

KEY PERFORMANCE INDICATORS

We track our performance against strategic, operational, financial, societal and environmental factors. Each indicator allows our Board, management and stakeholders to compare our performance against our goals

We have made good progress this year: delivering for our clients, investing in talent and capabilities, and reducing our environmental impact. Our transformation programme remains on track to drive efficiency and free up funds for reinvestment, supporting our future growth and profitability

ALIGNING PERFORMANCE MEASUREMENT WITH STRATEGY

Performance measurements are selected to align to our business strategy, and include a range of financial and non-financial metrics. Non-financial metrics are measured in a scorecard with appropriate measures set based on role and accountabilities

	STRATEGIC ELEMENTS				
	Vision & offer	Creativity	Data & technology	Simpler structure	People
Operational					
Client satisfaction score	●	●	●	●	●
Digital % of media billings (GroupM)	●		●		
Share of revenue less pass-through costs from experience, commerce and technology	●	●	●	●	
People					
Proportion of women in executive leadership roles ¹		●			●
Employees in shared campuses	●	●		●	●
Sustainability					
Carbon emissions per person from owned operations	●			●	●
Share of electricity purchased from renewable sources				●	●
Financial					
Like-for-like revenue less pass-through costs growth ²	●	●	●	●	●
Headline operating profit margin ²	●	●	●	●	●
Like-for-like revenue less pass-through costs growth versus competitors ²	●	●	●	●	●
Dividends	●	●	●	●	●

¹ Executive leadership roles are defined by WPP as the agency board and executive leadership population as reported through WPP's financial reporting system

² For definitions see Glossary on page 232

OPERATIONAL

Our operational KPIs measure strategic progress towards a dynamic, contemporary offer to meet the needs of modern marketing and our clients' future success

We continue to develop our operational KPIs. Accordingly, data is not available for some periods, and is shown for the years it is available

i Read more on strategic progress on pages 1 to 51

Client satisfaction score (out of 10) **8.0**



Description and rationale

This measures how satisfied our clients are with our services, based on 29,000 clients' Likelihood to Recommend score out of ten. Our ability to retain satisfied clients is a key driver of our revenue¹

Targets and performance

In 2022 we scored 8 out of 10 overall, with Quality of Work at 8.1, and DE&I at 8.2, maintaining the high levels achieved in 2021, and showing an improvement over 2018-2020. We aim to maintain top-quartile performance

Proportion of revenue less pass-through costs from experience, commerce and technology³ (%) **39**



Description and rationale

Experience, commerce and technology are attractive faster-growth areas of the market, where client spend is forecast to grow at 5-15% annually, compared with 2-3% annually for traditional communications

Targets and performance

Revenue less pass-through costs growth in the areas of experience, commerce and technology was an estimated 9% in 2022. The share of these areas in the business mix of our global integrated agencies, excluding GroupM, increased to 39% in 2022. Our goal is to further increase the proportion in these areas

Digital % of media billings (GroupM) **48**



Description and rationale

Billings comprise our clients' spend on media, plus our fees.² We measure the digital mix as digital media accounts for the majority of the media market (67%) and to ensure we are staying relevant to our clients

Targets and performance

GroupM's digital billings increased to 48% in 2021, compared with 43% in 2020, driven by the rapid growth in demand from clients for digital commerce services, including connected TV and retail media

Gross annual savings from our transformation programme (£m) **375**



Description and rationale

Our transformation programme is designed to simplify WPP, build greater collaboration, drive efficiency and free up funds for reinvestment in growth. Our goal is to achieve £600 million of annual cost savings against a 2019 base by 2025

Targets and performance

We remain on target to achieve our goal. By the end of 2022 we delivered around £375m of gross annual savings against a 2019 base, ahead of planned savings of £300m, reflecting cost savings mostly in property, procurement and ways of working

¹ Includes Kantar

² For a full description see Glossary on page 232

³ Share of global integrated agencies, excluding GroupM

PEOPLE

People KPIs assess progress against our aims of ensuring every WPP workplace is open, inclusive and collaborative, in order to allow our people to do their best work

i Read more on: campuses on page 19 and women in leadership on pages 36 and 70

Proportion of women in executive leadership roles¹ (%) **40**



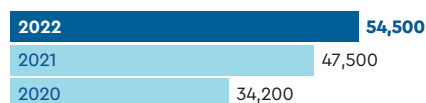
Description and rationale

We believe that diversity powers our creativity and growth as a business. We continue to focus on driving greater gender balance throughout the Company and, in particular, at the most senior levels. We aim to achieve equal representation of women at the Board and all other levels

Targets and performance

In 2022, the proportion of women in executive leadership roles increased to 40% (2021: 39%). Across the broader workforce we increased the proportion among senior management positions to 54%, up from 52% in 2021

Employees in shared campuses² **54,500**



Description and rationale

Campuses are key to building our strengths in individual markets, physically bringing agencies together to make collaboration easy and inspirational, supporting flexible and hybrid working, and giving clients access to the breadth and depth of WPP talent in one location

Targets and performance

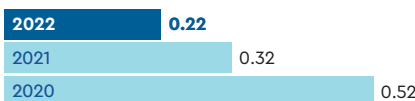
In 2022, 54,500 of our people were based in campuses. We expect this to rise to 85,000 in at least 65 campuses by 2025, providing an opportunity to replace all our smaller offices and lower our environmental footprint

SUSTAINABILITY

We have made a series of commitments to be a sustainable business and play our part in protecting the planet. These KPIs measure progress towards reducing our environmental impact

i Read more on our actions to tackle the climate crisis on pages 74 to 76

Carbon emissions per person from our owned operations (tCO₂e, Scope 1 and 2) **0.22**



Description and rationale

We support urgent action to tackle the climate crisis through the Paris Climate Agreement. We measure carbon emissions per employee, as headcount is closely linked to levels of business activity, and this allows us to reflect the impact of acquisitions and disposals without needing to adjust our baseline

Targets and performance

We are committed to achieving net zero emissions across our owned operations by 2025 and across our supply chain by 2030. In 2022 carbon emissions per employee fell 32% compared with 2021 and by 73% since our 2019 baseline

Share of electricity purchased from renewable sources (%) **83**



Description and rationale

To support our carbon reduction targets we are a member of RE100, a global initiative bringing together businesses committed to 100% renewable electricity to accelerate change towards zero carbon grids at scale

Targets and performance

During 2022, we purchased 83% of our electricity from renewable sources compared with 74% in 2021, reflecting good progress towards our target of 100% by 2025

¹ Executive leadership roles are defined by WPP as the agency board and executive leadership population as reported through WPP's financial reporting system
² Defined as employees and freelancers in campuses
 These metrics were subject to independent limited assurance procedures by PricewaterhouseCoopers LLP ('PwC') for the year ended 31 December 2022. For the results of PwC's 2022 Limited Assurance report and the 'WPP Sustainability Reporting Criteria 2022', see our 2022 Sustainability Report

FINANCIAL

Our financial targets allow us to track the health of WPP as a whole, analysing our market performance as well as setting remuneration targets and financial guidance for investors

i Read more on our financial performance on pages 56 to 65

Like-for-like revenue less pass-through costs growth¹ **6.9**
(%)



Description and rationale

This is the main measure of our strategic goal to return WPP to growth. Like-for-like revenue growth excludes the impact of currency and acquisitions. Pass-through costs comprise fees paid to external suppliers when they are engaged to perform part or all of a specific project and are charged directly to clients

Targets and performance

We delivered strong growth across all key WPP agencies, resulting in overall revenue less pass-through costs growth of 6.9% in 2022. Looking ahead, our targets are 3-5% growth in 2023, and 3-4%² annual growth over the medium-term

Organic revenue growth versus competitors³ **(0.5)**
(percentage points)



Description and rationale

This measures our growth relative to our main competitors. It compares organic revenue growth for WPP against the average of our global marketing services peers – Dentsu, Havas, IPG, Omnicom and Publicis

Targets and performance

In 2022, WPP's growth rate was 0.5 percentage points below the average of our main peers, reflecting our greater exposure to the economic and lockdown-related pressures in Europe and China. Our goal is to grow at a faster rate than the industry average

Headline operating profit margin¹ **14.8**
(%)



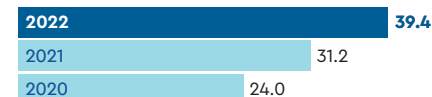
Description and rationale

This is a key indicator of our profitability. It comprises profit on trading activities, excluding certain one-off or exceptional items.⁴ These items are excluded because their size and nature mask the true underlying performance year-on-year

Targets and performance

In 2022, our headline operating margin increased to 14.8% due to revenue growth and cost savings from the transformation programme. In 2023, we expect the margin to improve to around 15% and to reach 15.5-16.0% over the medium term

Dividends per share **39.4**
(pence)



Description and rationale

Dividends are a key element of our returns to shareholders. They are an annual share of our profits and cash flow

Targets and performance

The Board aims to grow the dividend annually and to pay out approximately 40% of headline earnings per share. The Board is proposing a final dividend for 2022 of 24.4p which, together with the interim dividend paid in 2022, gives a full-year dividend of 39.4p, up 26%

¹ Reconciliations from reported revenue to revenue less pass-through costs and subsequently like-for-like revenue less pass-through costs, and from reported profit before tax to headline operating profit margin, are included on pages 216 to 217. For a full description see Glossary on page 232

² Includes 0.5-1.0pt annually of M&A contributions

³ Organic revenue growth is defined as like-for-like revenue less pass-through costs growth. Omnicom data is based on revenue. This chart shows data over the last 12 months. Competitor data sourced from publicly disclosed results

⁴ For a full description see Glossary on page 232