

CHAIRMAN'S LETTER



TODAY'S WPP IS A FAR STRONGER COMPANY"

Roberto Quarta
Chairman, WPP

After two years of very strong growth, 2023 was more challenging, largely due to the impact of reduced spending in the US from technology clients, to which WPP has greater exposure than its peers.

Despite these headwinds, the Company continued to grow and improved its profitability. And at the Capital Markets Day early this year, the executive team laid out WPP's plans for accelerated growth, further margin expansion and improved cash flow over the medium term.

You can read more about these plans in the Chief Executive's Statement on page 6 and Strategic Report on page 9.

As I approach the end of my time as Chairman of WPP, and reflect on the progress made since the change in executive leadership, I am struck by how far the Company has come in recent years.

Early in 2018 WPP was contending with a series of major strategic challenges. Its largest client was up for review, debt was at an historic high, there had been no growth since the first quarter of 2017 and in the US – the Company's largest market – no growth since the third quarter of 2016.

In the face of these and other pressures, the executive team brought stability and new direction to WPP, transformed the Company's culture and revitalised its offer, as reflected in new partnerships with clients including The Coca-Cola Company and other major global brands.

The team has since navigated a complex landscape with great skill and commitment, while investing in creativity, technology and talent, and evolving the business to meet the demands of a rapidly changing industry.

At the same time, the Board has refreshed its composition. Over the past five years, we have comprehensively renewed the Board, saying goodbye to a number of directors and welcoming others, to bring a fresh approach. As a result, I believe that we now have the right blend of experience and capabilities to support the Company's success in the contemporary world of marketing.

Today's WPP is a far stronger company, with a modern, integrated proposition for clients, a leading position in a growing market, and many attractive strategic opportunities ahead of it. This is a huge achievement by the leadership team and my thanks go to them for their tireless efforts to bring success to WPP, its people, its clients and its shareholders.

REVIEWING PROGRESS AND FUTURE PLANS

The Board's annual strategy meeting enables its members to review progress and future plans in detail and to speak to leaders across the Company responsible for delivery.

In 2023, areas of focus included the opportunities of AI, maximising the value of data, driving craft and scale in production, shaping the next era of media, M&A, back-office transformation and the financial plan.

During the year the Board also formed a sub-committee to allow longer and more in-depth discussion and tracking of transformation workstreams – in particular the implementation of Workday and finance ERPs – outside the existing calendar of scheduled Board meetings.

It was an active period for M&A, and the Board gave consideration to transactions including the investment by KKR in FGS Global and the acquisition of influencer marketing agency Goat.

In 2024, the Board's oversight of strategic delivery will focus on the recently announced simplifications and mergers – particularly GroupM, VML and Burson – to ensure integration is well executed and planned cost savings are realised. We have met with the senior executives of each of the new agencies to provide Board-level support, clarity of deliverables and oversight.

ENGAGING STAKEHOLDERS

The Board has continued to engage with WPP's stakeholders to understand what is most important to them and to inform its decision-making.

Board members met with shareholders regularly during 2023. As part of this engagement, I conducted an investor roadshow ahead of the Capital Markets Day which helped to gather insights and ensure the event addressed the needs and interests of our shareholders. Executive Board members and the wider leadership team made themselves available after the event for further discussion and questions.

Inviting major clients and partners to Board meetings is a critical part of the Board's regular engagement activity, as is spending time within the business in its various centres around the world.

WPP is a global company operating in a global marketplace. The Board's regional reviews provide important insights into key markets, and in 2023 its members visited India to meet colleagues, partners and clients in this fast-growing and strategically important country.

The review was extremely valuable, spanning topics from India's digital transformation and WPP's role in that process to the needs of key clients and how the Company is supporting communities through the WPP India Foundation.

Non-executive directors joined WPP's India People Forum to hear directly from employees on subjects that matter to them, including cross-agency collaboration, the integration of WPP's offer, and learning and development.

The Board's wider employee engagement continued through the Workforce Advisory Panel and other forums, attended by Workforce Engagement Non-Executive Director Cindy Rose.

Topics on the agenda for our people ranged from using our network of campuses to support sustainability objectives to leveraging the scale of WPP to enable career progression within the Company.

Listening to employees, valuing their input and acting on their feedback is at the heart of the culture WPP has aimed to build in recent years. So it was encouraging to see another record-high level of engagement in the Company's annual employee survey, with more than 80,000 people participating – an increase of 14% year-on-year.

RENEWING THE BOARD

Our Senior Independent Director, Angela Ahrendts, has led the process to appoint my successor, and she provides details of the approach taken in the Nomination and Governance Committee Report on page 125.

To facilitate the handover to a new Chair, the Board brought forward the timing of the 2024 external board effectiveness review, the findings of which can be read on page 127.

In 2023 the Board was delighted to welcome two new Executive Directors. Joanne Wilson joined WPP from Britvic, succeeding John Rogers as Chief Financial Officer, while Chief Operating Officer Andrew Scott was appointed to the Board in recognition of the key role he plays within the Company.

In May we said farewell to Nicole Seligman as she completed a nine-year period on the Board, and to Tarek Farahat, who did not put himself forward for re-election at the 2023 AGM due to other commitments.

Proactively reviewing the composition of both the Board and executive team, and preparing for the future, was a priority as ever. We were pleased to see movement of key talent within senior roles in 2023. Landor CEO Jane Geraghty was appointed WPP's Chief Client Officer as Lindsay Pattison moved from that role to become Chief People Officer, succeeding Jennifer Remling when she joined Warner Bros. Discovery at the beginning of 2024.

The Board is working closely with Lindsay and Mark on succession planning for the Executive Committee and other leadership positions.

CHAIRMAN'S LETTER CONTINUED

DIVERSITY AND PERFORMANCE

One of the primary objectives of such planning is to ensure we have the diversity of representation that we know underpins strong performance both at board and executive level. WPP continues to exceed the recommended targets for board diversity set by the FTSE Women Leaders and Parker reviews and the listing rules.

In 2023 43% of Executive Committee members and their direct reports were women, against a FTSE 100 average of 35%.¹ At the time of writing this letter, 42% of WPP Board directors are female.

Since 2021, DEI performance has been linked directly to leadership incentive plans, and we remain committed to driving continued progress in this vital area.

MONITORING AND MITIGATING RISK

Ensuring there is a strong and effective risk management culture throughout the organisation is a key responsibility of the Board.

During the year, we continued to review the structure and effectiveness of our risk management model and assess the principal and emerging risks that could impact our business. More information about our approach is available from page 93.

The simplification of the Company's organisational structure and transformation programme remained a focus for the Board both from a strategic and operational risk standpoint in 2023. Similarly, looking ahead, overseeing the efficient execution of the strategy articulated at the Capital Markets Day in January will be a key priority.

A SPECIAL ORGANISATION

At the Capital Markets Day the leadership team outlined a clear and compelling strategy for the future of WPP, which has the full support of the Board.

The event was also a showcase for the Company's capabilities and the talent of its people.

As we heard from the industry's foremost minds in the application of AI, world experts in media investment, award-winning creative leaders and more, I was reminded once again of what a special organisation WPP is.

I feel very fortunate to have been Chairman of this company for the last nine years, and to have had the opportunity to work alongside such exceptional people.

While good progress is being made to find my successor, the process is ongoing and, on that basis, I will put myself forward for re-election at the AGM and remain as Chairman until my successor is appointed and transitioned into the role.

I would like to extend my heartfelt thanks to my colleagues on the Board, the executive leadership team and every one of the more than 100,000 people around the world who make up WPP.

It has been a privilege to serve as your Chairman, and I look forward to seeing WPP continue to thrive in the years to come.



Roberto Quarta
Chairman
21 March 2024

¹ FTSE Women Leaders Review, 2024