

Interpublic Australia Holdings Pty Ltd: Modern Slavery Statement

This Modern Slavery Statement is made by Interpublic Australia Holdings Pty Ltd and covers all the activities of the Australian agencies within the Interpublic Group.

The Interpublic Group (“**IPG**”) is one of the world’s largest organisations of advertising and marketing services companies. IPG is committed to excellent corporate governance and lawful and ethical behaviour is of paramount importance and critical to its continued success. The IPG Code of Conduct and the IPG Supplier Code of Conduct require all IPG entities and employees to operate with integrity and transparency in all interactions with clients and other partners and places similar obligations upon its suppliers.

IPG is fully supportive of the laws introduced in Australia through the *Modern Slavery Act 2018* to combat all forms of modern slavery¹.

This is the first such statement made by Interpublic Australia Holdings Pty Ltd and is in respect of the financial year ending 31 December 2020. This statement is made in accordance with Section 13 of the *Modern Slavery Act 2018* and outlines the steps that Interpublic Australia Holdings Pty Ltd and the entities named below (and the entities they own or control) and IPG more broadly have taken and intend to take to protect their businesses against all forms of modern slavery.

Structure, Operations and Supply Chains

IPG’s ultimate parent company, The Interpublic Group of Companies, Inc., is listed on the New York Stock Exchange.

Interpublic Australia Holdings Pty Ltd is an indirect subsidiary of The Interpublic Group of Companies Inc. Interpublic Australia Holdings Pty Ltd is the holding company for a number of Australian advertising and marketing agencies, including these principal ones that were owned by Interpublic Australia Holdings Pty Ltd during the 2020 financial year:

- 303 MullenLowe Australia Pty Ltd
- FCB Australia Pty Ltd
- Identity Communication Pty Ltd
- Initiative Media Australia Pty Ltd
- IPG DXTRA (Australia) Pty Ltd
- Kinesso/Matterkind Pty Ltd
- Mediabrands Australia Pty Ltd
- MullenLowe Profero Pty Ltd
- Orion Trading Australia Pty Ltd
- R/GA Media Group Pty Ltd

This list only includes our principal operating agencies in Australia: there are a number of additional dormant and/or non-trading companies with the group. At the beginning of 2020,

¹ "Modern slavery" refers to situations in which coercion, threats or deception have been used to exploit victims and undermine their freedom. This term is more specifically defined in the *Modern Slavery Act 2018* by reference to a range of other laws in a way which includes slavery, servitude, forced labour, debt bondage, trafficked labour, forced marriage, deceptive recruitment and the worst forms of child labour. The phrase "the worst forms of child labor" is further defined in Article 3 of the ILO Convention (No. 182) concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour, Geneva, 17 June 1999.

Interpublic Australia Holdings Pty Ltd also owned McCann Worldgroup Pty Ltd but this was sold 2nd February 2020 and this reporting statement does not apply to this entity.

All of these entities named above are wholly owned by Interpublic Australia Holdings Pty Ltd.

All these entities are companies that carry out advertising and marketing services within Australia. They provide a wide remit of advertising and marketing services including, but not limited to, traditional creative content, digital, media buying and planning, event, activation and PR services to clients.

As a global organisation, IPG's suppliers worldwide include, without limitation, production and design companies, IT and communications services including cloud, software and hardware suppliers, advertising platforms, social media platforms, print services, property, office cleaning, office supplies and equipment and facilities management services, including energy suppliers, waste management services, couriers, transportation services, such as road transportation, airlines and train companies, merchandise suppliers, and hospitality service suppliers including hotel conference or venue providers, catering suppliers, professional services such as auditors, actuaries, tax advisors, legal advisors, insurers, banks and talent and recruitment agencies.

The material suppliers (determined by value of expenditure) of Interpublic Australia Holdings Pty Ltd and its Australian subsidiaries are predominantly based in Australia, the USA and, to a lesser extent, the UK. None of our tier 1 suppliers operate in any jurisdictions that are rated high risk for prevalence of modern slavery.

Risks of Modern Slavery Practices

Given the nature of IPG's business and the geographical location of its business and suppliers, IPG does not consider that there is a significant risk of modern slavery within its supply chains or its own businesses. The principal suppliers in our advertising business supply chain are predominantly reputable Australian companies providing ancillary services to our advertising services for clients, such as, media owners, production companies, design companies, editing and animation studios, record companies, musicians, photographers, and also professional suppliers such as legal advisors, insurers, and talent agencies.

We also use suppliers of professional services for the running of our businesses including auditors, actuaries, tax advisors, legal advisors, insurers, banks and recruitment agencies. Again, these are predominantly, if not entirely, Australian companies and firms.

We acknowledge that there are greater risks with some of the services we use including office cleaning and catering services, and with the sourcing of office equipment and supplies, including information technology and telecommunications, but we endeavour to ensure that these suppliers are compliant with the modern slavery laws as we explain later in this statement.

Our staff, and the employees of our material suppliers, are predominantly skilled professionals working in Australia. Our employees do not hold roles or positions that are at high risk or vulnerable to slavery or human trafficking. Our HR and Talent teams have systems and processes in place to ensure that all employees are over the age of 18, have the appropriate rights to work in Australia and are paid a reasonable wage for the work that they do.

No instances of modern slavery have been identified by IPG.

Relevant Policies

Doing business in an ethical and responsible manner is enshrined within IPG's global policies and procedures (which apply to all IPG-owned entities) and, in particular, those referred to below which have been designed to help to ensure that modern slavery does not occur within any IPG entity's operations or any of their supply chains. These policies are available on IPG's public website www.interpublic.com.

- IPG Code of Conduct
- IPG Supplier Code of Conduct
- Global Sourcing and Procurement and Third Party Supplier Due Diligence Guidelines
- Anti-Corruption Policies
- Sustainability Policy
- Interpublic Alert Line

IPG requires all its suppliers, employees, agents and subcontractors to adhere to the IPG Supplier Code of Conduct while doing business with or on behalf of any entity within IPG. The IPG Supplier Code of Conduct specifically requires use of voluntary labour and prohibits slavery, servitude or the use of forced or compulsory labour and human or labour trafficking and requires all suppliers to comply with applicable laws. IPG communicates this Code and its requirements to relevant management and employees worldwide.

Other Actions Taken to Address Modern Slavery Risks

IPG sources its suppliers in a responsible manner under Global Sourcing and Procurement and Third Party Supplier Due Diligence Guidelines and fully expects and requires its suppliers to operate in full compliance with all applicable laws. Our standard terms of business attached to our Purchase Orders, and our supplier contract templates include warranties that the suppliers will comply, *inter alia*, with modern slavery laws. Under these terms, a failure by a supplier to comply with applicable laws (including as they relate to modern slavery) is a justifiable reason for such a relationship to be terminated.

When engaging suppliers, we ask them to complete a Supplier questionnaire to confirm their structure, shareholdings and their agreement that they comply with our policies and Code of Conduct.

We intend to carry out this due diligence process with all new suppliers when they are initially engaged and also to carry out regular reviews each year on existing suppliers.

As part of our robust compliance program to ensure we are conducting business with reputable suppliers and service providers, we have also established a global third party screening solution using Thomson Reuters World Check and LexisNexis Compliance Databases. The screening is conducted on all clients and vendors/suppliers when permissible by law. IPG also uses Bureau Van Dijk Orbis and TransUnion TLOxp databases for enhanced screening. Ongoing screening is conducted on new Contractors / Suppliers / Service Providers as part of the onboarding procedures. The screening is conducted against the following criteria:

- Named on an International or National Sanctions or Embargo List or Site, including OFAC, UN, EU, UKHMT, SECO and DFAT (Global Sanctions Lists).
- Listed on a Regulatory and/or Government Authority site, e.g. FINRA, USDOJ, SEC, FBI, HKMA, RBI and INTERPOL (Global Enforcement and Warning Lists).
- Politically Exposed Person (PEP) and direct family member or close business associate of PEP (Global PEP Lists).

- State Owned Entity, Enterprise or Company (SOE) and Members of the Board, Chairman, Senior Executives (Global SOE Lists).
- Reported in the reputable media as accused, questioned, investigated, arrested, charged or convicted for crime (Global Negative Media Lists).

As part of the preparation of this Statement, Interpublic Australia Holdings Pty Ltd and the subsidiary agencies within the group requested all their suppliers to respond to a questionnaire relating to modern slavery and the actions that each supplier had taken in that regard in order to assist in our understanding of our suppliers' operations, supply chains and their understanding and processes relating to compliance with modern slavery laws. Although not all of the suppliers responded, none of the responses received raised any red flags or indicated any concerns within our supplier chain that might raise a risk of modern slavery. A number of our suppliers are reputable Australian and international media owners and broadcasters, many of whom have already issued their own modern slavery statements.

Due to what we perceive to be a low risk of modern slavery within our industry, to our rigorous on-boarding processes as set out above, and to the responses we received from our suppliers, we do not consider it necessary at this stage to audit our suppliers (or indeed their suppliers) to ensure that they are compliant with modern slavery laws. However, we would be prepared to do so should the need arise.

Compliance within the business is supported by a robust Internal Audit function which regularly conducts audits of our agencies in all their areas of business and works closely with the internal Legal Department to ensure compliance with all applicable laws and regulations. Most key agencies are audited once every three years. However, where we believe there may be an issue or concern in an agency, or where we consider an agency is operating in a high risk jurisdiction, or where an issue has been raised either formally or through the Alert Line, then that agency will be subject to an enhanced audit or investigation, if necessary with third party auditors, external law firms or tax investigators.

The Interpublic Alert Line, allows our employees or other concerned parties to raise concerns about any business conduct without fear of reprisal or retribution. The Alert Line number is included on Alert Line posters in all our agencies across the world, especially those in higher-risk countries. It is also available on our IPG website, is brought to the attention of our employees in our compliance training and details of the Alert Line are included in our Supplier Code of Conduct. The Alert Line allows for any concerns to be raised anonymously and every complaint or claim made on the Alert Line is investigated.

IPG continues to build upon its robust compliance culture and seeks to maintain its high standards. As part of its ongoing efforts to ensure there is no modern slavery in its supply chains it intends to identify improvements by reviewing its supplier engagement policies, contractual approaches and due diligence processes to continually monitor the risk of modern slavery, including in supply chains beyond our tier 1 suppliers.

Training

On the basis that it is our opinion that the risks of finding occurrences of modern slavery is relatively low risk in our supply chain, we have, as yet, not carried out any general or specific training for any of our agencies. We do conduct general compliance and Code of Conduct training on a regular basis, however, and we have alerted the senior management teams in our relevant Australian agencies of the risks of modern slavery and the need for them to carry out appropriate due diligence on their suppliers and their tier 2 suppliers.

The risks of Modern Slavery are set out in our Code of Conduct, in respect of which training is provided on a regular basis.

Remediation

If any instances of modern slavery were identified, through an audit or otherwise, we would immediately investigate and if we found failings with the relevant supplier, we would terminate the contract/s with that supplier, ensure that none of our businesses used that supplier in the future and, where necessary, report the supplier to the appropriate authorities. As noted above, no instances of modern slavery have yet been found in our supply chains.

Assessing the Effectiveness of Actions Taken

We have reviewed and will continue to regularly review our own policies and processes to ensure they remain up to date and effective. The effectiveness of these processes will also be tested as part of our Internal Audit function, which extends to all our agencies.

We will also continue to review the responses to our Supplier Questionnaires. We have also reviewed many of our supplier's modern slavery policies and those modern slavery statements that some of our suppliers have already issued.

Consultation

In preparing this report, Interpublic Australia Holdings Pty Ltd has consulted with all its Australian trading subsidiaries, as listed on page 1, and required of them to contact all their suppliers, asking them to complete the modern slavery questionnaire. All the subsidiaries have approved this Statement.

Other information

IPG takes its corporate social responsibility role very seriously and is committed to being a good corporate citizen by supporting the communities where our employees live and work. It also strongly supports a policy of diversity and inclusion and is the first advertising holding company to release the race and gender composition of our leadership teams. In 2021, IPG was named to the Bloomberg Gender Equality Index for second year in a row and also earned a 100 percent rating on Corporate Equality Index for the 12th consecutive year. IPG fosters this approach throughout all its agencies across the world, including in Australia, and does not tolerate discrimination of any kind.

IPG itself makes regular charitable contributions to good causes and encourages and supports our agencies to do likewise. Our agencies in Australia made many donations in 2020 including to charities supporting those impacted by the bushfires and to BLM-related organisations.

IPG is named on the Dow Jones Sustainability Index in North America. Since 2015, IPG has published sustainability reports utilizing the GRI framework, and we were the first U.S.-based holding company to do so. We also respond to CDP, and publish an annual communication on progress for the United Nations Global Compact. IPG is also committed to advancing the United Nations Sustainable Development Goals (SDGs), and has adopted SDG 6, access to water and sanitation, as part of our role in Common Ground, the initiative that brings together the largest holding companies in the advertising and marketing sector in support of the SDGs. Finally, IPG is measuring its energy use and emissions, and we have set a reduction target to lower our emissions 10 percent by 2030 from our 2015 baseline. IPG measures its emissions and other environmental impacts using GHG Protocol Corporate Standards at all of its buildings in its global portfolio.

Approval

This statement was approved by the Board of Directors of Interpublic Australia Holdings Pty Ltd on 23rd June 2021.

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Signature of authorised director signatory

Hilda Anderson

Director

Dated 23rd June 2021