Environment

Reducing our impact on the environment is a priority. We aim to make WPP a low-carbon Group, cutting our carbon emissions by 40% by 2020. We are also focusing on reducing waste and managing water use in regions of water scarcity.

Improving our environmental performance benefits the planet and our business by helping us to reduce costs and respond efficiently to new regulations, such as the UK's Carbon Reduction Commitment (CRC). Taking action on our carbon footprint enhances our credibility with clients and prospective clients and supports our work as communications advisors on climate change. It also helps us recruit and retain environmentally-aware graduate talent.

Climate change

Our strategy

We set our first climate change target in 2007 – to cut our CO_2 emissions by 20% by 2010 from a 2006 baseline. In 2009 the WPP Board approved a tough new climate strategy taking us to 2020. Our new targets are to:

- Reduce CO_2 emissions by 40% by 2020 from 2006 levels.
- Reduce per head CO_2 emissions to 1.2 tonnes by 2020.

The first target is aligned with the advice of the Intergovernmental Panel on Climate Change which states that developed countries must cut their CO_2 emissions by 40% by 2020. Our second is a carbon intensity target, introduced to help all our people understand their personal impact at work and be motivated to try to reduce it. We also set interim targets for 2012 and 2015 so that we can monitor our progress.

Climate change targets

	2010	2012	2015	2020
Absolute CO_2 reduction from a 2006 baseline	20%	25%	30%	40%
Carbon intensity (per head CO_2 emissions)	2 tonnes	1.8 tonnes	1.6 tonnes	1.2 tonnes

Our climate strategy focuses on three areas:

- Improving energy efficiency in our buildings and IT.
- Reducing non-essential flights.
- Purchasing renewable electricity where available.

Since 2006 we have offset a large proportion of our remaining emissions by investing in renewable energy projects, see page 60. From 2010 we will only offset emissions from flights, so that we can focus our investment on improving energy efficiency.

We encourage our companies to take ownership of energy management. For example, we produce individual carbon footprints for every operating company. These are distributed to operating company CEOs and help our businesses to monitor their progress.

Our performance

WPP's carbon footprint in 2009 was 252,111 tonnes of CO_2, an increase of 4% compared with 2008. This reflects changes in our business, particularly our acquisition of TNS. When our carbon footprint data is adjusted to take account of acquisitions and disposals, the underlying trend was a 3% reduction in 2009 compared with 2008.

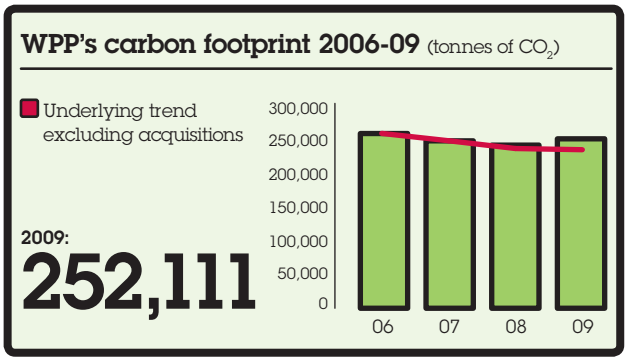
We have reduced CO_2 emissions by 10% on 2006 levels, when our baseline is adjusted to take account of acquisitions and disposals.

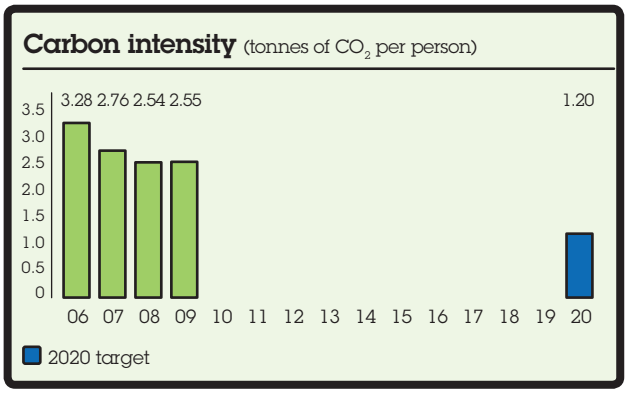
In 2009, CO_2 emissions per person remained constant at around 2.55 tonnes per person (2.54 tonnes in 2008). Since 2006 we have reduced emissions per person by around 21%.

Office energy use and business air travel account for the majority of our carbon footprint, representing 56% and 29% respectively. In 2009, we used 340,647 megawatt hours of energy in our offices, resulting in emissions of 143,154 tonnes of CO_2.

In 2009, we offset 130,000 tonnes of CO_2 through support for renewable energy projects (see page 60 for details).

We report our greenhouse gas emissions to the Carbon Disclosure Project (CDP), a collaboration of institutional investors, and participate in the CDP's Supply Chain Leadership Collaboration.





WPP's carbon footprint
(rating renewable energy as zero emissions)

	CO_2 emissions (tonnes)			
	2006	**2007**	**2008**	**2009**
Office energy use*	144,354	124,335	121,572	**143,154**
Air travel	81,733	92,269	89,500	**76,073**
Other (includes unmeasured impacts, e.g. couriers and taxis)	33,913	32,491	31,661	**32,884**
Total	260,000	249,095	242,733	**252,111**

WPP's carbon footprint
(renewable energy rated as normal grid electricity)

	CO_2 emissions (tonnes)			
	2006	**2007**	**2008**	**2009**
CO_2 (tonnes)*	260,000	254,888	265,760	**279,184**

WPP's office energy use

	Energy use (megawatt hours)			
	2006	**2007**	**2008**	**2009**
Energy use (mWh)*	297,406	272,545	284,930	**340,647**

* This year, 2007 and 2008 data for office energy use and CO_2 was revised upwards as a result of improvements to our data collection system and analysis.

About our data

We calculate office energy consumption using data collected through our financial reporting system. We calculate the amount of air travel using a combination of data provided by an external provider as part of our airline procurement process and data collected through our financial reporting system. We add an additional 15% to our CO_2 footprint to account for unmeasured impacts such as couriers and taxis.

When calculating our carbon footprint we rate renewable energy as zero emissions. UK government guidelines state that emissions from renewable energy should be calculated using the same conversion factors as conventional grid energy, rather than rated as zero emissions. If the renewable energy we purchase globally is rated using the same emissions factors as conventional grid energy, our total carbon footprint in 2009 was 279,184 tonnes of CO_2.

Taking action on energy

We have Energy Action Teams in North America, Europe, Asia Pacific and Latin America. These include members of our IT, real estate and procurement functions. They identify energy-saving measures and provide technical guidance to our companies on energy reduction. The teams are supported by a network of Climate Champions who help to implement energy-saving measures and raise awareness of our climate change program in our companies. Champions are involved in a wide range of initiatives, from simple actions, such as ensuring that lights are switched off, to more complex measures like setting up recycling systems.

Several WPP offices, such as Grey New York, Y&R, Ogilvy London and JWT London have launched their own green initiatives.

Office energy efficiency

In 2009, we continued to implement our global energy-metering project to reduce energy use at key sites by around 10-15%. We are investing £600,000 to install meters in our top 100 strategic locations, representing 40% of our property portfolio by floor space. These are large sites with long leases, meaning that we can invest in facilities. Meters will also be installed when we refurbish buildings or acquire new sites.

Despite challenges with landlords, utilities suppliers and unions we have now installed meters at 55 sites. Detailed energy, carbon and cost reports are produced for these sites each month and monitored centrally. This will help us determine the most efficient and cost-effective ways of achieving energy savings.

These may include:

- Fitting timer switches to ensure lights are not left on overnight.
- Adding movement and daylight sensors to ensure lights are only on when needed.
- Installing energy-efficient lamps.
- Fitting flow restrictors to hot water taps and upgrading boiler controls.
- Fitting movement sensors to turn off equipment such as printers and copiers when offices are unoccupied.
- Improving temperature controls on heating, ventilation and air-conditioning systems.
- Installing building management systems that monitor and control ventilation and lighting.

Improved metering also ensures that we are being charged accurately by our energy suppliers. The meters have already enabled us to identify overcharging at three sites which will save us around $260,000 each year.

Low-energy light fittings

In 2008, we identified preferred suppliers in all regions, which our operating companies can use to buy and install low-energy light fittings. In 2009 we continued with our installation program for low-energy fittings which has resulted in a 5-10% reduction in energy consumption at the completed locations. We aim to complete installation in 80% of our buildings by the end of 2011.

Sustainable IT

WPP's personal and network IT equipment accounts for a large proportion of our energy use. We aim to cut the energy used by our computers by up to 30%. We have introduced requirements to improve the energy efficiency of our IT equipment:

- All new computers must comply with our power consumption standards for desktops, laptops and servers.
- Only approved devices can be purchased.
- Power management features must be enabled on all IT equipment.

Through our server virtualisation program and the use of new energy-efficient blade-based server technology we aim to achieve up to 40% reduction in power consumption for key IT applications. We successfully piloted this approach in 2009 with the Group financial reporting IT systems and are adopting the approach as standard for future server installations and upgrades.

Managing print

In 2009, we completed pilot projects at three London companies to find ways to cut the amount of energy used by our printers and to reduce use of ink, toner and paper. The projects involved:

- Combining copiers, printers and scanners in one device.
- Removing printers from desks to a central location and minimising the number of printers in use.
- Implementing default settings to save energy, ink, toner and paper (e.g. double-sided printing and black and white settings).
- Implementing 'follow me printing'. This means that print jobs will only be delivered when people swipe a key card on the printer, reducing the number of unwanted print jobs.
- Introducing software to prevent waste through poor formatting.
- Reducing waste in procurement of ink, toner and paper.
- Negotiating recycling arrangements with manufacturers of ink and toner cartridges.

The projects have brought significant savings:

JWT London

- 65 devices reduced to 25
- 59% reduction in CO_2
- 23% reduction in paper use

Ogilvy London

- 105 devices reduced to 34
- 37% reduction in energy use
- 25% reduction in CO_2
- 25% reduction in paper use

H&K London

- 42 devices reduced to 15
- 41% reduction in energy use
- 40% reduction in CO_2
- 32% reduction in paper use

In 2010 we will expand managed print projects to key markets. We expect these measures to reduce paper, toner and energy use by between 20% and 30% at the sites where they are implemented.

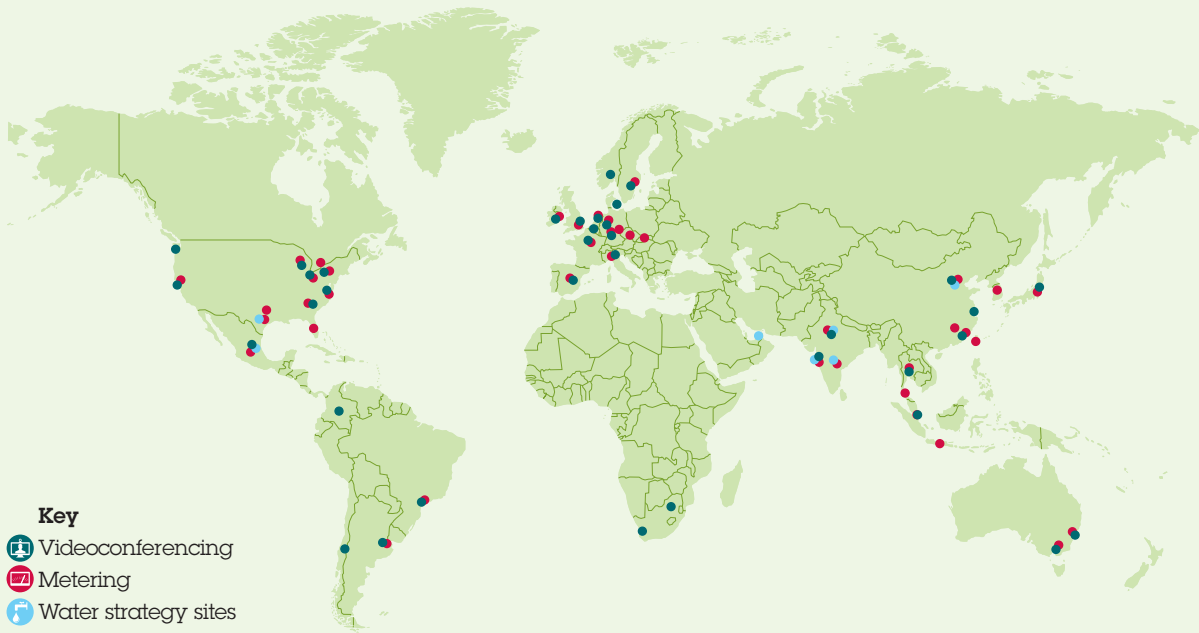
Reducing travel through videoconferencing

We encourage our people to meet via video conferencing, avoiding the cost and environmental impact of travelling to meetings. We are setting up facilities in key cities around the world. By the end of 2009, we had set up 40 shared high-definition videoconferencing units around the world which can be used by any WPP company. In 2010 we will install another 35 shared units, bringing the total to 75 shared sites.

In 2009 we launched a videoconferencing search and booking system on the WPP intranet which includes a carbon calculator to show the amount of CO_2 avoided by using videoconferencing rather than flying to a meeting.

In the first four months since the service was launched in September 2009, our companies held 1,853 hours of meetings via videoconference using the shared units. We do not track data for use of videoconferencing units owned and operated by individual companies. In 2010 we will continue our communications plan to raise awareness and increase use of the facilities.

Our key environmental projects



Buying renewable energy

We purchase renewable energy where we can and regularly review energy sourcing across all markets to identify new opportunities.

We estimate that around 15% of the total energy we purchase is from renewable sources. The table right shows the main countries in which we source green electricity and the percentage purchased. When rated at zero emissions, our renewable electricity purchases reduce our total carbon footprint by 27,073 tonnes of CO_2.

Green electricity contracts are usually for a fixed period and may not be available at competitive prices in future.

Green electricity sourcing by country

Country	% renewable
Brazil	21%
Israel	55%
Italy	33%
Norway	27%
Peru	21%
Portugal	25%
Thailand	39%
UK	57%

Case study:
Damao Wind Power Project in China

One of the offset projects we supported in 2009 is the Damao Wind Power Project in China, which is helping to meet the country's growing energy demand and reduce reliance on fossil fuels. The project consists of 40 new wind turbines with a total capacity of 50 MW. The project met the Gold Standard after it demonstrated extensive community support and high standards of environmental protection. Around 20 local people have been employed long-term at the project.

Carbon offset

After reducing our CO_2 emissions as much as possible, we have offset the majority of the rest. This means paying someone else to reduce their carbon emissions by an amount equal to our own footprint – saving one tonne of CO_2 elsewhere in the world for every tonne that WPP creates. We purchased 585,000 tonnes of CO_2 offset to be used between 2007 and 2009. Over the three years we emitted 743,939 tonnes of CO_2.

From 2010, we will offset only the equivalent of our emission from flights, concentrating our investment in making energy-efficiency savings in buildings and IT. Our operating companies will continue to meet the cost of offset.

All carbon offset projects supported by WPP are renewable energy projects (e.g. wind, hydro and solar). We do not support forestry offset. Through the CarbonNeutral Company, an offset provider, we currently fund six projects, including wind farms and hydroelectric projects in China, wind power generation in India and hydro generation in Guatemala. All of the projects are certified to the Voluntary Carbon Standard, a global standard for voluntary offset projects.

Environmental building standards

We are integrating consideration of environmental standards into our property acquisition process so that where possible any property we purchase or lease meets advanced standards such as Leadership in Energy and Environmental Design (LEED) and BRE Environment Assessment Method (BREEAM).

For example, a new purpose-built facility for nine of our companies in Singapore is being designed to the Green Mark Scheme Gold Standard, which is equivalent to LEED. George Patterson Y&R in Brisbane relocated to a new building rated 5 Star under the Australia Green Buildings Rated System and O&M implemented LEED initiatives in design and construction of five new buildings. O&M's

Worldwide headquarters in New York, designed and built for LEED certification, has been selected for the Green Building of America Award-winning Project, from 2,500 buildings nominated as part of the *Real Estate & Construction Review* magazine's 2009 Green Success Stories. Grey New York moved to a LEED-Certified building in late 2009.

Sustainable fittings

We have set up procurement contracts with furniture and carpet suppliers to ensure the products we purchase come from sustainable sources and can be disposed of in a responsible manner.

We have chosen carpet suppliers that meet or exceed the stringent requirements of the Carpet and Rug Institute's Green Label program and focus on reducing the amount of carpet sent to landfill by:

- Recycling old carpet materials back into carpet production.
- Recycling old carpet into alternative uses such as building materials.
- Refurbishing old carpet into new carpet tiles.

We have chosen furniture suppliers that provide products:

- With a high recyclable content.
- That are manufactured from recycled products.
- That use timber sourced from a sustainable forest (FSC certified).
- That opt for low VOC-emitting paint and adhesives.
- That come from environmentally-responsible manufacturers.

In 2009, we launched APAC/EMEA sustainable furniture contracts for our Asia Pacific and Europe, Middle East and Africa regions.

Dovetail Contract Furniture, a WPP company, has teamed up with a recycling company to offer environmentally-friendly furnishing services. Dovetail sources from furniture manufacturers with established environmental credentials and can achieve recycling rates of up to 90% for used furniture.

Case study:
Wunderman UK: inspiring green behaviour in shared offices

Greater London House in London, has been converted into offices for a number of companies and over 2,000 employees. In 2009, Wunderman, one of the tenants, worked pro bono for the building management company to inspire the office workers to make small changes to their behaviour to bring big environmental savings.

The agency created posters on recycled paper which used items of everyday office rubbish to dramatise a variety of surprising green facts. The posters invited people to subscribe to a series of emails which gave updates on the buildings energy saving and recycling progress, offered suggestions of ways to be greener and announced events and competitions.

The campaign was effective because instead of lecturing people, it engaged them with imagery and ideas. In just seven months the quantity of paper recycled increased from 42% to 87%, the building recycled 130,400kg of rubbish and saved 177,950kg of CO_2.

Environmental building standards – case studies

Fitch Columbus, Ohio

From interior layout to furniture selection, the Fitch office in Columbus, Ohio, is a showcase for effective green design. Four main principles guided the refurbishment:

1. Maximise natural light in the building. As many solid walls as possible were replaced by glass fronts, and paints and furniture were carefully selected to reflect light.

2. Minimise indoor air pollution. The office was fitted out with low VOC materials including carpet, paint and floor tiles; copy machines were moved to a room with its own air filtration system.

3. Cut energy waste. Motion sensors and timers ensure lights are only on when needed, and heating and cooling is closely controlled to be as efficient as possible. The office was fitted out with low-energy lighting throughout.

4. Reduce resource use. The office was fitted with carpets with high recycled content and polyester tiles made from recycled drinks bottles. In the main lobby the existing concrete floors were diamond polished and ground with low VOC hardeners, avoiding the need for new vinyl tiles. The refurb team reused furniture where possible and selected suppliers with solid sustainability credentials for new pieces.

Grey New York

In 2009, Grey moved its New York headquarters to a 100-year-old landmark building, completely renovated and soon-to-be LEED certified.

The building makes good use of natural light with large windows to the north, east and south and a 15-storey west-facing glass wall. Sustainable materials were used throughout the renovation and the design focused on energy efficiency. In the first quarter since moving into the building, Grey used 33% less electricity than in the same quarter in 2009. G2 and Cohn & Wolfe also share this building.

Read more about the building in *Metropolis* design and architecture magazine: **http://specialsites.grey.com/metropolis_200fifthave.pdf.**

Ogilvy New York

In May 2009, Ogilvy & Mather relocated its worldwide headquarters to a former chocolate factory in Manhattan's far West Side. The 11-story office building, built in 1913, received a radical green makeover that has reduced its annual energy use and greenhouse gas emissions.

A key environmental feature is a state-of-the-art lighting system that uses sensors to automatically adjust lighting, based on levels of daylight and the number of people in the building. The building was renovated using where possible environmentally-friendly materials, most of which were sourced regionally, it uses 100% renewable energy and is fitted with plumbing fixtures designed to conserve water, at least 30% over conventional plumbing.

Ogilvy is in the process of certifying its new HQ to the environmental standard LEED Gold Certification for Commercial Interiors.

JWT São Paulo

JWT São Paulo has renovated its offices to bring big environmental savings. The office was redesigned to make better use of natural light, energy-efficient lighting was fitted throughout the building and motion sensors were added so that lights switch off when rooms are unoccupied.

JWT makes use of natural ventilation in autumn and winter rather than using air conditioning. Energy reductions were also achieved by reducing the number of printers to one per floor, consolidating servers and adjusting the temperature in server rooms.

Environmental building standards – case studies

WPP Singapore

The new purpose-built location in Singapore will initially bring 12 WPP companies from eight separate locations and up to 1,300 employees into one self-contained building. It was designed with sustainability and environmental efficiency in mind and is accredited under the LEED equivalent Singapore Green Mark Scheme Gold Standard.

The open plan interior, designed to maximise natural light on all sides, is fitted with low-energy lighting that uses timers and light sensors to regulate use. Smart meters monitor water and energy use throughout the day to target high use areas and the building was fitted with furniture made from at least 30% recycled content.

The building houses state-of-the-art high-definition videoconferencing facilities which can be used by employees in any of the companies to meet clients and colleagues without needing to travel. The site also benefits from excellent public transport connections, being immediately adjacent to bus stops and Singapore's metro system, thus reducing the need to commute by car. To top it off, a 30,000 sq ft roof garden planted with grass, shrubs and semi-mature trees will provide an environmentally-friendly method of keeping the building cooler in this tropical location, while providing a city oasis for staff and visitors.

Environmental management

We manage energy use centrally as part of our climate change reduction program. In 2009 we also developed Group strategies for managing water use and waste.

Other environmental issues are managed by our operating companies, although we offer support and provide guidance on the Group intranet to help companies to reduce their impacts. For example, in 2009 we created guidelines for catering suppliers to ensure the food at events organised by WPP and our companies is healthy and from sustainable sources and we introduced a policy that encourages employees to only attend training sessions within their region to reduce costs and emissions from travel.

Some of our companies operate accredited environmental management systems. For example, BDGworkfutures has achieved certification to international standard ISO 14001.

Waste and recycling

Our waste strategy

In 2009 we developed a strategy to reduce waste and increase reuse and recycling at our top 100 strategic locations (representing 40% of our property portfolio by floor space). The strategy will be launched in 2010 and we will track reuse and recycling rates at participating sites quarterly.

Key commitments include:

Paper

- Use post-consumer recycled office paper.
- Set printers to double sided as default.

Electronic waste (e.g. IT and mobile phones)

- Establish electronic equipment recycling contracts.
- Encourage local arrangements for computer re-use.

Office consumables (e.g. paper, card, cans, plastic bottles, toner cartridges)

- Establish recycling contracts at all locations for standard office consumable items.

Kitchen waste

- Phase out disposable crockery and drinking cups.

In addition, we have selected preferred suppliers which our operating companies can use to recycle waste paper and equipment. WPP Commercial & Procurement Services has also identified preferred paper suppliers in our larger markets which our companies are encouraged to use. Many of these preferred suppliers now provide paper and paper products with recycled content.

WPP companies use mobile technology extensively which is frequently upgraded. We have introduced Vodafone's Fonebak Freepost recycling scheme to our offices across Europe. Employees can send their used mobile equipment to Fonebak for re-use and recycling.

Our goal is for our obsolete IT equipment to be refurbished and sold for reuse; if this is not possible to be broken down for recycling and, as a last resort, disposed of in an environmentally-sensitive way. We are currently reviewing our arrangements for disposal of IT equipment.

Progress in 2009

On average, in 2009, 36% of the paper purchased by WPP companies from our preferred paper suppliers contained recycled content. In the UK the total was 30%, in the US 50%, in Australia 23% and Hong Kong 14%.

In 2009, one more UK operating company signed a contract with our preferred recycling supplier, bringing the total to 15. Through this supplier, the companies recycled 708,750kg of paper, cardboard, cans, plastic and glass, a 228% increase from 2008.

Recycling data for 2009:

Waste	(kg)
Mobile/cellphones	5,479
Computer equipment	120,183
Paper and cardboard	3,428,383
Printer cartridges	67,362
Other waste recycled	973,141
Total recycled	4,594,548

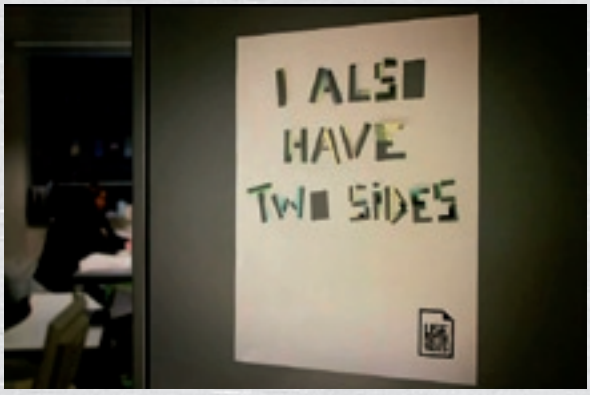
Case study: Championing waste reduction

In 2009, JWT's Climate Champions launched a campaign to increase recycling and to reduce paper use by encouraging double-sided printing.

Using paper that had been printed on one side and then disposed of, the Climate Champions created posters with messages such as 'give me a second chance' and 'have you used the other side?'. The team also introduced trays to collect unwanted single-sided printouts which they bound into free notepads.

The JWT Champions took the campaign global, raising awareness using the intranet and creating a dedicated Facebook page which was visited by people in 80 countries.

View the video at **www.wpp.com/cr2009/waste.**



Water use

As an office-based company, WPP is not a major water user. However, we recognise the importance of water conservation, particularly in water-stressed areas. We have endorsed the UN CEO Water Mandate, an initiative designed to assist companies in the development, implementation and disclosure of water sustainability policies and practices.

Our water strategy

In 2009 we launched a water conservation strategy that targets our largest locations in water-stressed regions. This will ensure that our investment in water management produces the most environmental benefit. At these locations we will:

- Measure and report water consumption in 2009/10.
- Establish a program for water conservation in 2010/11.

We identified target sites by mapping our top 100 strategic locations against the water-stressed regions in the world. Through this process we selected 11 offices:

- IMRB, Mumbai, India
- Team Y&R, Dubai, UAE
- JWT, Mexico City, Mexico
- JWT Gurgaon, Delhi, India
- KnowledgeBase Marketing, Richardson, US
- Mindshare, Mexico City, Mexico
- Ogilvy, Bangalore, India
- Ogilvy, Beijing, China
- Ogilvy, Gurgaon, India
- Ogilvy, Mumbai, India
- Y&R, Mexico City, Mexico.

Pro bono work

WPP companies also make a positive contribution to protecting the environment through their pro bono work. There are a number of examples in the Pro bono showcase on pages 75 to 89.

Supply chain

WPP spends around £1.9 billion ($3 billion) with suppliers each year. We want to do business with suppliers that meet high standards on the environment and employment practices. We are committed to managing CR risks in our supply chain, both for ourselves and for our clients.

Our approach

We focus our CR efforts on preferred suppliers that provide centrally purchased goods and services such as IT, travel, telecommunications, professional services (e.g. consultancy and recruitment) and facilities management. We spend around $1.5 billion with these suppliers each year and contracts are negotiated by WPP Commercial & Procurement Services. The size of these contracts, and the fact that they are negotiated centrally, means that we can use our commercial influence to bring improvements.

We also spend around $1.5 billion on goods and services for use in client work, such as film and print production, post production and market research services. These contracts are usually negotiated by individual operating companies. Suppliers of these goods and services are currently not included in our Group CR program, although individual operating companies may engage these companies on CR.

Selecting preferred suppliers

WPP's Global Procurement Policy contains ethical and environmental criteria which our Group procurement teams use in supplier selection and management.

We thoroughly evaluate companies against a set of business requirements before they can become a preferred supplier. These include assurance of supply, quality, service, cost, innovation and CR. We do not have a standard weighting for each criteria and they may vary from project to project.

As part of this process we ask potential suppliers to complete a simple five-point CR questionnaire to raise awareness and make our requirements clear:

- Policy

Does your company have a CR policy?

- Responsibility

Is a senior executive (or executives) responsible for CR performance?
Does your company have a CR manager or equivalent?

- Key issues

Please identify the environmental issues most relevant to your company.
Please identify the social issues most relevant to your company (social issues include employment, health & safety and community).

- Reporting

Does your company publish a CR report?

- Supply chain

Does your company have a process for implementing CR standards in its supply chain?

In 2009, all existing and new preferred suppliers in Asia Pacific, France, Spain, the UK and US completed our CR questionnaire. In the US we also incorporate CR criteria into our standard Group supply contract terms and conditions.

Monitoring and awareness

CR is included in the personal objectives for our regional heads of procurement and purchasing managers in our major markets. Objectives are aligned with our two main themes of supplier selection and managing supply chain risk. They also cover green electricity purchasing in line with our climate change strategy, see page 59.

We raise awareness of CR through our regular cross-Group sourcing team activities and *Buy-in* newsletter, and review progress through our procurement reporting process. This includes quarterly updates from regional procurement teams to the head of Commercial & Procurement Services, and reviews by WPP's procurement leadership team (our global and regional heads of procurement). Regular updates are also provided to the WPP Board of Directors.