



# ADDITIONAL INFORMATION

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## TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES STATEMENT

We support the Task Force on Climate-related Financial Disclosures and aim to develop our disclosures in line with its recommendations. This voluntary framework seeks to encourage businesses to disclose climate-related risks and opportunities and is structured around four themes: governance, strategy, risk management, and metrics and targets. Our disclosure, across these four themes, is set out below. WPP's overall approach to risk management and a summary of our principal risks can be found on pages 90-101 of this Annual Report. Our CDP response provides further disclosures on our approach to climate change and is available at [cdp.net/en](https://www.cdp.net/en).

### GOVERNANCE

Our Executive Directors have overall responsibility for climate-related risks and opportunities and our performance on carbon reduction is integrated into their incentive plans. At Board level, the Sustainability Committee steers our approach and is attended by both the CEO and CFO, as well as experienced Non-Executive Directors. The Committee meets at least four times per year. Its remit includes reviewing our sustainability strategy and evaluating our performance against targets and commitments. As our clients integrate climate adaptation and mitigation into their business strategies, the Committee will review the growth of services which maximise their success. It will also review climate adaptation and transition plans, including steps to ensure that our Campuses and offices are resilient to extreme weather and that we are meeting growing regulatory requirements that face both WPP and its clients. In 2020, climate strategy was discussed at all meetings as the Committee monitored the development of WPP's science-based carbon target and net zero strategy.

Our Executive Committee working group on sustainability also works to guide our strategy and oversee our approach across agencies. This group includes WPP's Chief Financial Officer, Chief Marketing and Growth Officer, Group Chief Counsel, and agency CEOs. The wider Executive Committee includes the leaders of WPP's largest agencies and Group functional leaders. In 2021, we will build implementation plans for our sustainability strategy, net zero carbon commitments, and climate-related risk and opportunity management. Further information on sustainability governance is provided on page 89 of this Annual Report.

### IDENTIFYING CLIMATE RISK AND OPPORTUNITY

Sustainability risks are integrated into our overall risk management processes. Performance and updated risk implications are reviewed by the Audit Committee on a regular basis. Assessment of risk is informed by feedback from investors, clients and our people. Our overall risk management process is outlined on pages 90-101 and climate change risk is included as an emerging risk as part of our principal risks and uncertainties disclosure on page 101. WPP has implemented Risk Committees in our operating companies with the aim of ensuring accountability at the network level to monitor risk and compliance and we are embedding climate risks in their agendas. Our business integrity programme is integral to ensuring that the policies, procedures and control environment set by the Board are understood and adhered to across all geographies and markets. In 2020, the business continuity implications of physical climate change and the risk of not meeting WPP's sustainability commitments was integrated into the Business Integrity function's annual risk assessment.

The Board Sustainability Committee reviews WPP's climate-related risks and opportunities on an annual basis. This analysis is informed by interviews with sustainability and consumer experts from within WPP's agencies and external data sources including Maplecroft's Climate Change Exposure Index and the Intergovernmental Panel on Climate Change (IPCC) Representative Concentration Pathways (RCPs). Factors considered include regulatory requirements, reputational risk, physical risks, and opportunities to advise our clients. Evaluation criteria include relevance to our industry, relevance to sustainability, regulatory and legal risks, financial implications and the operations affected.

**CLIMATE CHANGE AND OUR STRATEGY**

The nature of the risks and opportunities that we face depend not just on the physical aspects of climate change, but also on: the trajectory our clients take in adapting their business models; regulations in the markets in which we operate; and our ability to understand and shape a culture of climate action. Our response to our principal climate risks and opportunities involves a range of WPP Group functions and responses by our companies.

**KEY**

- Risk
- Opportunity

**CLIMATE-RELATED RISK OR OPPORTUNITY**

**POTENTIAL IMPACT**

**HOW IT IS MANAGED**

**PHYSICAL RISKS AND OPPORTUNITIES**

Increased frequency of extreme weather and climate-related natural disasters



This includes storms, flooding, wildfires and water and heat stress which can damage our buildings, jeopardise the safety of our people and significantly disrupt our operations.

Our assessment of physical climate risk on our Campus buildings shows that 10% of headcount will be located in countries at "extreme" risk from the physical impacts of climate change in the next 30 years, up from 9% in 2019. In addition, 15% of our headcount is in markets where climate risk exposure has increased by more than 10% in the past five years<sup>1</sup>. This includes our operations in Canada, China, Italy, Turkey and the United Arab Emirates.

Co-locating our people through our Campus strategy has enabled us to centralise emergency preparedness procedures. In 2021 we will integrate climate-related risk assessment into the technical due diligence suite that we follow when we invest in a new Campus building. This will help to ensure that material acute and chronic physical climate risks are considered in design and embedded into business continuity procedures. Further details on our Campus strategy are outlined on page 44.

Our annual risk assessment identified the need to develop tools and guidance to support our People teams in identifying and responding to emergent physical climate risk. In 2021, we will work with our Business Integrity function to develop resources and deploy them across WPP agencies.

**TRANSITION RISKS AND OPPORTUNITIES**

Increased demand for sustainable products and services



Our clients are grappling with sustainability challenges and looking to transition their business models away from fossil fuels. For example, 64% of our top 50 clients have committed to setting science-based carbon reduction targets, representing 33% of total revenues in 2020.

As clients increase their ambitions in this space, there is an opportunity for WPP to grow revenues from products and services which support the sustainability ambitions of our clients as they transition their businesses away from fossil fuels. This may include developing low or net zero marketing and ecommerce services, developing sustainability-focused brand strategies, and promoting sustainable consumption norms to consumers.

To realise this opportunity, we will need to invest in the innovation and growth of sustainability-focused services.

Our sustainability strategy (see page 68) outlines our commitment to developing products and services which enable our clients to adopt leadership positions on climate change and exceed the expectations of consumers.

In 2020 we increased investment in our virtual advertising production capability, which reduces the emissions and environmental impact of production shoots.

Increasingly, our agencies are hiring for sustainability-focused leadership roles. We expect this community to continue to grow. Additionally, we are evaluating whether to increase our sustainability resources for clients organically or by acquisition.

We are already upskilling our people in carbon reduction and climate-related issues. In 2020, we started training our people to deliver net zero products and services through programmes such as AdGreen (page 72) and to innovate on behalf of our clients through initiatives like Change the Brief. Through our strategy, we will be developing materials and training programmes to upskill our people on climate-related issues.

<sup>1</sup> Based on the Maplecroft Climate Risk Exposure Index values, December 2020.

CLIMATE-RELATED RISK OR OPPORTUNITY

POTENTIAL IMPACT

HOW IT IS MANAGED

TRANSITION RISKS AND OPPORTUNITIES

Achieving resource efficiencies through cutting our carbon footprint and improving energy efficiency



Through carbon reduction initiatives we have the opportunity to decrease the costs associated with energy use and avoid increased costs associated with carbon taxation. This relates both to our buildings, and to energy-intensive activities such as data storage.

Through energy audits we have identified that moving to offices which are certified to advanced sustainability standards reduced energy consumption by 21% per location. As part of our net zero strategy we are working to identify the potential cost savings of embedding best-practice solutions in our buildings.

Our industry is increasingly reliant on data, digital content and centralised cloud computing. In coming years, we expect to see an increase in externality taxes designed to curb the carbon emissions associated with data storage, which may lead to companies embedding data minimisation strategies<sup>1</sup>. This creates an opportunity for networks such as WPP, which are following a policy of using data well rather than focusing on collection, to emerge as practice leaders and drive innovation.

Through our Campus strategy we have been driving energy efficiency gains by ensuring that all buildings with a floor space exceeding 50,000 square feet will be certified to advanced sustainability standards including LEED and BREEAM. As part of our net zero strategy we are working with our real estate function to embed sustainability best practice into our Campus strategy. For more details see our Sustainability Report.

We are working to embed our net zero ambitions in our data and AI strategy to maximise carbon reduction opportunities. This includes through traditional methods such as embedding the use of efficient hardware and renewable energy into purchasing decisions, and by pursuing data minimisation, federation and virtualisation solutions which reduce energy consumption by keeping data in its place of origin.

Increased reputational risk associated with misrepresenting environmental claims in marketing and advertising content



As consumer consciousness around climate change rises, there is increased scrutiny of our sector's role in driving unsustainable consumption. Increased regulatory scrutiny, including government consultations, demonstrates the growing reputational, financial and regulatory risks associated with the misrepresentation of environmental claims in marketing and advertising content.

The misrepresentation of environmental issues is governed by our Code of Conduct, which makes clear that we will not take on work or produce content that is designed or intended to mislead. We train our people on avoiding misleading work through our online ethics training, How We Behave, on joining and then on a regular basis, including after each update. Our people, suppliers and partners can report concerns or suspected cases of misconduct through our independently managed Right to Speak facility. For further details, see "Policies, Procedures and Culture" (page 91).

Through our sustainability strategy, we are developing additional training and resources to help our people to avoid misrepresentation in the work we do on behalf of clients.

Increased reputational risk associated with working with oil and gas companies and taking on environmentally detrimental briefs



WPP agencies are working with a number of energy clients. In many cases we are helping them to reshape their strategies and to embed the principles of sustainability within their operations, products and marketing.

Working with oil and gas companies, or associated industry groups, who are not actively decarbonising could result in weakened employee morale, lower client confidence and greater regulatory burden.

Our sustainability strategy outlines our commitment to supporting our clients' on their sustainability journeys (see page 72). We are reviewing our policies to reduce the risk that any client brief undermines the implementation of the Paris Agreement.

MONITORING OUR PROGRESS

We have been reporting on our performance on carbon emissions' reduction since 2006. Our carbon emissions' statement is included on page 219 of WPP's 2020 Sustainability Report. In 2020 and early 2021 we worked with the consultancy Carbon Intelligence to develop a net zero carbon strategy. WPP has committed to setting carbon reduction targets in line with Science Based Targets initiative (SBTi) requirements for 1.5°C and is a signatory to the Business Ambition for 1.5°C. This year we have published our full scope 3 inventory for the first time (see [wpp.com/netzero](http://wpp.com/netzero)). WPP's net zero strategy and the metrics we will use to monitor its implementation and progress are

outlined on page 81 and in the Planet chapter of our Sustainability Report 2020. Our most material climate-related opportunities relate to our client work. As part of our sustainability strategy we will develop metrics which track the growth of sustainable products and services. Examples of work relating to climate change are included in our downloadable Sustainability Report 2020: [wpp.com/sustainability](http://wpp.com/sustainability).

<sup>1</sup> WPP, Data 2030: what does the future of data look like.

## OTHER STATUTORY INFORMATION

### CARBON EMISSIONS STATEMENT

#### CO<sub>2</sub>e EMISSIONS BREAKDOWN (TONNES OF CO<sub>2</sub>e)

Emissions source		2020	2019	2018
<b>Continuing operations</b>				
Scope 1	Natural Gas	4,069	6,299	5,804
	Diesel and Heating Oil	692	541	1,505
	Company cars <sup>1</sup>	17,041	18,175	n/a
	<b>Total scope 1</b>	<b>21,802</b>	25,015	7,309
Scope 2	Scope 2 emissions from standard electricity (location-based)	28,984	56,421	66,848
	Scope 2 emissions from green and renewable electricity (location-based)	31,671	27,324	26,370
	Scope 2 emissions from heat and steam	1,177	1,820	1,925
	<b>Total scope 2 (location-based)</b>	<b>61,832</b>	85,565	95,143
	Scope 2 emissions from standard electricity (market-based)	28,983	60,750	71,905
	Scope 2 emissions from green and renewable electricity (market-based)	0	0	0
	Scope 2 emissions from heat and steam	1,177	1,820	1,925
	<b>Total scope 2 (market-based)<sup>1</sup></b>	<b>30,160</b>	62,570	73,830
Total scope 1 and 2	Total scope 1 and 2 CO <sub>2</sub> e emissions (location-based)	83,634	110,580	102,452
	Total scope 1 and 2 CO <sub>2</sub> e emissions (market-based)	51,962	87,585	81,139
Scope 3	Business air travel	23,325	122,967	131,313
	<b>Total scope 3<sup>1</sup></b>	<b>23,325</b>	122,967	131,313

#### WPP'S CARBON INTENSITY (TONNES OF CO<sub>2</sub>e)

Intensity metric		2020	2019	2018
Total scope 1 and 2	Tonnes CO <sub>2</sub> e per full-time employee (market-based)	0.52	0.82	0.76
	Tonnes CO <sub>2</sub> e per £million revenue (market-based)	4.33	6.62	6.22
Scope 3	Tonnes CO <sub>2</sub> e per full time employee	0.23	1.15	1.24

### NOTES TO CARBON EMISSIONS STATEMENT 2020

Our carbon emissions statement has been prepared in accordance with the Greenhouse Gas Protocol and aligns with the scope 2 market-based emissions methodology guidance. Our reporting incorporates carbon dioxide equivalent emissions from building energy use and business air travel. Emissions data is included for all operations for which WPP and its subsidiaries have operational control. Associate companies are excluded. This covers 99,830 people.

<sup>1</sup> As part of our net zero strategy we have updated our emissions methodology. We are therefore restating our 2019 carbon emissions to capture best practice in emissions reporting and ensure the best possible baseline for our carbon reduction targets. Updates to our methodology have incorporated reporting on the emissions associated with company cars, updating our business air travel emissions factors to include radiative forcing and rectifying a material error found in the 2019 emissions factor applied for Australia. Further details of the restatement are included in the content index of our Sustainability Report.

Our carbon data is reviewed by Bureau Veritas, an independent assurance provider. See its Independent Verification Statement on our website [wpp.com/sustainability](https://www.wpp.com/sustainability). Additional information on our carbon emissions methodology is included in our Sustainability Report.

## SHAREHOLDER INFORMATION

### SHARE CAPITAL AND CONTROL

Details of our issued share capital and the number of shares held in Treasury as at 31 December 2020 can be found in note 27 to the financial statements.

Our ordinary shares are listed on the London Stock Exchange (LSE) and are also quoted on the New York Stock Exchange (NYSE) in the form of American Depositary Receipts (ADRs).

The rights and obligations relating to the ordinary share capital are outlined in the Articles of Association; there are no restrictions on transfer, no restrictions on voting rights and no securities carry special voting rights with regard to control of the Company.

At the AGM on 10 June 2020, shareholders passed resolutions authorising the Company, in accordance with its Articles, to allot shares up to a maximum nominal amount of £40,844,302 of which £6,126,645 could be allotted for cash free of statutory pre-emption rights. In the year under review no shares were issued for cash free from pre-emption rights. Details of share capital movements are given in note 27 to the financial statements on pages 196-198.

### AUTHORITY FOR PURCHASE OF OWN SHARES

At the AGM on 10 June 2020, shareholders passed a special resolution authorising the Company, in accordance with its Articles of Association, to purchase up to 122,532,907 of its own shares in the market. In the year under review, 32,088,571 ordinary shares were purchased.

### MAJOR SHAREHOLDERS

The table below shows the holdings of major shareholders in the Company's issued ordinary share capital in accordance with the Disclosure Guidance and Transparency Rules (DTRs) notified to the Company as at 31 December 2020. Information provided to the Company under the DTRs is publicly available via the regulatory information services and on the Company's website.

	At 30 December 2020
Harris Associates LP	4.51%
BlackRock Inc	7.56%

	At 23 April 2021
Harris Associates LP	3.75%
BlackRock Inc	8.04%

### SHAREHOLDERS AS AT 31 DECEMBER 2020

Holding of shares	Number of holders	% Owners	Shareholdings	% Outstanding
Up to 1,000	5,810	53.1	1,538,230	0.1
1,001 to 5,000	1,634	15.0	3,920,826	0.3
5,001 to 100,000	2,247	20.6	69,828,801	5.4
100,001 to 1,000,000	987	9.0	328,301,356	25.3
Over 1,000,000	254	2.3	892,491,029	68.9

Shareholders by geography	%	Shareholders by type	%
UK	30.6	Institutional investors	95.2
United States	36.0	Our people	0.6
Rest of World	33.4	Other individuals	4.2
<b>Total</b>	<b>100</b>	<b>Total</b>	<b>100</b>

## SHARE PRICE

The closing price of the shares at 31 December was as follows:

	At 23 April 2021	2020	2019	2018	2017	2016
Ordinary 10p shares	967.8p	800.0p	1,066.5p	846.6p	1,341.0p	1,816.0p

Share price information is also available online at [wpp.com/investors/share-price](http://wpp.com/investors/share-price)

## CHANGE OF CONTROL

All of our bonds contain provisions which are triggered on a change of control of the Company. The holders of such bonds have the right to repayment at par except for holders of our US\$ bonds. The holders of our US\$ bonds have the right to redeem the bonds at 101% of par, if the Company is non-investment grade at the time of the change of control or becomes non-investment grade within 120 days of the announcement of the change of control.

In addition, the Group has a Revolving Credit Facility in the amount of \$2,500 million due March 2025, the terms of which require the consent of the majority of the lenders if a proposed merger or consolidation of the Company would alter its legal personality or identity. In February 2021, the lending banks approved an extension of the term of the Revolving Credit Facility to March 2026.

In general terms, awards granted under WPP's incentive plans will usually vest on a change of control, albeit on a prorated basis. Where awards are subject to performance conditions, those conditions will still need to be met, also on a prorated basis. Certain incentive plans allow the Compensation Committee to require outstanding awards to be exchanged for equivalent awards in the acquiring company.

## SHARE BUY-BACK PROGRAMME

The Board has been authorised to issue and allot Ordinary Shares under Article 12 of the company's Articles of Association. The power under Article 12 and the authority for the company to make purchases of its own shares are subject to shareholder authorities which are sought on an annual basis at our Annual General Meeting (AGM). Any shares purchased by the company may be cancelled, held as Treasury shares or used for satisfying share options and grants under the Group's employee share plans.

The Company announced on 31 March 2020 its decision to suspend the £950 million share buyback, funded by proceeds from the Kantar transaction, with immediate effect. The Company announced a £300 million share buy-back programme on 11 March 2021, which would take place during the period commencing 11 March 2021 and ending no later than 18 June 2021.

## DIVIDENDS

Subject to shareholder approval at the 2021 AGM, the final dividend for 2020 will become due and payable on 9 July 2021 to all holders of ordinary shares on the Register of Members at the close of business on 11 June 2021.

The table below sets out the dividend per share ordinary shareholders have received for the last five years:

	2020	2019	2018	2017	2016
Interim dividend per ordinary share	10.00p	22.70p	22.70p	22.70p	19.55p
Final dividend per ordinary share	14.00p	–	37.30p	37.30p	37.05p
<b>Total</b>	<b>24.00p</b>	22.70p	60.00p	60.00p	56.60p

## AMERICAN DEPOSITARY RECEIPTS (ADRS)

Each ADR represents five ordinary shares.

WPP plc is subject to the informational requirements of the United States' securities laws applicable to foreign companies and files an annual report on Form 20-F and other information with the US Securities and Exchange Commission. These documents are available at the Commission's website, [sec.gov](http://sec.gov).

## ADR DIVIDENDS

ADR holders are eligible for all stock dividends or other entitlements accruing on the underlying WPP plc shares and receive all cash dividends in US dollars. These are normally paid twice a year.

Dividend cheques are mailed directly to the ADR holder on the payment date if ADRs are registered with WPP's US depository. Dividends on ADRs that are registered with brokers are sent to the brokers, who forward them to ADR holders. WPP's US depository is Citibank N.A. (address on page 222).

Dividends per ADR in respect of each financial year are set out below.

	2020	2019	2018	2017	2016
<b>In £ sterling</b>					
Interim	50.00p	113.50p	113.50p	113.50p	97.75p
Final	70.00p	–	186.50p	186.50p	185.25p
<b>Total</b>	<b>120.00p</b>	113.50p	300.00p	300.00p	283.00p
<b>In US dollars<sup>1</sup></b>					
Interim	64.18¢	144.88¢	151.53¢	146.27¢	132.42¢
Final	89.85¢	–	249.00¢	240.34¢	250.96¢
<b>Total</b>	<b>154.03¢</b>	144.88¢	400.53¢	386.61¢	383.38¢

<sup>1</sup> These figures have been translated for convenience purposes only, using the approximate average rate for the year of US\$1.2836 (2019: US\$1.2765, 2018: US\$1.3351). This conversion should not be construed as a representation that the pound sterling amounts actually represent, or could be converted into, US dollars at the rates indicated.

Dollar amounts paid to ADR holders depend on the sterling/dollar exchange rate at the time of payment.

No withholding tax is imposed on dividends paid to ADR holders. The dividends received will be subject to United States' taxation.



### LISTING RULES

For the purposes of Listing Rule (LR) 9.8.4R, the information required to be disclosed by that section can be found in the following locations:

Section	Applicable sub-paragraph within LR 9.8.4R	Location
4	Details of long-term incentive schemes	Directors' compensation report page 134-154
5	Details of Directors' waiver of emoluments	Directors' compensation report page 134-154
6	Director waiver of future emoluments	Directors' compensation report page 134-154

The above table sets out only those sections of LR 9.8.4R which are relevant. The remaining sections of LR 9.8.4R are not applicable.

### ARTICLES OF ASSOCIATION

There are no restrictions on amending the Articles of Association of the Company (Articles) other than the requirement to pass a special resolution of the shareholders at a general meeting. Subject to applicable law and the Company's Articles, the Directors may exercise all powers of the Company.

The Articles are available on the Company's website at [wpp.com/investors/corporate-governance](http://wpp.com/investors/corporate-governance)

### 2021 FINANCIAL CALENDAR

Ordinary dividend timetable	Final	Interim
Ordinary ex-dividend date	10 June 2021	October 2021
Dividend record date	11 June 2021	October 2021
Dividend payment date	9 July 2021	November 2021

#### Other key dates:

2020 preliminary results	11 March 2021
First quarter trading update	28 April 2021
Annual General Meeting	9 June 2021
2021 interim results announcement	August 2021
Third quarter trading update	October 2021

### RESULTS ANNOUNCEMENTS

Results announcements are issued to the London Stock Exchange and are available on its news service. They are also sent to the US Securities and Exchange Commission and the NYSE, issued to the media and made available on our website.

### SHAREHOLDER COMMUNICATIONS

A growing number of our shareholders have opted to receive communications from us electronically. The use of electronic communications, rather than printed paper documents, means information about the Company can be accessed through emails or the Company's website, thus reducing our impact on the environment. Shareholders who have elected for electronic communication will be sent an email alert containing a link to the relevant documents. We encourage all our shareholders to sign up for this service. You can register for this service at [investorcentre.co.uk](http://investorcentre.co.uk) or by contacting Computershare by the telephone number provided below.

WPP's public website, [wpp.com](http://wpp.com), provides current and historical financial information, news releases, trading reports and share price information. Go to [wpp.com/investors](http://wpp.com/investors)

### SHAREHOLDERS' REGISTER

A register of shareholders' interests is kept at the Company's registrar's office in Jersey and is available for inspection on request. The register includes information on nominee accounts and their beneficial owners.

### ACCESS NUMBERS/TICKER SYMBOLS

	NYSE	Reuters	Bloomberg
Ordinary shares	-	WPP.L	WPP LN
American Depositary Shares	WPP	WPP.N	WPP US

### SHAREHOLDER CONTACTS

#### ORDINARY SHARES

For any queries regarding your shareholding, please contact Computershare:

By telephone: +44 (0)370 707 1411

Lines are open from Monday to Friday, 8.30am to 5.30pm UK time, excluding public holidays.

Using the contact form on the website: [investorcentre.co.uk/je/contactus](http://investorcentre.co.uk/je/contactus)

In writing: Computershare Investor Services (Jersey) Limited, 13 Castle Street, St Helier, Jersey, JE1 1ES

#### AMERICAN DEPOSITARY RECEIPTS (ADRS) OFFICE

For any queries regarding WPP ADRs, please contact Citibank Shareholder Services (Citibank):

By telephone: +1 877 248 4237

Opening hours are Monday to Friday, 8.30am to 6pm US Eastern Standard Time. Please call +1 781 575 4555 if calling from outside of the US.

By email: [citibank@shareholders-online.com](mailto:citibank@shareholders-online.com)

In writing: Citibank N.A., PO Box 43077, Providence, RI 02940-3077, USA

#### REGISTERED OFFICE

WPP plc  
13 Castle Street, St Helier  
Jersey, JE1 1ES

Telephone: +44 (0)20 7282 4600

Registered number: 111714

Website: [wpp.com](http://wpp.com)

### TAXATION INFORMATION

As this is a complex area investors should consult their own tax advisor regarding the US federal, state and local, the UK and other tax consequences of owning and disposing of shares and ADSs in their particular circumstances.

#### DIVIDENDS RECEIVED

UK resident individuals receive a Dividend Allowance in the form of a 0% tax rate on the first £2,000 of dividend income received each tax year.

Any dividends received over the Dividend Allowance are taxed at a rate of 7.5% on dividend income for individuals in the basic rate band, 32.5% for higher rate tax payers and at 38.1% for individuals with income of £150,000 or more.

#### CAPITAL GAINS TAX

The market value of an ordinary share at 31 March 1982 was 39p. Since that date rights issues have occurred in September 1986, August 1987 and April 1993. For capital gains tax purposes the acquisition cost of ordinary shares is adjusted to take account of such rights issues. Since any adjustments will depend on individual circumstances, shareholders are advised to consult their professional advisors.

#### CAPITAL GAINS

As liability to capital gains tax on a disposal of WPP shares will depend on individual circumstances, shareholders are advised to consult their professional advisors.

## ADJUSTMENT OF 30 JUNE 2020 GOODWILL IMPAIRMENT

The goodwill impairment charge recognised for the year ended 31 December 2020 includes £2,812.9 million related to the six-month period ended 30 June 2020. This figure is £328.2 million higher than the £2,484.7 million previously reported in the 30 June 2020 interim financial statements as a result of an adjustment to appropriately reflect the working capital cash flow assumptions in the impairment model.

The following table presents the CGUs with significant goodwill impairments that were recognised as at 30 June 2020, both as previously reported and as adjusted for the identified adjustment.

CGU	Operating Sector	As reported		As adjusted	
		Recoverable amount as at 30 June 2020 £m	Goodwill impairment charge for the period ended 30 June 2020 £m	Recoverable amount as at 30 June 2020 £m	Goodwill impairment charge for the period ended 30 June 2020 £m
Wunderman Thompson	Global Integrated Agencies	1,932.2	1,054.4	1,759.5	1,207.5
VMLY&R	Global Integrated Agencies	918.3	472.0	871.0	516.9
Burson Cohn & Wolfe	Public Relations	859.8	127.0	845.9	140.3
Geometry Global	Specialist Agencies	205.9	232.5	128.4	305.8
Landor & Fitch	Specialist Agencies	197.5	158.1	169.5	185.4
Other		1,349.3	440.7	1,325.7	457.0
		5,463.0	2,484.7	5,100.0	2,812.9

The table below reflects the impact of the adjustment on key income statement and balance sheet line items. The £333.3 million adjustment reflects the £328.2 million increase in the goodwill impairment charge and a £5.1 million increase primarily in impairment of right-of-use assets with a related increase in the deferred tax credit of £13.1 million and a corresponding decrease in deferred tax liabilities.

	As previously reported £m	Adjusted £m
<b>Six months ended 30 June 2020</b>		
<b>Continuing operations</b>		
General and administrative costs	3,195.3	3,528.6
Operating loss	(2,417.3)	(2,750.6)
Loss before interest and taxation	(2,469.2)	(2,802.5)
Loss before taxation	(2,843.9)	(3,177.2)
Loss for the period from continuing operations	(2,867.9)	(3,188.1)
Loss for the period	(2,864.8)	(3,185.0)
Headline operating profit	382.3	382.3
Loss for the period attributable to equity holders of the parent	(2,889.0)	(3,209.2)
Weighted average shares used in basic EPS calculation (million)	1,224.7	1,224.7
Reported basic earnings per share	(235.9p)	(262.0p)
Goodwill	8,096.3	7,768.1
Deferred tax liabilities	(398.9)	(385.8)
Net assets	5,779.7	5,459.5

We will reflect these adjustments in the comparatives included in the 2021 interim financial statements.

## FIVE-YEAR SUMMARY

	Continuing operations				Continuing and discontinued operations
	2020 £m	2019 <sup>1</sup> £m	2018 <sup>1</sup> £m	2017 <sup>1</sup> £m	2016 <sup>2</sup> £m
<b>Income statement</b>					
Billings <sup>3</sup>	46,917.8	53,059.0	53,219.7	52,915.4	55,278.0
Revenue	12,002.8	13,234.1	13,046.7	13,146.4	14,887.3
Revenue less pass-through costs <sup>3</sup>	9,762.0	10,846.5	10,875.7	11,143.9	12,428.6
Operating (loss)/profit	(2,278.1)	1,295.9	1,245.3	1,577.9	2,063.1
Headline EBITDA <sup>4</sup>	1,812.5	2,131.4	1,932.5	2,099.6	2,419.7
Headline operating profit <sup>4</sup>	1,260.5	1,560.6	1,651.2	1,793.1	2,095.3
(Loss)/profit before taxation	(2,790.6)	1,214.3	1,019.3	1,894.0	1,890.5
Headline PBT <sup>4</sup>	1,041.3	1,363.0	1,543.0	1,717.6	1,986.2
(Loss)/profit for the year	(2,919.9)	939.3	763.3	1,811.0	1,501.6
Headline operating profit margin <sup>4</sup>	12.9%	14.4%	15.2%	16.1%	16.9%
<b>Balance sheet</b>					
Non-current assets	12,185.4	15,826.7	17,854.1	18,427.7	19,125.3
Net current assets/(liabilities)	870.9	(179.9)	(649.5)	(356.1)	(1,328.1)
Net assets	5,166.4	8,415.8	9,784.3	9,960.5	9,761.7
Net debt	(695.6)	(1,539.6)	(4,016.7)	(4,483.1)	(4,130.5)
Average net debt	(2,331.0)	(4,282.0)	(4,965.6)	(5,142.7)	(4,340.5)
	2020	2019	2018	2017	2016
<b>Our people</b>					
Revenue per employee (£000)	116.7	124.3	123.0	123.5	112.2
Revenue less pass-through costs <sup>3</sup> per employee (£000)	94.9	101.8	102.5	104.7	93.7
Staff cost per employee (£000)	63.8	66.6	65.5	66.4	58.7
Average headcount <sup>5</sup>	102,822	106,498	106,090	106,414	132,657
<b>Share information</b>					
Headline <sup>6</sup> – basic earnings per share from continuing operations	60.5p	78.7p	92.4p	104.2p	114.8p
– diluted earnings per share from continuing operations	59.9p	78.1p	91.4p	103.0p	113.2p
Reported – basic earnings per share from continuing operations	(243.2p)	68.8p	56.0p	136.9p	109.6p
– diluted earnings per share from continuing operations	(243.2p)	68.2p	55.4p	135.3p	108.0p
Dividends per share <sup>7</sup>	24.00p	22.70p	60.00p	60.00p	56.60p
Share price – high	1,071.0p	1,077.5p	1,471.0p	1,921.0p	1,850.0p
– low	483.7p	800.4p	805.0p	1,253.0p	1,338.0p
Market capitalisation at year-end (£m)	9,802.7	13,410.0	10,682.6	17,029.8	23,260.3

**Notes**

- Figures have been restated as described in the accounting policies.
- 2016 figures have not been re-presented in accordance with IFRS 5 Non-Current Assets Held for Sale and Discontinued Operations therefore represent total continuing and discontinued operations. 2016 figures have also not been restated to reflect the impact of the change in the discount rate used in the calculation of the present value of the expected cash outflows in respect of put option agreements and payments due to vendors (earnout agreements).
- Billings and revenue less pass-through costs are defined on pages 225 and 226.
- The calculation of 'headline' measures of performance (including headline EBITDA, headline operating profit, headline operating profit margin and headline PBT) is set out on pages 212 and 213.
- 2016 average headcount includes the Kantar disposal group.
- Headline earnings per share is set out in note 9 of the financial statements.
- Dividends per share represents the dividends declared in respect of each year.

The information on this page is unaudited.

## FINANCIAL GLOSSARY

Term used in Annual Report	United States' equivalent or brief description
<b>ADRs/ADSs</b>	American Depositary Receipts/American Depositary Shares. The Group uses the terms ADR and ADS interchangeably. One ADR/ADS represents five ordinary shares
<b>Allotted</b>	Issued
<b>Average net debt and net debt</b>	Average net debt is calculated as the average daily net borrowings of the Group. Net debt at a period end is calculated as the sum of the net borrowings of the Group, derived from the cash ledgers and accounts in the balance sheet. Net debt excludes lease liabilities
<b>Billings and estimated net new billings</b>	Billings comprise the gross amounts billed to clients in respect of commission-based/fee-based income together with the total of other fees earned. Net new billings represent the estimated annualised impact on billings of new business gained from both existing and new clients, net of existing client business lost. The estimated impact is based upon initial assessments of the clients' marketing budgets, which may not necessarily result in actual billings of the same amount
<b>Called-up share capital</b>	Ordinary shares, issued and fully paid
<b>Company or Parent Company</b>	WPP plc
<b>Constant currency</b>	The Group uses US dollar-based, constant currency models to measure performance. These are calculated by applying budgeted 2020 exchange rates to local currency reported results for the current and prior year. This gives a US dollar-denominated income statement which excludes any variances attributable to foreign exchange rate movements
<b>ESOP</b>	Employee share ownership plan
<b>EURIBOR</b>	The euro area inter-bank offered rate for euro deposits
<b>Finance lease</b>	Capital lease
<b>Free cash flow</b>	Free cash flow is calculated as cash generated by operations plus dividends received from associates, interest received, investment income received, and proceeds from the issue of shares, less corporation and overseas tax paid, interest and similar charges paid, dividends paid to non-controlling interests in subsidiary undertakings, repayment of lease liabilities (including interest), earnout payments and purchases of property, plant and equipment and purchases of other intangible assets
<b>Freehold</b>	Ownership with absolute rights in perpetuity
<b>General and administrative costs</b>	General and administrative costs include marketing costs, certain professional fees and an allocation of other costs, including staff and establishment costs, based on the function of employees within the Group
<b>Group</b>	WPP plc and its subsidiaries
<b>Headline earnings</b>	Headline PBT less headline tax charge and non-controlling interests
<b>Headline EBITDA</b>	Profit before finance and investment income/costs and revaluation of financial instruments, taxation, gains/losses on disposal of investments and subsidiaries, investment and other write-downs, goodwill impairment and other goodwill write-downs, amortisation and impairment of acquired intangible assets, amortisation of other intangibles, depreciation of property, plant and equipment, depreciation of right-of-use assets, restructuring and transformation costs, restructuring costs in relation to Covid-19, litigation settlement, gain on sale of freehold property in New York, share of exceptional gains/losses of associates and gains/losses on remeasurement of equity interests arising from a change in scope of ownership
<b>Headline operating profit</b>	Operating profit before gains/losses on disposal of investments and subsidiaries, investment and other write-downs, goodwill impairment and other goodwill write-downs, amortisation and impairment of acquired intangible assets, restructuring and transformation costs, restructuring costs in relation to Covid-19, litigation settlement, gain on sale of freehold property in New York and gains/losses on remeasurement of equity interests arising from a change in scope of ownership
<b>Headline operating profit margin</b>	Headline operating profit margin is calculated as headline operating profit (defined above) as a percentage of revenue less pass-through costs
<b>Headline PBIT</b>	Profit before finance and investment income/costs and revaluation of financial instruments, taxation, gains/losses on disposal of investments and subsidiaries, investment and other write-downs, goodwill impairment and other goodwill write-downs, amortisation and impairment of acquired intangible assets, restructuring and transformation costs, restructuring costs in relation to Covid-19, litigation settlement, gain on sale of freehold property in New York, share of exceptional gains/losses of associates and gains/losses on remeasurement of equity interests arising from a change in scope of ownership

Term used in Annual Report	United States' equivalent or brief description
<b>Headline PBT</b>	Profit before taxation, gains/losses on disposal of investments and subsidiaries, investment and other write-downs, goodwill impairment and other goodwill write-downs, amortisation and impairment of acquired intangible assets, restructuring and transformation costs, restructuring costs in relation to Covid-19, litigation settlement, gain on sale of freehold property in New York, share of exceptional gains/losses of associates, gains/losses arising from the revaluation and retranslation of financial instruments and gains/losses on remeasurement of equity interests arising from a change in scope of ownership
<b>Headline tax charge</b>	Taxation excluding tax/deferred tax relating to gains/losses on disposal of investments and subsidiaries, investment and other write-downs, goodwill impairment and other goodwill write-downs, restructuring and transformation costs, restructuring costs in relation to Covid-19, litigation settlement, gain on sale of freehold property in New York, and the deferred tax impact of the amortisation of acquired intangible assets and other goodwill items
<b>IFRS/IAS</b>	International Financial Reporting Standards/International Accounting Standards
<b>LIBOR</b>	The London inter-bank offered rate
<b>Net working capital</b>	The movement in net working capital consists of movements in trade working capital and movements in other working capital and provisions per the analysis of cash flows note
<b>OCI</b>	Consolidated statement of comprehensive income
<b>Pass-through costs</b>	Pass-through costs comprise fees paid to external suppliers where they are engaged to perform part or all of a specific project and are charged directly to clients, predominantly media and data collection costs
<b>Pro forma ("like-for-like")</b>	Pro forma comparisons are calculated as follows: current year, constant currency actual results (which include acquisitions from the relevant date of completion) are compared with prior year, constant currency actual results, adjusted to include the results of acquisitions for the commensurate period in the prior year. The Group uses the terms "pro forma" and "like-for-like" interchangeably
<b>Profit</b>	Income
<b>Profit attributable to equity holders of the parent</b>	Net income
<b>Revenue less pass-through costs</b>	Revenue less pass-through costs is revenue less media, data collection and other pass-through costs
<b>Sarbanes-Oxley Act or SOX</b>	An Act passed in the United States to protect investors by improving the accuracy and reliability of corporate disclosures made pursuant to the securities laws, and for other purposes
<b>Share capital</b>	Ordinary shares, capital stock or common stock issued and fully paid
<b>Shares in issue</b>	Shares outstanding
<b>Share premium account</b>	Additional paid-in capital or paid-in surplus (not distributable)
<b>UK Corporate Governance Code</b>	The UK Corporate Governance Code published by the Financial Reporting Council dated April 2018
<b>WPP</b>	WPP plc and its subsidiaries

### FORWARD-LOOKING STATEMENT

In connection with the provisions of the U.S. Private Securities Litigation Reform Act of 1995 (the 'Reform Act'), the Company may include forward-looking statements (as defined in the Reform Act) in oral or written public statements issued by or on behalf of the Company. These forward-looking statements may include, among other things, plans, objectives, beliefs, intentions, strategies, projections and anticipated future economic performance based on assumptions and the like that are subject to risks and uncertainties. These statements can be identified by the fact that they do not relate strictly to historical or current facts. They use words such as 'anticipate', 'estimate', 'expect', 'intend', 'will', 'project', 'plan', 'believe', 'target', and other words and similar references to future periods but are not the exclusive means of identifying such statements. As such, all forward-looking statements involve risk and uncertainty because they relate to future events and circumstances that are beyond the control of the Company. Actual results or outcomes may differ materially from those discussed or implied in the forward-looking statements. Therefore, you should not rely on such forward-looking statements, which speak only as of the date they are made, as a prediction of actual results or otherwise. Important factors which may cause actual results to differ include but are not limited to: the impact of outbreaks, epidemics or pandemics, such as the Covid-19 pandemic and ongoing challenges and uncertainties posed by the Covid-19 pandemic for businesses and governments around the world; the unanticipated loss of a material client or key personnel; delays or reductions in client advertising budgets; shifts in industry rates of compensation; regulatory compliance costs or litigation; changes in competitive factors in the industries in which we operate and demand for our products and services; our inability to realise the future anticipated benefits of acquisitions; failure to realise our assumptions regarding goodwill and indefinite lived intangible assets; natural disasters

or acts of terrorism; the Company's ability to attract new clients; the UK's exit from the EU; the risk of global economic downturn; technological changes and risks to the security of IT and operational infrastructure, systems, data and information resulting from increased threat of cyber and other attacks; the Company's exposure to changes in the values of other major currencies (because a substantial portion of its revenues are derived and costs incurred outside of the UK); and the overall level of economic activity in the Company's major markets (which varies depending on, among other things, regional, national and international political and economic conditions and government regulations in the world's advertising markets). In addition, you should consider the risks described under the heading Principal risks on pages 95-101, which could also cause actual results to differ from forward-looking information. In light of these and other uncertainties, the forward-looking statements included in this document should not be regarded as a representation by the Company that the Company's plans and objectives will be achieved. Neither the Company, nor any its directors, officers or employees, provides any representation, assurance or guarantee that the occurrence of any events anticipated, expressed or implied in any forward-looking statements will actually occur. The Company undertakes no obligation to update or revise any such forward-looking statements, whether as a result of new information, future events or otherwise.

### WEBSITE

WPP's website [wpp.com](http://wpp.com) gives additional information on the Group. Notwithstanding the references we make in this Annual Report to WPP's website, none of the information made available on the website constitutes part of this Annual Report or shall be deemed to be incorporated by reference herein.

## WHERE TO FIND US

### COMPANY CENTRES

#### WPP NEW YORK

3 World Trade Center  
175 Greenwich Street  
New York NY 10007  
Tel +1 (212) 632 2200

#### WPP LONDON

Sea Containers  
18 Upper Ground  
London SE1 9GL  
Tel +44 (0)20 7282 4600

#### WPP ASIA PACIFIC

50 Scotts Road  
Singapore 228242  
Tel +65 6508 5219

### COMPANY INFORMATION

If you would like further general information about WPP, its companies or any of the programmes or initiatives mentioned in this Annual Report, please visit our website, [wpp.com](http://wpp.com), or email: [enquiries@wpp.com](mailto:enquiries@wpp.com)

### BUSINESS DEVELOPMENT

For more about WPP companies' professional services, please contact:  
Jason Day  
[jason.day@wpp.com](mailto:jason.day@wpp.com)

### CONTACT POINTS

#### INVESTOR RELATIONS

John Rogers  
Chief Financial Officer  
Tel +44 (0)20 7282 4600  
[john.rogers@wpp.com](mailto:john.rogers@wpp.com)

Peregrine Riviere  
Group Investor Relations Director  
London  
Tel +44 (0)20 7282 4600  
[peregrine.riviere@wpp.com](mailto:peregrine.riviere@wpp.com)

Fran Butera  
Investor Relations Director  
New York  
Tel +1 (212) 632 2235  
[fran.butera@wpp.com](mailto:fran.butera@wpp.com)

#### INVESTOR INFORMATION

Investor relations material and our financial statements are available online at [wpp.com/investors](http://wpp.com/investors)

#### CORPORATE COMMUNICATIONS AND MEDIA RELATIONS

Chris Wade  
Chief Communications Officer  
Tel +44 (0)20 7282 4600  
[chris.wade@wpp.com](mailto:chris.wade@wpp.com)

#### EMEA

Niken Wresniwiro  
Tel +44 (0)20 7282 4600  
[niken.wresniwiro@wpp.com](mailto:niken.wresniwiro@wpp.com)

#### NORTH AMERICA

Martina Suess  
Tel +1 (212) 632 2522  
[martina.suess@wpp.com](mailto:martina.suess@wpp.com)

#### ASIA PACIFIC

Juliana Yeh  
Tel +852 2280 3790  
[juliana.yeh@wpp.com](mailto:juliana.yeh@wpp.com)

#### SUSTAINABILITY

David Henderson  
Global Corporate Affairs Director  
Tel +44 (0)20 7282 4600  
[david.henderson@wpp.com](mailto:david.henderson@wpp.com)

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