

CHIEF EXECUTIVE'S STATEMENT

2021 was the year that really brought our vision to life: to make WPP the creative transformation company.



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Mark Read
Chief Executive Officer

2021 was an exceptional year for WPP as we delivered growth ahead of pre-pandemic levels, built and extended our relationships with clients and continued to fulfil our purpose of using the power of creativity to build better futures for our people, planet, clients and communities.

We were named most creative company of the year at the Cannes Lions International Festival of Creativity for the first time since 2017, were appointed Global Marketing Network Partner to The Coca-Cola Company after the largest review in the history of our industry and won and retained a series of other global client assignments including with Google and Unilever.

We led the global creative new business rankings by a wide margin, and each of the top three spots in the media rankings were held by GroupM agencies.

We attracted and promoted some of the finest talent in the business, including Global Chief Creative Officer Rob Reilly and Global Chief People Officer Jennifer Remling at the WPP level, and made concrete progress towards our diversity, equity and inclusion (DE&I) goals.

We launched our industry-leading net zero commitment, becoming the only company in our sector to pledge to eliminate emissions not only from our own operations but across our supply chain by 2030.

And, through our agencies, we created truly extraordinary work that pushed back the boundaries of what our industry is able to achieve: from an audio system that transforms sports events for the visually impaired to an AI-driven predictive data model that supported more than 30 million Covid-19 vaccinations.

Three years ago, we set out a vision to make WPP the creative transformation company. 2021 was the year that really brought that vision to life, and showed what it could mean for all those with a stake in what we do.

BETTER FUTURES FOR OUR PEOPLE

It was not an easy year for our people, which is what makes their achievements all the more impressive. Through adversity, they continued to support one another, collaborate and innovate. Our strong performance is a reflection of the new spirit of partnership across our agencies, a more inclusive culture and increased investment in outstanding talent.

In 2021, given the challenges of the ongoing pandemic, new ways of working and social and environmental issues around the world, it was especially important that we focused on providing greater support and opportunities for our people.



THERE IS NO STRONGER ENDORSEMENT OF THE SUCCESS OF THE NEW WPP THAN GLOBAL MANDATES FROM THE WORLD'S LEADING MARKETERS."

Investing in mental health and breaking down the stigma associated with it is a personal priority of mine, and in 2021 we launched our cross-agency Mental Health Allies programme, providing training to 500 leaders, HR professionals and volunteers across the UK and US. We plan to expand the programme to more regions in 2022.

Due to our global scale and the breadth of our capabilities across our network of agencies, WPP is in a position to provide almost limitless professional development for our people. In the past people found it hard to move between our agencies and there was often little encouragement to do so. In 2021 we changed that with the launch of Career Explorer, a new platform that empowers our people to move seamlessly to the open roles that inspire them most. We hope it will result in more people staying at WPP not just for a single job but for a rewarding career.

Meanwhile, our new virtual series for students and recent graduates, NextGen Leaders, provided learning and growth opportunities for incoming talent. An important objective of the programme is to identify future leaders who are representative of the world around us. In 2021, we welcomed 1,400 participants. Of those based in the US and UK, 50% identified as Black, Asian or LatinX. Globally, 60% were female, 11% identified as LGBTQ+ and 8% identified as having a disability¹.

WPP has been recognised for its progress in DE&I. This year we were named in the Bloomberg Gender-Equality Index for the fourth year in a row and among the best places to work for LGBTQ+ equality in the Corporate Equality Index. We also entered the top 10 in the FTSE Women Leaders Review for gender representation among Executive Committee and direct reports and moved up from 10th to 8th at Board level.

The proportion of our executive leaders² who are women was 39%³ in 2021, and within this the proportion of women on the Executive

Committee grew from 29% to 35%. At Board level, the proportion of women was 43%. Our UK gender pay gap continues to fall and in the US the proportion of our senior managers who are non-white rose from 24% to 26%.

However, we know we have more work to do to ensure our organisation better reflects society as a whole, and that progress relies on accountability. So, in addition to reporting data on our gender and ethnic representation, from 2021 we included DE&I goals in the incentive plans for senior leaders across the WPP network, including mine.

We also stepped up efforts to embed DE&I into hiring processes. We implemented our diverse candidate slate policy in the US, Canada, UK and APAC, which means that for the first time roles are now specifically marketed and accessible to candidates from underrepresented groups.

We expanded development opportunities for employees of colour, including the Elevate sponsorship programme for high-potential Black female employees, and our Sayge programme which provides three months of coaching for Black mid-level employees. 72 Black leaders graduated from our 2021 McKinsey Black Leadership Academy programmes.

Our 150 active employee resource groups are centres of inspiration, passion and connection. In 2021 we created a central team to better support them, and to share best practice and guidance across the different groups. We also formally launched WPP Unite, our first Company-wide LGBTQ+ community.

Finally, our Inclusive Leadership Learning Experience pilot helped over 1,000 mid-level managers foster a culture of belonging for everyone in their teams.

BETTER FUTURES FOR OUR PLANET

In 2021 WPP became one of just 517 companies out of 13,000 to achieve an A- rating from the CDP, in its annual assessment of the environmental impact of companies globally.

The cornerstone of our sustainability programme is our pledge to achieve net zero carbon emissions in our own operations by 2025, and net zero including our supply chain

by 2030. As the world's largest buyer of advertising space and the world's largest producer of advertising content, we have the ability to make a real difference.

Our net zero commitment, announced on Earth Day 2021, is unique in our industry because it includes the emissions associated with the more than \$50 billion of advertising we place in the media each year – equivalent to 2.90 million tonnes. We are the only marketing communications company to have taken on the challenge of developing the technology and standards to identify and then dramatically reduce emissions from advertising globally.

As well as placing advertising more sustainably, we want to produce high-quality work with a much smaller carbon footprint, and in 2021 we pioneered new ways to achieve that. For example, we are using technology to create virtual production sets and now tag everything we shoot so we can use AI to search, identify and repurpose footage. This has the potential to make a significant impact because for every minute of film that is used, four hours of footage is wasted. As a founding member of AdGreen, we also helped clients to reduce their own emissions in the production of advertising, through solutions including a carbon calculator for creative work.

BETTER FUTURES FOR OUR CLIENTS

There is no stronger endorsement of the success of the new WPP than global mandates from the world's leading marketers. Our revamped offer of outstanding creativity, the world's leading media platform in GroupM, deep expertise in data and technology, and exceptional public relations and branding services resonated strongly with global brands in 2021. We registered some of our greatest ever new business wins and retentions and, at \$8.7 billion for the year, our net new business billings led the industry.

We continued to deliver work that demonstrated the power of creative transformation – whether that's bringing the iconic Wendy's persona to life on Twitch in some of the world's most popular video games (making the brand one of the top 1% of all streamers on Twitch worldwide), reinventing car ownership for Ford by giving drivers the chance to interact with their

¹ Percentages reflect those participants who responded to the survey.

² Executive leadership roles are defined by WPP as the agency board and executive leadership population as reported through WPP's financial reporting system.

³ Denotes information subject to limited assurance by PricewaterhouseCoopers LLP ('PwC').

new vehicle before it is even delivered, or creating recyclable toothpaste tubes for Colgate.

A range of initiatives in 2021 enabled us to serve our clients in new and better ways. We continued to invest in our agencies' capabilities and talent, and made strategic acquisitions including DTI Digital, NN4M, Satalia, Cloud Commerce Group and Made Thought to add further dimensions to our offer. Finsbury Glover Hering merged with Sard Verbinen to create the world's leading strategic communications firm, and we combined the specialist data units of GroupM and Wunderman Thompson to form Choreograph – a new global data company. Choreograph played a key role in multiple successful pitches including Bayer, Beiersdorf, Coca-Cola, L'Oréal and Unilever.

Coca-Cola and Unilever were among the clients to recognise our progress as part of their appointments of WPP as their global agency partner. Coca-Cola said "WPP will bring creative excellence and unparalleled marketing capabilities at a global scale that no other network can deploy". Unilever said WPP now has the unique capability to address the "convergence of media, commerce, entertainment and shopping".

BETTER FUTURES FOR OUR COMMUNITIES

The greatest impact we have is through our work for clients, which reaches billions of people and – with its significant influence on consumer choice, behaviour and outlook – has the power to bring about real change for the better.

In 2021 this work included helping homeless people reconnect with society by enabling them to open bank accounts without official documents, designing the world's first carbon-neutral TV, an AI-powered campaign that supported local Indian businesses hit hard by Covid-19, and an immersive experience on the plastic crisis that helped protect over 22,000 square kilometres of ocean.

There are too many examples to mention more than a fraction, but you can read about some of them in our Sustainability Report.

One piece of work I am particularly proud of is a collaboration across many WPP agencies. Since the beginning of the pandemic we have been supporting the World Health Organization on a pro bono basis, helping them to deliver vital public health messages, tackle misinformation and encourage people to get vaccinated.

In many parts of the world, people still cannot access Covid-19 vaccines. So, in 2021, we teamed up with the WHO Foundation to create the \$5 Vaccine campaign, which gives people everywhere the chance to play their part in vaccinating the world by spending the price of a coffee on a shot that could save someone's life. The money raised is funding Covid-19 vaccines for lower-income countries where they are in short supply and needed the most.

As well as creating and delivering the \$5V campaign (thanks to Ogilvy, Blue State, Landor & Fitch and GroupM), we donated 10,000 vaccines on behalf of our clients, and are matching every \$5V bought by our own people.

We also accelerated our own community-facing initiatives in 2021. We made our first investments through our Racial Equity Programme, part of our wider anti-racism commitments announced in June 2020 and our pledge to invest \$30 million to fund inclusion programmes and support external organisations.

Under the scheme, we invited our global network of agencies to apply to receive resources to build and run "bold, audacious and creative" initiatives to advance racial equity in our communities. One of the first projects to receive funding is the Detroit Experience Studio, which focuses on empowering Detroit's Black and brown students who are exploring a creative future.

Commitments like this, and our net zero pledge, are not just the right thing to do; they are cutting through with our clients and people, who want to work with and for companies that share their values and help them to achieve their own goals. Unilever, when announcing the result of its recent media review, cited Mindshare's 'Good Growth' programme as being an important factor in WPP's retention of the account.

RECORD GROWTH

During 2021 we grew organically at the fastest rate for over 20 years. This was more than just an economic rebound, as we performed ahead of 2019 levels, demonstrating the success of the strategy we first set out in December 2018.

Organic growth (like-for-like revenue less pass-through costs growth) was 12.1% (2.9% on a two-year basis), while revenue growth was 13.3%. Headline operating margin was up 150 basis points to 14.4%, and up 170 basis points like-for-like.

Reported profit before tax was £951 million, compared to a loss of £2.8 billion in 2020, reflecting principally the £3.1 billion of impairment charges and investment write-downs and £313 million of restructuring and transformation costs during the prior period. Average adjusted net debt in 2021 was £1.6 billion, compared to £2.3 billion in the prior period, at 2020 exchange rates.

While it is right that we celebrate our success, it is equally important to recognise that 2021 held many challenges for our Company and our people. We have all had to adapt to drastically changed circumstances and many have faced suffering and loss. Our colleagues' support for one another has been a constant throughout the pandemic.

For that and many other reasons, I would like to say thank you to the 109,000 people who make up WPP and our fantastic agencies. They are the Company, and they are what makes leading it such a privilege.



Mark Read
Chief Executive Officer
31 March 2022