ratings and industry awards recognize our strengths in these areas, and we are leading the industry and our clients toward an inclusive, equitable future.

How can we build on our historic efforts and rise to our full potential? We have set a vision of being the industry leader that creates inspiring, authentic work that's driven by diversity, an equitable workplace and an inclusive culture.

Our principles guide our action and influence how we execute this vision. These principles are:



#### Curiosity

Learn from others and develop new perspectives



#### **Accountability**

Establish trust in our dedication to employees' belonging and growth



#### Transparency

Make our goalposts accessible and give employees and external stakeholders clarity on our progress

# Remove barriers limiting equity & inclusion

Tackling the obstacles that prevent our people from doing their best work is essential. By removing all barriers that limit equity and inclusion, our people will thrive and be empowered to share our culture.

# Invest in the potential of our global talent

Embracing and celebrating our diversity gives us the competitive advantage to excel. By using data to understand each stage of the employee life cycle, we take an equity-centered approach to our talent practices across each of our unique needs. In doing so, we ensure that we attract and retain global talent that reflects the richness of the communities that we, our clients and consumers call home.

# Spark industry innovation & growth

The diverse perspectives of our people fuel creativity and innovation, while authentic storytelling allows us to drive industry trends. With DEI embedded in our DNA, innovation and authenticity come as second nature in all of our client engagements. The result? Business growth through the production of groundbreaking work that disrupts stereotypes and resonates with our clients' ever-evolving global consumers.

# **Empower local & global communities** for social impact

We don't take our role as corporate citizens of the world lightly. We take an active role in empowering and elevating the local communities where we live and work to help make a difference on a global scale. With our partners, we create a positive lasting impact in the areas most important to our stakeholders.

TABLE OF CONTENTS RISE STRATEGY

We are setting key performance indicators (KPIs) to measure our progress on each pillar of the RISE strategy. These will evolve each year and serve as the basis of a scorecard incorporating priority initiatives. We are exploring the use of KPIs such as: achievement scores against high-priority objectives (HPOs); workforce composition and career mobility data by demographic group and job level; the number of new products and services that leverage DEI for business growth; and impact metrics for strategic partnerships.

# What's Next: Initiatives to RISE Together

This report presents several initiatives we are launching to achieve the vision of our four RISE pillars. These include:

- ★ Developing a competency model for inclusive leadership, which is essential for removing barriers that limit equity and inclusion
- Establishing RISE commitments that address workforce diversity, as well as talent, culture and business diversity, and creating a framework of company-level best practices for investing in the potential of our global talent
- ♦ Convening cross-industry forums to spark wider innovation and advance DEI as a business driver
- 8 Building supplier diversity and community engagement tools to guide our strategic partnerships for social impact

Read on to learn how we are bringing these actions to life—engaging our whole enterprise in a shared effort to rise to our full potential together.



TABLE OF CONTENTS RISE STRATEGY

# Remove Barriers Limiting **Equity & Inclusion**

The RISE strategy starts with culture. Tackling the obstacles that prevent employees from doing their best work is essential, and we empower our people to create an equitable, inclusive culture.



# **Building Equality, Leveraging Opportunity, & Nurturing Growth (BELONG)**

We go to great lengths to ensure our people feel they truly belong—that they feel heard, seen and valued. This begins with regularly asking employees how well our culture fosters inclusion and a sense of belonging, wellbeing and growth in alignment with our values and purpose.

In 2023, we launched the BELONG survey, our first *global* employee survey. BELONG is an evolution of the long-standing "Culture for Inclusion" survey of our UK and U.S. employees. The new global survey assesses inclusion and belonging at IPG across all of our markets and addresses expanded dimensions of diversity.

To share the BELONG results and discuss important focus areas for the future, we hosted a series of live virtual regional townhalls for employees located in all of our global markets, encouraging questions, feedback and interactions with our Global Chief Diversity & Social Impact Officer.

Through our results from the 2023 BELONG survey, we identified core strengths and opportunities and the most important factors that affect belonging across IPG. Employees confirmed that IPG remains deeply committed to DEI and building a culture of belonging to drive growth and innovation. We see this commitment through initiatives to attract, retain and develop diverse talent for our companies. Future opportunities for growth include streamlining data infrastructure, amplifying accountability at a global scale and increasing diverse representation in leadership roles.

#### **2023 BELONG Survey Highlights**

- We achieved a 71% response rate with comments from more than 21,900 employees
- We scored above the global benchmark for our industry in four areas: collaboration, inclusive leaders, opinions count and appreciating differences
- We scored the highest in the areas of: providing a culture and workplace with non-discrimination, respectful treatment and authenticity

### **Equipping Our Leaders for Meaningful Inclusion**

Inclusive leadership is fundamental for a workplace where everyone feels a sense of belonging and can do their best work. This is why we invest in developing inclusive leaders who lead diverse teams. With this in mind, our new RISE strategy calls for creating an Inclusive Leadership Model and meaningful communication.

People managers at IPG receive regular training in emotional intelligence, psychological safety, giving and receiving feedback, unconscious bias, hiring the best talent and cultivating a culture of respect—all helping to shape a generation of IPG leaders who foster belonging among their teams.

#### **Employees Building Brave Spaces**

**Jack Morton** launched Brave Spaces, an event series to share stories of our employees' lived experiences, working toward stronger understanding, empathy and solidarity. Employees present topics meaningful to them, such as living with invisible disabilities and experiencing cancer, with resources being shared agency wide.

#### **DEI Champion Spotlight**

Irene Campbell, Supervisor of Search Engine Marketing at Mediahub, advocates for providing safe space for marginalized groups in the workplace. She co-leads Mediahub's Once in a Lifetime Storytelling Series, in which employees share their life stories leading up to how they got into advertising—focusing on themes of belonging, wellness and diversity. Campbell is also active in the New York chapter of our employee resource group Black@Mediahub, which she has co-led since 2019.

# Widening Our Doors: Building Accessibility for All

# Making who you are, what you say and your culture accessible to all abilities—it becomes contagious."

**Eileen Beverley,** Senior Director of Communications & Agency Partnerships, IPG

We believe that putting inclusion at the center of our culture drives innovation and benefits everyone. Therefore, ensuring accessibility for people with disability is a key focus for IPG. Putting this into practice in 2022, we began improving the digital accessibility of our **corporate website** and other digital properties to meet international web accessibility standards developed by the World Wide Web Consortium (W3C). Going forward, we intend to audit our website every two years and deploy the latest tools and guidelines for accessible communications.

We formalized our focus on accessibility as a corporate sponsor of Disability:IN, the leading not-for-profit resource for business disability inclusion worldwide. As a proud partner, we participated in the Disability Equality Index¹ for the first time in 2023, through which IPG and **Acxiom** gained recognition as a "DEI Best Place to Work for Disability Inclusion." This index is a benchmarking tool to help companies like IPG build a roadmap of measurable, tangible actions.

We are the official Community Partner of Disability at **ADCOLOR**, an organization championing diversity and inclusion in creative industries, where we support annual programming focused on accessibility.

We also advanced industry dialogue on accessibility in the workforce with the theme of our 2023 Inclusion Breakfast, which showcased how accessibility and inclusion are moving the needle in product design and marketing.

1 - The Disability Equality Index is prepared jointly by Disability: IN and the American Association of People with Disabilities.

#### **IPG 2023 INCLUSION + IMPACT REPORT**

# **Engaging Employees through Business Resource Groups**

Our business resource groups (BRGs) bring employees across our networks and companies together to foster awareness of unique lived experiences and a sense of belonging for all of our people. These employee-led communities are pivotal to our culture at IPG.

Our corporate BRGs provide forums for professional development, networking between IPG companies and developing strategic insights for clients. By partnering with community-based organizations, BRGs also serve as channels for social impact where employees live and work.

Through our BRGs, employees can influence company policies that affect them. In 2023, PLUS members helped develop a benefits guide outlining transgender-inclusive healthcare offerings, family planning programs (including fertility services), HIV treatment and prevention coverage, and the employee assistance program (EAP). This initiative demonstrates one of many ways we use feedback to remove barriers that may prevent each employee from doing their best work.



PLUS members face a particular challenge where same-sex marriage is illegal, putting LGBTQ+ employees at risk for sharing personal information. PLUS works to maintain privacy for its participants and activities, protect the membership distribution list and provide an essential source of support, safety and solidarity.













The **Asian Heritage Group (AHG)** promotes the professional and personal development of IPG's Asian and Pacific Islander employees.

The **Black Employee Network (BEN)** facilitates the success of IPG's Black employees by enriching their professional lives, creating connections, promoting environments that welcome, value and leverage our diversity, and contributing to our communities.

**PLUS** is centered on making IPG and its operating companies an employer of choice for LGBTQ+ professionals.

**SOMOS** is a dedicated group of Hispanic/Latino leaders at IPG, helping employees access programs that provide skills development, networking opportunities, mentoring and career enrichment.

The **Women's Leadership Network (WLN)** focuses on the advancement, retention and recruitment of women at all levels throughout IPG.

#### **BRG HIGHLIGHTS**

AHG hosted a professional development workshop and an executive fireside chat. Featured speaker **Helene**Yan, Chief Client Officer of Health at IPG, discussed the cultural nuances of collectivism in Eastern cultures and individualism in Western workplaces.

For Black History Month in 2023, BEN hosted a panel with speakers including IPG's first Black female Chief Creative Officer, **Shannon Washington**<sup>2</sup>, and the then Chief Creative Officer at **The Martin Agency, Danny Robinson**, on the importance of Black representation in the C-suite, and how diverse representation in creative roles can help develop client work free of stereotypes.

In 2022, WLN hosted a discussion and book signing with CNBC's Julia Boorstin about her book *When Women Lead*, detailing the challenges of 60 female leaders.

For International Women's Day in 2023, WLN hosted a panel event with industry leaders to consider how the tech industry can tackle inequity and the digital gender divide.

PLUS hosted a webinar with the CEO of Lambda Legal on LGBTQ+ history and current U.S. legislation affecting the community.

For Pride Month in 2023, PLUS hosted a panel discussion on the significance of gender-affirming care and LGBTQ+-inclusive healthcare. The mother of a trans teen spoke alongside a physician who provides gender-affirming care.

2 - Washington was the U.S. Chief Creative Officer of **R/GA** and has since been named Global Chief Creative Officer at **McCann Worldgroup**'s **gotham**.



In a business like ours, where people are our most valuable asset, we need to remove all barriers that prevent colleagues from doing their best work; culture, equity and belonging matter in that they can make such an important difference in terms of our individual and collective performance."

- Philippe Krakowsky, Chief Executive Officer, IPG

#### **BEN Addresses Representation in Media**

The employee resource group (ERG) BLK@GOLIN hosted a discussion with celebrity guest Jeff Friday on mainstream Black film and television that has helped shape Black culture, and why this type of representation in the media matters. The ERG strives to uplift and empower the Black talent at **Golin** to be valued leaders across the company's business channels.

# What's Next: Supporting Employee Action

We have launched a strategy to reignite our BRGs and amplify their impact at a global scale. The reimagined BRG program will empower members to provide client counsel expand strategic partnerships and increase diverse representation in leadership.

Our next BRG will be for employees of different abilities and neurodivergence focused on improving accessibility for all. This community will also provide insights and expertise for our client work and inform our policies and communications.

# **Invest in the Potential** of Our Global Talent

Embracing and celebrating our diversity gives us the competitive advantage to excel every day. By using data to understand each stage of the employee life cycle, we take an equitycentered approach to talent practices across each of our company's unique needs. In doing so, we ensure that we attract and retain global talent that reflects the richness of our communities.

Female representation was at or above 50% across all global regions in 2022 and 2023.

Female representation within the **Executive** <sup>3</sup> job level increased in the **EMEA and NORAM regions.** 

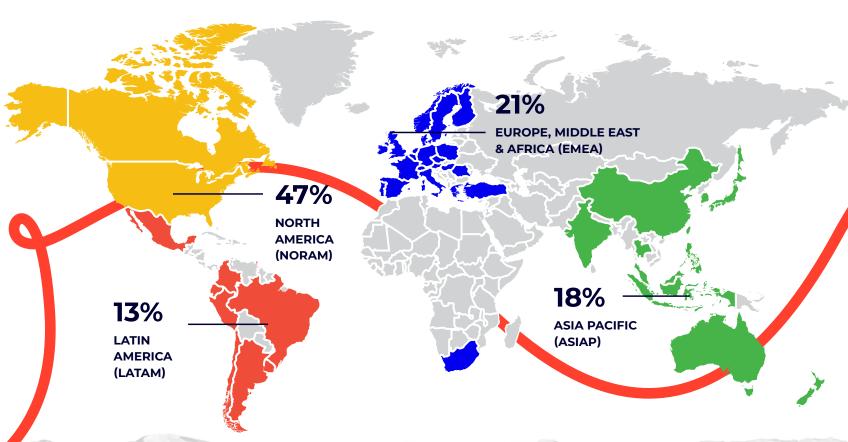
#### **Our Diverse Workforce**

IPG is present in major markets across the globe. The diverse perspectives and lived experiences of our people fuel our creativity, innovation and excellence. We are steadfast in our commitment to building a diverse global workforce that reflects the richness of the communities and markets where we operate. We identify focus areas with intention using a data-driven approach.

Our workforce must reflect our society and communities. As a global leader in marketing and advertising content, that's everyone. Diverse teams outperform on innovation and creativity, which are essential to our success.

When we consider diversity, we focus on various dimensions including race/ethnicity, gender identity, sexual orientation, religion, nationality, disability, age, socioeconomic background, veteran status, neurodiversity, language and education level. We are committed to diversifying our workforce through a set of high-priority objectives.

#### Where We Work 4



<sup>3 -</sup> The Executive job level is defined as VP & above.

<sup>4 -</sup> Total percentage does not add up to 100% due to rounding.

### **DEI Data Trends, 2022-2023** 5

We closely track female and BIPOC <sup>6</sup> representation by job level and within the functions of Account Management, Media, Finance and Accounting, Production, and Creative—functions that we consider core to our business.

#### **FEMALE AND BIPOC REPRESENTATION**

	Global Female Representation		U.S. BIPOC Representation	
	2022	2023	2022	2023
Job Level <sup>7</sup>				
Executive	52.8%	53.9%	21.7%	22.0%
Manager	59.6%	60.1%	29.0%	29.7%
Professional	60.0%	59.1%	40.7%	38.5%
Total	59.0%	58.8%	33.0%	32.3%
Job Function				
Account Management	72.1%	73.2%	24.0%	24.1%
Media	66.1%	66.4%	34.1%	34.8%
Finance and Accounting	62.4%	62.2%	37.8%	38.1%
Production	58.1%	56.8%	29.7%	26.6%
Creative	46.6%	46.9%	31.0%	30.9%
Total	61.2%	61.6%	30.0%	29.7%

Female and U.S. BIPOC representation increased YOY within the Executive and Manager job levels.

Female representation increased YOY in in the job functions of Account Management, Media and Creative.

BIPOC representation increased YOY in in the job functions of Account Management, Media, and Finance and Accounting.

#### HIRES, TURNOVER AND PROMOTIONS HIGHLIGHTS

Female hire rate Female executive hire rate	>	Global hire rate	
BIPOC hire rate BIPOC executive hire rate	>	U.S. hire rate	
Female turnover rate Female executive turnover rate	<	Global turnover rate	Overall globa turnover rate decreased
BIPOC turnover rate BIPOC executive turnover rate	>	U.S. turnover rate	Overall U.S. turnover rate decreased
Female promotion rate Female executive promotion rate	>	Global promotion rate	
BIPOC executive promotion rate in 2023	>	U.S. executive promotion rate in 2023	

#### **GLOBAL GENERATIONAL HIGHLIGHTS**

**Millennials** comprise the majority of our Manager and Professional job levels, and our workforce at large.

**Generation X** comprises the majority of our Executive job level.

Our **Generation Z**population saw the
largest increase YOY
compared to employees
from other generations.

<sup>5 -</sup> All data is as of year-end. 2022 data excludes RafterOne employees due to its mid-year acquisition.

<sup>6 -</sup> BIPOC includes the following demographic groups in the U.S.: Black, Hispanic, Asian, American Indian and Alaska Native, Native Hawaiian and Pacific Islander, and 2+ Races.

<sup>7 -</sup> Job levels are defined as follows: Executive (VP & above), Manager (directors & managers), Professional (all other roles).

### **Knowing Our People**

We believe that every employee's identity and experiences contribute to the richness of our company. To improve our employee identification reporting capabilities, we launched the Global Self-Identification initiative in 2023 in the UK and the U.S. Inviting employees to voluntarily share more about their identities allows us to tailor our programs to employee needs, learn more about the diversity of our organization, and improve workforce planning.

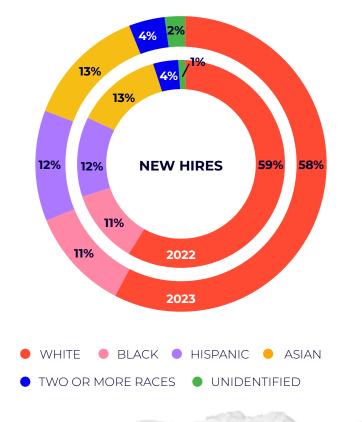
# What's Next: Hearing from Our Global Workforce

After launching in the UK and U.S. in 2023, the self-identification initiative will expand to include the other global regions where we operate.

# **Hiring the Best Talent**

Investment in our talent starts with increasing diversity in our talent pipeline. At IPG, we use approaches and tools that remove bias from the recruitment process. We create internships and fellowships to develop pathways for talent from underrepresented groups to break into the advertising and marketing industry. Initiatives like these will make it possible to ensure a diverse pool of qualified candidates for every position.

However, more work is needed. The percentage of BIPOC hires has remained steady over the last two years.



#### **Internships & Fellowships**

IPG and our agencies partner with local colleges, universities and industry organizations on opportunities for diverse talent. Our programs bring more diverse perspectives and skills to IPG. Current programs include:

- Offering development for corporate and agency interns across the U.S.
- Partnering with local colleges to source talent for our Omaha office's information technology (IT) internship
- Partnering with the Harlem YMCA in New York City to provide summer internship opportunities for college interns in our IT department

#### Paving a Paid Path from College to the Industry

Several IPG agencies partnered with Verizon in 2023 in the long-running Adfellows program, which offers college graduates a paid nine-month fellowship rotating through several roles at our New York offices. To date, over 90% of fellowship graduates have been hired into full-time roles in the advertising and marketing industry.

Our ambition going forward each year is that IPG will host a larger number of Adfellows, supporting Adfellows' goal of reaching 250 per year by 2026.

#### **DEI Champion Spotlight**

**Bill Imada**, Co-Founder, Chairman & Chief Connectivity Officer at **IW Group**, has played a pivotal role in facilitating meaningful representation in advertising. Imada's commitment is reflected in his founding and collaboration with several community-based organizations. Notably, the Asian & Pacific Islander American Scholarship Fund, which offers scholarships to low-income, college-bound students of Asian, Native Hawaiian, and Pacific Islander American heritage; National ACE, which provides resources, technical assistance, advocacy, and grants to AAPI small business owners; and the National Millennial Community (NMC) and GenZ Council, which fosters meaningful connections between Millennials, Gen Zers, and brands for dialogue and professional development.

### **Unique Learning Programs**

DEI is at the center of many of our learning and development programs. We combine raising awareness and building skills with intentional programs to support professional advancement for all. We invest in learning and development programs that support the unique needs of our diverse workforce to help advance their careers.

#### **Compliance Training**

IPG recently made several improvements to the IPG Code of Conduct training. The training is now more accessible for employees, thanks to new narration and voiceover for English-language versions. We also added alternative text to images, and we used a larger font and colors that the Americans with Disabilities Act recommends.

In 2023, we offered anti-harassment training to all global employees for the first time, expanding our reach to 56,000 people and resulting in a 90% completion rate worldwide. The global training introduced an interactive map to display information about anti-harassment regulations in countries around the world.

#### **Learning & Development**

IPG offers learning and development programs to help everyone advance their careers while fostering inclusion and a sense of belonging. Our programs include:

- 🖈 Stronger Allies A four-week learning series for all employees across IPG's global networks to explore and boost allyship skills to reinforce an inclusive workplace
- Skill-building training Live classroom and recorded webcasts on coaching, interviewing, workplace respect, unconscious bias, conflict resolution and more
- Empowership A year-long program supporting women and open to nonbinary employees and their allies at IPG to build confidence, communication and leadership potential via expert webinars, coaching and monthly support calls; nearly all participants choose to participate year after year
- Learning & Development online platform Skill-building courses in diversity and inclusion, personal development, management and leadership, performance management and more

#### Rewind, Revolve, Evolve: Mandatory Training in Allyship

In 2022, Golin's DEI head, Natasha O'Dell Archer, developed an eighthour curriculum and the company provided the training to every single employee globally. The training, titled "Rewind, Revolve, Evolve," addressed unconscious bias and relational health, anti-Black racism, allyship and making space for change.

Golin has seen a 46% increase in those who know how to be an ally to someone who is not aware their implicit bias has negatively affected another.

#### **Mentorship & Coaching**

We believe that mentorship and coaching are critical to advancing the careers of our global talent. Employees can receive personalized coaching for leadership development, as well as other career advancement topics. The coaching is available in 34 languages and 37 countries, making it accessible to IPG employees around the world. Many IPG companies have programs matching employees with mentors to help advance careers for underrepresented talent.

#### From Incubator to Impact: **Camp Jack Pro**

Jack Morton created Camp Jack Pro, a twoweek foundational internship program and incubator for diverse talent, including bringing all talent on-site for a week for dedicated in-person, in-depth training. All participants in the 2022 program were hired following completion of the training. Jack Morton now uses the training assets for ongoing onboarding and additional training.



# **Inclusive Employee Benefits**

We take great care to understand the needs of our people so that we can provide an environment where every employee can reach their full potential. We strive for each member of our diverse global workforce to feel that we support their wellness through the employee benefits and resources we offer.

#### **Honoring Native American Heritage**

The You@IPG newsletter is a regular communication to employees discussing global health and wellness initiatives, with a strong focus on multicultural inclusion. In November 2022, we shared ways to honor, support and learn more about Native American Heritage Month, as well as mental health and self-care resources available specifically for Native Americans. Alaska Natives and Native Hawaiians.

> NOVEMBER **NATIONAL** NATIVE **AMERICAN HERITAGE MONTH**

#### **Listening to Our Employees**

Each year, IPG expands our offerings in new ways. To meet employees' needs, we ask them to express their needs to us directly through a yearly survey. Every employee should experience support and inclusion through our benefit offerings.

#### **Pay Equity**

All employees in our global workforce deserve equitable pay and benefits. To center equity in our culture and build a more diverse workforce, we conduct an annual pay equity analysis covering 80% of our global workforce. Each IPG company reviews employee pay data and remediates any potential discrepancies.

#### **Mental Health & Wellness**

IPG is pleased to offer a global benefit for our employees through an EAP to support the wellness of all of our people, no matter where they are located. Reflecting the importance of mental health, the EAP offers employees and their family members confidential assistance through free consultations with work-life specialists. We also offer direct therapy via TalkSpace, mindfulness support via Sanvello and mental health trainings for employees and managers.

#### **Gender-Inclusive Family Benefits**

In 2023, we partnered with Maven to expand gender-inclusive family building benefits. This enhances our existing coverage of contraception, egg freezing and gender reassignment for U.S. employees. Options include adoption and surrogacy services, a personal care advocate to guide employees through the family building journey and unlimited coaching and education.

#### **Gender-Neutral Parental Leave**

Our parental leave policy applies equally to primary and secondary caregivers regardless of gender, making no distinction between "maternity leave" and "paternity leave." The leave benefit is fully inclusive of adoptive and surrogate parents.

#### **Reproductive Health**

IPG is committed to supporting women's health. In the U.S., IPG will fund employees' travel to access abortions and other healthcare not provided where they live.

# **Spark Industry Innovation & Growth**

With DEI embedded in our DNA, innovation and authenticity come as second nature in our client engagements. The result? Business growth through the production of high-impact work that disrupts stereotypes and resonates with our clients' global, everevolving consumers.

We can no longer refer to DEI as only the right thing to do. We have to be specific that it is the right way to do business."

- Channing Martin, Global Chief Diversity & Social Impact Officer, IPG

We continually ask how we can step up as an industry leader by making work that represents our values. Our commitment to DEI powers our ability to reflect different perspectives, making us a stronger partner for the many clients who come to us because we share their values and commitment to advancing inclusion and social impact.

We are building our tools for driving progress in the most urgent areas for change, like making sure advertisers use artificial intelligence (AI) for inclusive outcomes, eliminating stereotypes and bias in marketing and advertising, and measuring the impact of our inclusion efforts as a business driver.

# **Multiplying Our Impact with Industry Partners**

Industry events are a pivotal way for us to spark culture change for IPG and the industry. Throughout the year, we raise awareness of DEI issues by hosting inspiring flagship events featuring clients and community partners.

#### **Cannes Lions Festival of Creativity**

Our annual Inclusion Breakfast has been a key DEI event at the Cannes Lions Festival of Creativity, taking place each year since 2011 when we shed light on the lack of women in creative roles.

In recent years, the Inclusion Breakfast focused on equitable thinking as a driver of growth and social good (in 2022), and accessibility in marketing (in 2023). The events of 2023 featured compelling accounts of how accessibility and inclusion have benefitted strategy and innovation for IPG clients including Mattel, Amazon Studios. L'Oréal and Microsoft.

We are excited to be expanding our presence at Cannes Lions in 2024 by hosting a series of events beyond our Inclusion Breakfast.

#### **IPG Inclusion Awards**

The Inclusion Awards is a dynamic celebration of our people, our creative work and the important strides we have made in building an inclusive and equitable world together. IPG introduced the Inclusion Awards in 2009.

#### **Innovation Conversation at CES**

IPG hosts an annual event at CES in partnership with our companies. In 2022, sports industry leaders joined IPG CEO **Philippe Krakowsky** to mark the 50<sup>th</sup> anniversary of Title IX in the U.S. and to recognize how technology can accelerate representation for women in sports.

#### **SXSW Clinical Equality Panel**

In 2023, **IPG Health**'s Chief Medical Officer **Sommer Bazuro, PhD**, moderated a discussion about inclusivity and equality in clinical trials. The program featured leaders from Google, Genentech and TOUCH.

#### **Advertising Week**

IPG's Chief Sustainability Officer **Jemma Gould** challenged participants on
"Infusing Purpose into Every Aspect of
Your Business" at the Equality Lounge
hosted by The Female Quotient during
Advertising Week New York in 2022.



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# **Prioritizing Equity & Responsibility in Al**

Innovations in AI can catalyze creativity, but they also bring risks like bias, misinformation and security challenges. Amid this complexity, we are helping clients experience the benefits of new technologies in an inclusive and responsible way.

To ensure that the AI tools we use do not include misinformation or biases, IPG and our **McCann Worldgroup** network of agencies became the first global marketing and advertising companies to join the **Partnership on AI (PAI) to Benefit People and Society**. This is a coalition of over 100 organizations working to advance AI responsibly.

# Al has promising potential and power, but it will take the best of us to bring out the best in it."

**— Daryl Lee,** Global CEO, McCann Worldgroup

We have also formed the IPG AI Steering Committee to support collective fluency in AI tools across our companies while prioritizing equity and responsibility.

#### **DEI Champion Spotlight**

Jocelyn Jara Hachem, EVP, Social Impact & Inclusion at Golin, serves as a leader for our Inclusive Communications specialty, a dedicated service focused on ensuring cultural perspectives across all the dimensions of diversity are layered in our work—building brand equity and product strategies to reach today's profoundly diverse market.



### **Creating Work Free from Stereotypes**

Through a partnership with the Unstereotype Alliance, our companies can unlock resources to check their own work for biases. The Alliance is convened by UN Women, the UN's entity for gender equality. We helped found the Alliance in 2017 and continue to serve as Vice Chair.

In 2023, we featured the **Unstereotype Alliance**'s latest campaign, "Say Nothing, Change Nothing" during the Inclusion Breakfast IPG hosted at the Cannes Lions Festival. The campaign calls on companies and consumers to expect more than just unstereotyped content. Going further, we call for a shift "from bystander to upstander" to end acts of stereotyping.

### **Breaking Perceived Boundaries**



A **Carmichael Lynch** campaign for Subaru inspired wider access to outdoor recreation.

"A **Beautiful Silence**" movingly follows a 10-year-old deaf actor and his father on a sensory-rich journey to the base of the Yosemite Falls.

**R/GA Australia** collaborated with Indigenous rapper and radio host Nooky to launch "We Are Warriors" (WAW) — a platform showcasing positive Indigenous role models and making Indigenous success stories more visible. WAW gained significant momentum and earned the advertising equivalent value of AU\$1.3 million in PR coverage.





FCB New York helped Michelob ULTRA launch an accessibility technology that makes it possible for blind and visually impaired fans to fully enjoy and experience basketball. The technology—called <a href="DreamCaster">DreamCaster</a>—uses haptic feedback, spatial audio, Al and refreshable braille. To prove that it works, a blind person used the technology to commentate on a Knicks Playoff game live on TV.



Aspiring to boost self-esteem in young girls, **LOLA MullenLowe** worked with Dove to broaden representation of women in video games. The global campaign "**Real Virtual Beauty**" created a series of avatars inspired by real women. Global partners launched a training for game designers on avoiding common gender tropes.

In 2022, **Octagon** participated in the Unstereotype Alliance's Global Summit to discuss accelerating the commercialization of women's sports.



### Removing Bias from Data that Fuels Our Work

The people we see reflected in advertising and marketing content represent a narrow subset of the population. We are working to fill gaps in our data to include broader groups of consumers in our content. This will reduce bias in the data sets and add more nuance. **Acxiom** and **KINESSO** are leading the effort for our companies through the "Bias in Advertising Systems and Data" project.

We also work to overcome bias and underrepresentation as we develop thought leadership for clients. When mainstream data overlooks marginalized communities, the IPG Growth team turns to supplementary data sources and evidence to complete their research, ensuring client pitches are inclusive.

At **McCann Worldgroup**, the Truth Central team conducts qualitative research in markets around the world, engaging underrepresented groups by building bespoke ethnographic communities. We recruit members from a range of backgrounds, profiles and skill levels, and we engage resulting communities throughout the lifespan of a creative partnership with our clients.

Truth Central also employs mechanisms to ensure that quantitative data is fully representative of our audiences. For example, recognizing the evolving, fluid nature of identity, survey respondents are invited to self-identify their gender, their sexuality, their ethnicity, and as a minority.



### **Innovating New Tools to Measure DEI Impact**

We are developing innovative tools to strengthen the positive impacts of our work, including a framework for measuring inclusive marketing.

#### **Our Approach to Our Work**

From ideation to execution, we take a data-driven approach with a culture forward lens to ensure our work portrays our world authentically. With every project we ask ourselves:

- Does the work feature realistic positive portrayals of women and girls?
- Are Al tools being used in ethical ways?
- Does this campaign avoid stereotypes?
- May be used our platform to promote digital access for people around the world?

#### What's Next: Centering DEI in Business Strategies

We see every day how inclusivity supports our brands and leads to producing our best work for clients. To spark wider industry recognition of DEI as a ousiness driver, we are preparing to launch a space for our clients, account and creative leaders, and DEI leaders that underscore the criticality of nclusive marketing across the most pressing topics from e-commerce to AI.

# **Empower Local & Global Communities for Social Impact**

Collective effort connects our employees and the broader community. From volunteer work to donations, and from *pro bono* work to partnering on educational events, we create impact with purpose that aligns with our business, engages our people and sparks change locally and globally.

The impact of our work is boundless. It not only moves our business forward but it also serves as a catalyst for social change in the areas that are most important to us all."

- Channing Martin, Global Chief Diversity & Social Impact Officer, IPG

# Building a Better World through Local Engagement

We are always looking to engage with our communities through social impact work. Our recent work focused on empowering our diverse communities, including:

- ★ UM's Sixth Annual Day of Impact: UM organizes Impact Days with employees every year, most recently mobilizing people within 50 countries and 120 UM offices. As teams take "micro-actions" on a local scale, they share real-time updates with colleagues around the world and connect with other teams to discover their collective impact.
  - o In 2023, UM teams supported athletes' training in partnership with the Special Olympics in Shanghai, cooked nutritious meals with experienced local chefs for Australians in need, made infrastructure improvements at a Chilean children's organization, and helped high schoolers in South Africa plan their career paths.
- ♦ Meals for Women in Need: In 2022, we supported our partners ADCOLOR and The Female Quotient by hosting a welcome brunch and a community service experience of packing meals for women in need in Los Angeles.

# **Amplifying Impact through Giving**

An important way we empower our communities is by supporting organizations that promote diversity and inclusion and create educational and workforce opportunities for underrepresented groups.

Some organizations we donated to in 2022 and 2023 include:



















#### **Scholarships**

In partnership with the not-for-profit organization We All Rise Together, we helped launch and fund a full scholarship for individuals seeking a master's degree in marketing and communications at the City College of New York. The scholarship aims to prepare "the next generation of agency talent" and help underrepresented groups gain access to careers in advertising and marketing. The fund also supports a curriculum for a "media track" that began in 2022.

#### **DEI Champion Spotlight**

**Bayyina Black**, Director of Global Sustainability and Impact at **R/GA**, is instrumental to empowering diverse communities. Black launched the flagship Make/Good for Businesses initiative in 2022 to provide Black, Indigenous, Latino and Asian businesses and not-for-profit organizations with *pro bono* services in digital experience, brand identity and campaigns. This program has supported more than 20 businesses in the U.S., Brazil, Argentina, Germany and more.



### **Leveraging Partnerships for Lasting Impact**

Our companies engage in *pro bono* work to help our not-for-profit partners realize the changes necessary for a more diverse, equitable and inclusive world. *Pro bono* projects develop our talent and empower global communities and organizations to deliver lasting impact.

In a recent partnership, three IPG companies collaborated with The Ad Council and the Huntsman Mental Health Institute on a large-scale creative campaign to reach 70 million U.S. adults, particularly Black and Hispanic men, experiencing mental health challenges but are reluctant to seek help. **FCB** delivered the creative work, **Acxiom** donated services on audience development and measurement, and **IPG Mediabrands** donated media strategy services. The resulting campaign "Love, Your Mind" shows how taking care of our minds helps us thrive in all areas of life.



# **Creating Positive Norms**

IPG companies are initiating new platforms, conversations and partnerships to educate our communities and spark positive change in cultural norms.

IW Group cofounded VOICES for AAPI, which provides a platform for Asian Americans, Native Hawaiians and Pacific Islanders in communications and media roles to ensure representation in leadership roles. We have the opportunity to change the narrative, spotlight our heritage, open doors for our colleagues, and paint a more diverse and complete picture of our organization and our world."

- VOICES for AAPI

To commemorate Hispanic Heritage Month, **UM** hosted a candid roundtable discussion with Givsly and Paramount on what brands and media can do to address misrepresentation and underrepresentation of Latinos onscreen, and why seeing Latinos onscreen is a business priority.

**FCB India** launched "She Can She Will," a new platform for conversations and content around women in leadership and access to inspiring role models. The platform includes fireside chats rotating among different cities to facilitate exchanges between women managers and formidable female leaders in their fields.

# **Empowering Businesses & Communities**

We recognize that working with diverse-owned companies—from oncamera talent to event execution to paper providers to cleaning services empowers and elevates underrepresented and economically challenged entrepreneurs and their local communities. To increase the scope of our economic impact, we have integrated our supplier diversity initiative (first launched in 2007) into our business strategy. In 2023, we expanded the initiative beyond the U.S. to include the UK, Ireland and Canada.

#### **Making it Easy to Choose Diverse Suppliers**

We encourage our companies to identify and partner with diverse suppliers. As eligible suppliers become certified, we include them on our roster, and we work toward achieving specific goals on the number of diverse suppliers available in every diverse supplier category.



#### **Accomplishing Collective Diversity Goals through Partnerships**

We partner with several associations to help support our strong pipeline of diverse suppliers. These partnerships provide several benefits, like widening our access to databases, offering resources on building diverse supplier selection into our process and helping us understand requirements for different markets.



New York & New Jersey Minority Supplier Diversity Council – Board Member



Disability: IN – Procurement Council



National Minority Supplier Development Council – Advertising, Entertainment, Media, Sports Industry Group Member



National Gay and Lesbian Chamber of Commerce – Corporate Advisory and Procurement Council



Women's Business Enterprise National Council



National Hispanic Business Group



Procurement Leaders – Procurement Council and Risk and Sustainability Cohort

#### Results

Our supplier diversity program connects business to historically marginalized business owners, helping them thrive while supporting their wider communities. We seek suppliers that identify as small businesses and suppliers that are at least 51%-owned by women, minorities, LGBTQ+, people with disability or U.S. military veterans.

Between 2022 and 2023, we spent more than \$1.3 billion on diverse suppliers, with more than 20% of this spend on certified diverse suppliers in the U.S.

#### **Supplier Diversity Data**

393

Active Diverse Certified Suppliers 7.3%

of Diverse Vendors are Certified

~\$300M

Spent on Certified Diverse Suppliers

#### What's Next: Engaging Diverse Suppliers Globally

We are on the cusp of a wider transformation. Our business is a global one, as is our community. In the coming years, we plan to introduce our supplier diversity initiative in other countries, building on our recent expansion into the UK, Ireland and Canada. This will foster more business partnerships between IPG and diverse suppliers, bringing an economic boost to more communities around the world.

#### **Supporting One Another amid Global Events**

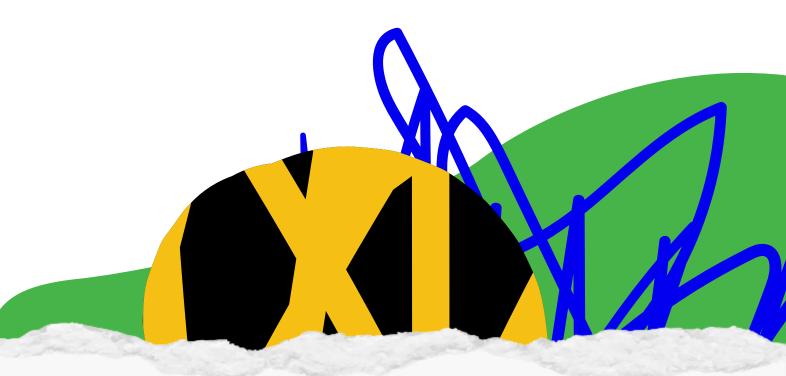
When current events challenge progress on DEI priorities, our leaders take a stand and speak out to show support and solidarity. IPG also provides resources for action and employee wellness.

After the mass shootings in Uvalde, Texas; Laguna Woods, California; and Buffalo New York, which also coincided with the two-year anniversary of George Floyd's murder, our CEO wrote to all employees condemning race-based hate. IPG also made donations to the George Floyd Memorial Foundation and a local organization helping the families in Uvalde, Texas, during a time of immense trauma and grief.

When human rights activist Mahsa Amini was murdered in Iran, IPG provided employees with ways to support human rights in Iran through petitions, social media and educational resources.

When the conflict between Israel and Hamas erupted in 2023, IPG partnered with our EAP provider to host a safe space for all employees to gather and share how the developments have affected them. We also shared support and information resources with employees.

By staying engaged with our employees and communities on important current events that affect progress toward an equitable, inclusive and diverse world, we take an active role in creating a positive lasting impact in the local communities where we live and work.



# **DEI Governance & Leadership**

Everyone at IPG has a part to play in advancing our DEI efforts, bringing the RISE strategy to life and making our vision a reality.



# **Shared Leadership**

Our Global DEI & Social Impact Team plays a central role as the company's center of excellence for DEI. The team spearheads the design, development and execution of the RISE strategy, and it guides and supports our people in achieving the company's DEI commitments and goals. To drive progress across our company and industry, the team closely partners and collaborates with key stakeholders to do their best work across the DEI spectrum.

# **Supporting DEI Leaders**

Nearly all of our networks have an appointed head of DEI. These DEI leaders work directly with their respective CEOs, ensuring their voices and priorities reach the highest levels of their company. Our companies' DEI leaders were key partners in the launch of the global 2023 BELONG Survey.

To further expand our community of practice, the Global DEI & Social Impact Team created the IPG Executive DEI Council in 2023. The Council meets monthly to inform our strategy and to help drive and support DEI initiatives that move us forward.

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### **Bolstering Accountability**

We use HPOs in the Annual Compensation Incentive Plan to drive progress on our values and priorities and bolster accountability for the execution of our DEI strategy.

In 2023, we redesigned our HPOs to address the most pressing areas for DEI, aligned with the four pillars of the RISE strategy. The new HPOs place a focus on advancing underrepresented talent, centering equity in all of our practices, strengthening leadership commitment and measuring inclusive culture.

# **Creating a Space for Employee Leadership**

A network of ERGs and BRGs brings our people together across the globe to raise awareness of issues affecting our employees and provide a consistent sense of belonging. The groups also provide an employee-led advocacy platform for corporate and agency policies, client work, and engaging with our local and global communities.



# **DEI Councils at IPG Companies**

- ★ **Golin**'s International Equity Task Force is a coalition of the Golin Executive Leadership team, as well as the managing directors, that guide Golin's regional markets. The task force directly communicates with the Global Local DEI Councils.
  - o The Global Local DEI Councils consist of international DEI leads representing each regional market. In most markets, the DEI leads guide a local DEI council of between two and ten employees, working as an action team to help infuse DEI throughout the market's internal and external business practices. The leads report up to their respective managing director, who serves as a member of the International Equity Task Force.
- ♦ We@IPG Health is a global network umbrella for all equity, diversity and inclusion (EDI) councils within **IPG Health**.
- The Inclusion, Diversity, Equity Alliance at **Mediahub** is a mechanism for employees to become DEI ambassadors through involvement with three task forces: Support (education and resources), Action (advocacy and culture) and Talent (attracting and retaining diverse talent).



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At IPG, we hold ourselves accountable to driving positive change and promoting a more equitable society. We thank our employees, clients, partners and communities for their support and look forward to progressing this goal in the years to come.

For more information on IPG, please visit our <u>website</u> or <u>contact us</u>.

