

CHAIRMAN'S LETTER



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Since the end of 2021, the world has once again changed in ways we could not have anticipated.

The 2021 Annual Report by definition relates primarily to events that took place before the invasion of Ukraine. However, I want to acknowledge the enormous impact this crisis has had on our people, above all our colleagues in Ukraine who are facing appalling circumstances with extraordinary resilience.

As Mark says at the beginning of this report, the response of our people has been truly inspiring – from the spontaneous offers of support from colleagues in countries neighbouring Ukraine to the generosity of employees worldwide in donating to our UNHCR appeal. You can read more about this and the Company's wider response on page 8.

2021

Against the backdrop of the ongoing pandemic, in 2021 WPP demonstrated both its enduring strengths and its capacity to innovate.

Our financial performance over the year reflects the talent and broad expertise of our people, the durability of our client relationships, the resilience of WPP's business model and the long-term sustainability of the Company.

It also reflects the success of the strategy first announced in December 2018, which has set a clear vision and purpose for the Company, modernised its offer to clients, reinvigorated its culture, simplified its structure and returned WPP to growth.

The progress we have made in the last three years has been recognised by many of our largest clients, who have renewed and expanded their relationships with WPP and our agencies. WPP's longstanding reputation as a leader in advertising has grown to encompass all the capabilities modern marketers need to succeed, from data and technology to ecommerce and experience.

The Company has also made good progress against the strategic priorities outlined at the 'Accelerating Growth' Capital Markets Day in December 2020. We remain on track to deliver on our medium-term financial targets, and our dividend policy continues to be to grow the dividend annually and to pay out approximately 40% of headline earnings per share.

A CONNECTED COMPANY

The scale and breadth of our client and partner relationships, our presence in more than 100 countries and our understanding of consumer behaviour globally mean that WPP is in the privileged position of being directly and uniquely connected to many of the trends, issues and organisations shaping our world.

For example, during the year the Board held a strategy event in Palo Alto with members of the executive team. This provided an opportunity for the Board not only to consider the strategy and to align around the vision and prospects of the Company over the next three to five years, but also to meet key WPP technology partners based on the West Coast and to see our partner strategy in action.

Engagement at the most senior levels with the world's leading technology companies provided great insight into the evolving ecosystem in areas such as marketing technology, digital media, cloud, AI and creative production and other fields that will heavily influence the future of our industry and create opportunities for growth. WPP is the principal partner to these companies in our industry, which creates significant advantages in terms of exclusive and early access to new products and services on behalf of our clients.

WPP is also close to many of the pressing issues that we face as a society, from climate change and DE&I (diversity, equity and inclusion) to privacy and data ethics. What we do as a business and the judgements we make have real impact.

The Board and the leadership team are firmly committed to the ESG agenda. In April 2021 WPP announced an industry-leading commitment to achieve net zero carbon emissions across our value chain by 2030, supported by science-based targets, and in June we hosted our first ever ESG investor event. As the world leader in the buying of advertising space and production of advertising content, WPP has the potential to make a tangible difference and I am pleased with our progress and leadership position in this area.

While we still have work to do, the Company also made progress in DE&I. At the beginning of 2022 WPP was named in the Bloomberg Gender-Equality Index for the fourth consecutive year and was acknowledged as one of the best places to work for LGBTQ+ equality in the Corporate Equality Index.

We were pleased to be ranked in the top 10 for gender representation among senior leaders and at board level in the FTSE Women Leaders Review, and to have exceeded the Parker Review target on ethnic diversity. As at 31 December 2021, women represented 43% of the Board and three Directors were from an ethnic minority background. Our ambition for Board gender diversity remains to reach parity.

Our Sustainability Report and our Chief Executive's statement in this Annual Report outline our progress in these areas in greater detail.

BOARD COMPOSITION AND EFFECTIVENESS

There are a number of planned Non-Executive Director departures over the course of this year and next. Jacques Aigrain, our Audit Committee Chair, and Sally Susman will retire from the Board at the 2022 Annual General Meeting having completed their nine-year tenure. Nicole Seligman, our Senior Independent Director, will not stand for re-election at the 2023 AGM. On behalf of the Board, and personally, I would like to take the opportunity to acknowledge and thank Jacques and Sally for their significant and invaluable contribution to WPP, and service to the Board.

To ensure the Board has the necessary skills, experience and diversity to effectively support and review the Company's long-term strategy, we have continued to focus on succession planning and proactively reviewed our non-executive membership.

In January 2022, we announced the appointment of Simon Dingemans as a Non-Executive Director of the Company and member of the Audit Committee. We are delighted to welcome Simon to WPP. His insight from a varied and distinguished career, combining both operational and financial experience, will be invaluable to the Board.

Today, we have a strong Board and executive team, with the expertise, diversity and experience required to support the transformation and success of WPP.

Alongside Board membership we have also continuously reviewed the governance architecture of the Board's Committees and made changes to their composition accordingly. The reports from the Committee Chairs can be found on the pages that follow.

And finally, as part of our ongoing assessment of Board effectiveness, Dr Tracy Long conducted an external Board evaluation exercise considering the performance of the Board and its Committees, the results of which are set out on page 120. I am pleased to report that the evaluation concluded that the Board and its Committees continue to operate effectively.

ENGAGING OUR STAKEHOLDERS

To remain relevant and grow sustainably, companies need to demonstrate their value to all stakeholders and be able to understand and respond to legitimate stakeholder concerns – while operating responsibly at all times.

One of the Board's fundamental duties is to appreciate the effect of the Company's activities on our different stakeholder groups and to take their interests and perspectives into account.

As we do every year, the Board received presentations from various leaders of WPP's agencies, which allows us to see and hear about their work first-hand, connects the Board to the operational level of the Company, and provides an opportunity to examine the strength of alignment across WPP.

The Board also continued to receive insights and feedback from the Company's employees through surveys and our designated workforce Non-Executive Director. Both channels are important in helping the Board to understand sentiment within the Company and highlighting areas we need to focus on to ensure we are meeting the needs of our people.

In addition, our Chief Executive Officer continued his internal communications programme which includes regular townhalls open to all employees. These sessions, which always incorporate a Q&A, attracted a total of approximately 44,000 attendees in 2021. CEO all-staff emails had more than a million unique opens during the year.

At our ESG event held in June investors and other key stakeholders heard about the Company's sustainability strategy and progress and had the chance to challenge and ask questions of the executive team. Investor engagement continued throughout the year as I, each of the Committee Chairs and the executive team met shareholders to discuss areas of strategic importance.

Finally, greater Board-level connectivity with our key clients was achieved through in-person or virtual engagements and through updates from our Global Client Leaders, including on WPP's client satisfaction scores.

MANAGING RISKS

To protect the interests of all our stakeholders, the Board identifies, monitors and analyses the risks facing the Company and the markets in which it operates on a continuous basis.

During the year the Board conducted a thorough assessment of WPP's principal risks and uncertainties, as well as strategic risk reviews focused on areas including cyber and information security and broader aspects of the Company's transformation programme.

Our risk governance framework is set out on page 88 of this report.

The Board also conducted deep-dives on a range of ESG matters in the year, from the mitigation of the Company's climate impacts to consideration of key policies.

OUR PEOPLE AND CULTURE

WPP's purpose – to build better futures for our people, planet, clients and communities – sustains the Company's culture. How we bring that culture to life and fulfil our purpose starts with our people. During yet another uncertain year, they once again demonstrated their resilience, talent and creativity.

As well as meeting the challenges posed by the pandemic and exceeding the expectations of our clients, they continued to address broader societal issues through their work and participation in Company initiatives.

To continue to attract, retain and develop talented people like this, we need to be a place that offers modern, flexible working environments, listens to its employees, enables career growth, invests in learning, allows all our people to participate in our success, and fosters an inclusive culture that celebrates diversity and difference.

Our people strategy is a primary area of focus in 2022 both for the Board and the executive team. The Company's employees are ultimately those who will build those better futures for all our stakeholders and, on behalf of the Board, I thank each and every one of them.



Roberto Quarta

Chairman

31 March 2022