

# WPP SUSTAINABILITY

We use our creativity combined with our global reach and scale to drive sustainability within our own business, our clients' businesses and across our industry

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# OUR APPROACH TO SUSTAINABILITY

Our governance processes and policies help us manage sustainability risks and opportunities consistently across the Company

## SUSTAINABILITY GOVERNANCE MODEL<sup>1</sup>

### THE BOARD

- Responsible for the overall long-term success of WPP and for setting the purpose, values and culture and strategic direction, including on sustainability
- Approves our Sustainability Policy and Environment Policy and, where relevant, considers the identification and mitigation of sustainability issues, including climate change, when overseeing major decisions (set out in WPP Matters Reserved for the Board, available on wpp.com)

### BOARD COMMITTEES

#### SUSTAINABILITY COMMITTEE

- Supports the Board in its oversight of corporate responsibility, sustainability, environmental, social and governance (ESG) and related reputational matters
- Understands WPP's sustainability-related risks and opportunities
- Reviews and monitors the management and implementation of our sustainability strategy and Net Zero Transition Plan
- Reviews policy statements on environmental and social matters
- Meets at least four times a year, receiving in-depth progress reviews from management at each meeting, and provides an update to the Board following each meeting

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#### AUDIT COMMITTEE

- Monitors the integrity of WPP's ESG disclosures, including the relationship with our ESG assurance provider
- Provides oversight of internal controls and risk management, including our ESG controls

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### EXECUTIVE COMMITTEES

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#### EXECUTIVE COMMITTEE

- Assists the CEO in discharging his responsibilities
- Collectively responsible for implementing strategy, including sustainability strategy, ensuring consistent execution and embedding the Company's culture and values

#### DISCLOSURE COMMITTEE

- Reports to the Audit Committee
- Responsible for overseeing the accuracy and timeliness of Group disclosures, including sustainability and ESG, and reviewing controls and procedures in relation to the public disclosure of financial information

#### RISK COMMITTEE

- Assists the Board and Audit Committee by reviewing, monitoring and advising on compliance with laws, regulations, internal procedures, and industry standards, the design and implementation of WPP's compliance framework, compliance policies and procedures and risks that present themselves throughout WPP, including material sustainability and ESG issues

### GROUP FUNCTIONS AND AGENCIES

- The Chief Sustainability Officer has overall operational responsibility for sustainability
- Our agencies are required to comply with our Sustainability Policy, and report performance to WPP on an annual basis
- We set a clear policy framework through our Code of Business Conduct, Sustainability Policy, Supplier Code of Conduct and other policies included in the WPP Policy Book
- Our sustainability team works to ensure consistent implementation of our standards and supports the business to identify sustainability-related risks and opportunities, informing the business through targeted briefings, programme meetings and status updates
- Our sustainability team monitors key performance metrics and collates status updates from the business, which are reported to the Chief Sustainability Officer, the relevant Executive committees and Board committees, and the wider business
- In 2023, this included training on ESG reporting and controls, our Green Claims Guide, and employee capability building on our net zero strategy
- Progress against sustainability metrics and targets is communicated to the business on an annual basis

<sup>1</sup> References to sustainability and ESG are inclusive of the climate change issues identified as relevant to WPP in the TCFD statement (pages 62 to 68)

## OUR MATERIALITY PROCESS

We continually assess changing stakeholder priorities through ongoing dialogue in the course of doing business. We also use a materiality process to ensure our sustainability strategy, investments and reporting focus on the issues of greatest importance and relevance to our business and our stakeholders.

In 2024, we will conduct a double materiality assessment in line with the requirements of the EU Corporate Sustainability Reporting Directive and informed by our most recent impact materiality assessment, completed in January 2023 (see our 2023 Sustainability Report).

## STAKEHOLDER ENGAGEMENT

Dialogue with our stakeholders, including our people, clients and shareholders, provides valuable feedback and insight into sustainability risks and opportunities, for our Company and our clients.

Most stakeholder engagement takes place in the course of doing business. We work with clients on sustainability issues (see page 27). Information on employee engagement including our All In employee survey is on page 38. During the year, WPP and agencies including GroupM, Hill & Knowlton and Wunderman Thompson rolled out training to equip our people with knowledge on climate change and give them the practical tools with which to respond. This remains a priority in 2024.

## INVESTOR ENGAGEMENT

We believe the more we behave in line with our purpose, the better our business will perform, thereby maximising shareholder returns.

We regularly engage with investors on ESG topics, and in 2023 we engaged with rating agencies and benchmarking organisations on sustainability, including: Bloomberg Gender-Equality Index; Ecovadis; Ethibel; Equileap; Vigeo Eiris; FTSE Russell; ISS; Moody's; MSCI Research Inc.; Tortoise Responsibility 100; Sedex; and Sustainalytics.

We are included in the FTSE4Good Index and participate in CDP's climate change questionnaire. In 2023, our score was B (2022: A-) reflecting changes in CDP's scoring criteria, which are designed to ensure companies continually improve their climate ambitions.

In 2021, we linked the margin of our \$2.5 billion revolving credit facility to specific sustainability measures. We refinanced the facility in February 2024 and are working to update the sustainability measures linked to the facility as we continue to embed carbon-reduction targets and broader sustainability commitments into our financing arrangements.


## INSTITUTE OF BUSINESS ETHICS

WPP is a member of the Institute of Business Ethics (IBE) and considers it an important partner and support for the approach that the Company takes to business integrity, sustainability and ethics. As set out more fully in the Risk Governance Framework on page 93 and Business Integrity Programme on page 94, we want to champion and facilitate a culture where our people feel that acting with transparency, honesty and integrity is an expected metric for success, and this is also the IBE's ethos.

The IBE shares knowledge and good practice as well as advice on the development and embedding of relevant policies through networking events, regular publications and training sessions, research and benchmarking reports.


The IBE is a registered charity funded by corporate and individual donations.

## ABOUT OUR REPORTING

Sustainability data included in this Annual Report is for the calendar year 2023 and covers all subsidiaries of the Company. The selected ESG performance metrics marked with the symbol  throughout this report have been subject to independent limited assurance procedures by PricewaterhouseCoopers LLP (PwC) for the year ending 31 December 2023 in accordance with International Standard on Assurance Engagements 3000 (revised) and, in respect of greenhouse gas emissions data, International Standard on Assurance Engagements 3410, issued by the International Auditing and Assurance Standards Board.

A copy of PwC's report and our reporting criteria are available at [wpp.com/sustainabilityreport2023](http://wpp.com/sustainabilityreport2023). The majority of our data is collected locally, and a common challenge is reconciling inconsistencies in calculations and data capture. This prevented us from obtaining independent limited assurance over certain metrics including waste, and health and safety data.

We are reviewing our reporting in line with emerging ESG regulations and standards, including the EU's Corporate Sustainability Reporting Directive and the International Sustainability Standards Board's Sustainability Standards. The outputs of our Double Materiality Assessment, which will be conducted in 2024, will shape the future format and content of our disclosures.

 For further information on data quality, see page 61

## NON-FINANCIAL AND SUSTAINABILITY INFORMATION STATEMENT

This section provides information required by regulation in relation to:

- Environmental matters (pages 60 and 61) and TCFD statement including climate-related risks and opportunities (pages 62 to 68)
- Social matters (pages 58 and 59)
- Human rights (page 71)

In addition, other related information can be found as follows:

- Our people (pages 37 to 39)
- Corruption and bribery (pages 94 and 95)
- Business model (from page 20)
- Principal risks and how they are managed (from page 98)
- Non-financial key performance indicators (from page 84)

 For more information, see our 2023 Sustainability Report

# SUSTAINABILITY AND OUR STRATEGY

Our sustainability strategy sets out how we use the power of creativity to build better futures for our people, planet, clients and communities

Our sustainability commitments support our corporate strategy and help us navigate a dynamic social and economic landscape, responding to evolving stakeholder expectations and shaping our contribution to the world around us

They add focus and meaning for our people, who want to work for a company that shares their values, and our clients, who look to us to help them find and scale solutions to achieve their own goals and deliver positive impact

## WPP IS THE CREATIVE TRANSFORMATION COMPANY

WHY

### PEOPLE

Become the employer of choice for all



To foster exceptional and diverse talent and equip our people with the knowledge and capability to creatively tackle some of society's biggest challenges

### PLANET

Maximise our positive impact on the planet



To decouple our emissions from growth and lead the industry to decarbonise

### CLIENTS

Enable our clients on their sustainability journeys



To support progress towards a sustainable and inclusive economy where our clients thrive

### COMMUNITIES

Use the power of our creativity and voice to support healthy, vibrant communities



To build a resilient global society where consumers and communities alike are included and empowered

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

<sup>2</sup> 2022 energy metric restated in line with the procedures set out in the WPP Sustainability Reporting Criteria 2023. For details of the nature and impact of the restatement, see page 61

⦿ Indicates the selected metrics have been subject to independent limited assurance procedures by PricewaterhouseCoopers for the year ending 31 December 2023. For PwC's 2023 Limited Assurance report and the WPP Sustainability Reporting Criteria 2023, see [wpp.com/sustainabilityreport2023](http://wpp.com/sustainabilityreport2023)

## We aim to build better futures for our people, planet, clients and communities through the four pillars of our sustainability strategy

## HOW

## PROGRESS

## FIND OUT MORE

**PEOPLE**

- Build a culture where everyone is treated with dignity and respect
- Ensure an inclusive working environment with fair representation
- Grow sustainability skills and knowledge across our industry

- **53%** of senior managers are women (2022: 54%)
- **22%** of senior and executive managers in the US, our largest market, are non-white (2022: 22%)
- **14%** increase in employee participation in our annual All In staff survey
- **Inclusion as a Skill** training rolled out to all employees worldwide

# 41%

**of executive leaders across WPP are women<sup>1</sup>**  
(2022: 40%)

See pages 37 to 39

See the People section of our 2023 Sustainability Report

**PLANET**

- Develop common carbon metrics across our industry
- Build campuses that make a positive contribution to local communities
- Reach net zero across our supply chain by 2030

- **0.19** tCO<sub>2</sub>e emissions per person from direct operations (Scope 1 and 2), a 17% reduction year-on-year and 77% since our 2019 baseline (2022: 0.23 tCO<sub>2</sub>e<sup>2</sup>)
- **88%** of electricity sourced from renewable sources (2022: 83%)
- GroupM's coalition of leading advertisers – representing \$10 billion in global advertising investment – to accelerate decarbonisation of the world's media supply

# 76%

**absolute reduction in tCO<sub>2</sub>e emissions (Scope 1 and 2) since 2019 and 18% year-on-year**

See pages 60 and 61

See the Planet section of our 2023 Sustainability Report

**CLIENTS**

- Ensure fairness and high privacy and data ethics standards in our work
- Ensure our client work is inclusive and accessible
- Support our clients as they deliver their emissions reduction and wider sustainability goals

- **82%** of top 50 clients have set or committed to set science-based carbon reduction targets (2022: 78%)
- Client version of our Green Claims Guide launched with targeted training for clients in potentially higher-risk and higher-emissions sectors

# 8.0

**score out of 10 from our clients for our ability to support their sustainability goals and 8.3 for their DEI goals**

See page 27

See the Clients section of our 2023 Sustainability Report

**COMMUNITIES**

- Buy responsibly and build a diverse supplier network
- Advance equity and inclusion through our work, external partnerships and initiatives
- Work with partners, social enterprises and clients to drive sustainability

- **\$21.1m** invested in inclusion programmes since 2020 as part of our commitment to invest \$30 million in racial equity
- **£205,000** donated to disaster relief through employee donations matched by WPP

# £36.1m

**total social contribution, including cash donations, pro bono work, in-kind contributions, free media space and racial equity initiatives**  
(2022: £35.5 million exc racial equity initiatives)

See pages 58 and 59

See the Communities section of our 2023 Sustainability Report

# COMMUNITIES

We use our scale, skills and voice to support healthy and vibrant communities

**We are committed to inspiring widespread change through powerful communications and investment in communities.**

**A VOICE FOR CHANGE**

We believe that good communications can help bring about the shift in attitudes and behaviour needed to tackle extreme poverty, inequality and climate change, and contribute towards the UN Sustainable Development Goals.

We help amplify the impact of charities and non-governmental organisations by providing marketing and creative services, often on a pro bono basis.

This work is mutually rewarding and often worth more than an equivalent cash donation, helping to improve fundraising efforts, recruit new members, change behaviour or achieve campaign goals. It also gives WPP people the chance to work on fulfilling, impactful and sometimes award-winning campaigns that build their skills and raise the profile of our agencies.

**LIFE-CHANGING CLIENT WORK**

We are proud to deploy our creativity to rethink the status quo. In 2023, campaigns included Ogilvy's Heaven Fish, which turned the 'miracle' of fish falling from the sky into a source of income for residents of Yoro, Honduras.

In Kenya, Scanad and fashion brand ZEVA launched Stain Not Shame, a campaign that prompted the government to make period shaming a punishable offence. And in Argentina, Grey's The Postponed Day brought cancer charities together to delay their usual publicity around Breast Cancer Awareness Day. The campaign highlighted the fact that 40% of women postpone their annual breast check-ups, creatively raising awareness and inspiring action.

**ADVANCING RACIAL EQUITY**

In June 2020, as part of a set of commitments and actions to help combat racial injustice and support Black and ethnically marginalised talent, we set up our Racial Equity Fund, committing to invest \$30 million over three years in inclusion programmes and to support external organisations.

**\$21.1m**

**invested in inclusion programmes as part of our commitment to invest \$30 million over three years**

We designed the programme to deliver immediate impact while also establishing the foundation for meaningful and sustainable change. We invested across three pillars: internal equity and inclusion; creative use of media value and pro bono work to support non-profit organisations and charities with anti-racist objectives; and funding for 'bold, audacious and creative' initiatives that will create measurable impact in advancing racial equity around the world (see example, right).

To date, we have invested \$21.1 million and committed a further \$1.9 million to projects kicking off from 2024. We will continue to invest to reach our \$30 million commitment.

➔ See more at [wpp.com/racialequityprogramme](https://wpp.com/racialequityprogramme)



**SOMA+ AKQA**

One of the projects supported by our Racial Equity Fund was SOMA+ AKQA, which expanded the professional knowledge of Black, Indigenous and low-income students in Brazil across three main pillars: education, internship and transformation.

In 2023, SOMA+ students collaborated with rapper Criolo on the video for 'Pretos Ganhando Dinheiro Incomoda Demais' (Blacks Making Money is Too Inconvenient), part of the 'Tree of Riqueza', a campaign that aims to give a new meaning to Black prosperity in a series of five cinematic music videos.



**IT IS THROUGH THESE DIVERSE POINTS OF VIEW, EXPERIENCES AND TRAINING THAT WE AMPLIFY VOICES AND ENHANCE THE POWER OF THESE PROJECTS"**

Luiza Bomfim  
SOMA+ participant



### ACTION IN LOCAL COMMUNITIES

We encourage our people to use their creativity and expertise to contribute to issues they are passionate about. We have a long tradition of pro bono work covering a range of issues from the arts to conservation, health and human rights. Our established Foundations and active network of Green Teams around the world provide a platform for people to act.

In India, our multi-award-winning WPP India Foundation is transforming the lives and livelihoods of young people and their families through a targeted programme of interventions. In Australia, our REFLECT RAP (reconciliation and action plan) outlines our commitment to a more diverse, equitable and inclusive future – with reconciliation at its heart. The plan increases awareness of Aboriginal and Torres Strait Islander cultures, histories and leadership across all sectors of Australian society.

### EMPLOYEE GIVING AND VOLUNTEERING

WPP employees around the world donated generously in 2023 to emergency relief appeals set up to support those affected by the devastating earthquakes in Turkey and Syria and then in Morocco, which we matched. In October, in response to the terrible events in Israel and Gaza, employees once again gave generously; with match funding we raised a total of £60,000 in partnership with the British Red Cross. We will continue to run employee match funding appeals for disaster relief.

The VML Foundation is an employee-funded and led giving programme that supports and celebrates the causes important to VML's employees. Every year, VML closes more than 80 offices around the world for a day so that employees can donate their time and talents to dozens of non-profit and community

# \$3m

**in 2023 the VML Foundation proudly surpassed \$3 million in charitable giving on behalf of employees**

organisations. In 2023, causes ranged from reading and recording bedtime stories in China to planting and cleaning up the Río de Los Remedios forest in Mexico City. The Foundation also proudly surpassed the \$3 million mark in collective charitable giving on behalf of employees since it began.

And in France, our We Care We Act employee volunteering programme matches the talent, skills and interests of our people with requests for volunteer support, enabling positive action in the community. Our people completed 60 individual missions supporting local NGOs in 2023, as well as multiple agency-wide volunteering initiatives.

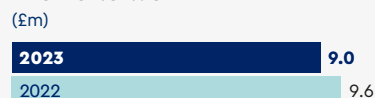
### INVESTING IN FUTURE CREATIVES

We believe that AI is fundamental to the future of our industry (and of many others). To inspire young people and build their confidence in data and AI, in 2023 we launched the Creative Data School in partnership with leading non-profit and educational organisations. Delivered both online and in schools, the course has already taught essential technical skills to over 6,000 young people across the UK.

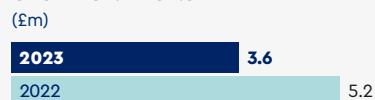
Following the programme, eligible candidates were invited to apply for work experience and internships within the WPP network.

### WHAT WE GAVE IN 2023

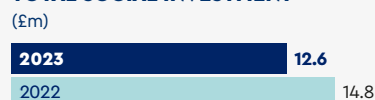
#### PRO BONO WORK



#### CASH DONATIONS



#### TOTAL SOCIAL INVESTMENT



WPP media agencies negotiated free media space worth £19.5 million on behalf of pro bono clients (2022: £20.8 million).

# £36.1m

**total social contribution**  
(2022: £35.5 million)<sup>1</sup>

Our total social contribution, taking into account cash donations, pro bono work, in kind contributions, free media space, and investments in inclusion initiatives through Pillar 3 of our Racial Equity Programme, was £36.1 million (2022: £35.5 million).<sup>1</sup>

➔ See more in the Communities section of our 2023 Sustainability Report

<sup>1</sup> 2022 figure excludes investments in Racial Equity initiatives

# PLANET

## Delivering progress against our sustainability goals to protect our planet

We are committed to transitioning to net zero emissions across our own business, supporting our clients' carbon reduction efforts and accelerating progress across our industry.

### OUR CLIMATE STRATEGY

In 2021, we set near-term science-based targets to reduce our greenhouse gas emissions in line with limiting global warming to 1.5°C above pre-industrial levels, and the aims of the Paris Climate Agreement.

### OUR EMISSIONS TARGETS

# 84%

absolute Scope 1 and 2 emissions reduction by 2025<sup>1</sup>

# 50%

absolute Scope 3 emissions reduction by 2030<sup>1</sup>

These targets, which are verified by the Science-Based Targets initiative, include emissions from media buying (more than half our total footprint) – an industry first.

Our targets are ambitious, and require commitment across all WPP agencies and functions. From production to procurement to buildings, our aim is to integrate carbon reduction into our core commercial strategy, and to continue to drive progress through wider transformation programmes. We will publish our first formal Transition Plan in 2024, an important milestone as we progress to net zero.

### REDUCING SCOPE 1 AND 2 EMISSIONS

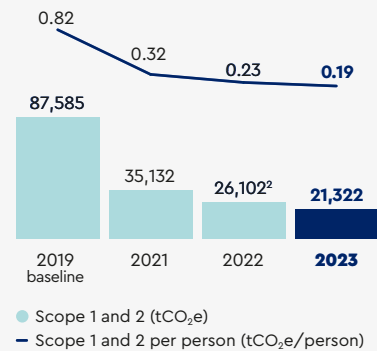
We continue to make good progress towards our Scope 1 and 2 targets, largely driven by an increase in electricity purchased from renewable sources, as well as improved energy efficiency in our buildings as we move people into fewer, more efficient buildings through our campus strategy.

- Our Scope 1 emissions for 2023 were 11,354 tCO<sub>2</sub>e (2022: 14,105 tCO<sub>2</sub>e), of which a subtotal of 8,532 tCO<sub>2</sub>e (75% of our total Scope 1 emissions footprint) has been subject to independent limited assurance procedures by PwC
- Company cars account for 62% of our Scope 1 emissions. We continue to shift company cars to electric and hybrid vehicles where infrastructure makes it feasible to do so. In 2023, 46% of centrally leased company cars were electric or hybrid (2022: 30%). The Scope 1 emissions not subject to assurance procedures relate to locally contracted company cars, for which emissions have been estimated
- Scope 2 market-based emissions fell by 17% to 9,968 tCO<sub>2</sub>e. Scope 2 location-based emissions were 55,720 tCO<sub>2</sub>e, a 3% increase from 2022 reflecting a rise in energy consumption as office occupancy rates increased<sup>2</sup>
- Our carbon intensity per £1 million revenue was 1.44 tCO<sub>2</sub>e, a 21% reduction since 2022 (2022: 1.81 tCO<sub>2</sub>e)<sup>2</sup>
- Our Scope 1 and 2 market-based emissions for 2023 were 0.19 tCO<sub>2</sub>e/person, a 17% reduction from 2022<sup>2</sup> and 77% reduction from our 2019 baseline

# 88%

electricity purchased from renewable sources (2022: 83%) and on track to meet our target to source 100% by 2025

### MARKET-BASED SCOPE 1 AND 2 EMISSIONS PROGRESS (tCO<sub>2</sub>e EMISSIONS)



### REDUCING SCOPE 3 EMISSIONS

Our supply chain makes up the overwhelming majority (98%) of our total emissions. We know that the complex nature of our supply chain makes our target to halve emissions by 2030 ambitious, but nevertheless it is one we are determined to reach.

### MEDIA

WPP is the only advertising holding company to include emissions from media placement (more than half our supply chain emissions)<sup>1</sup> within our science-based emissions reduction targets. In 2023, GroupM launched a new omnichannel media carbon calculator for clients, enabling them for the first time to factor channel-level carbon emissions data into their media planning.

<sup>1</sup> Data from 2019 baseline

<sup>2</sup> 2022 energy metric restated in line with the procedures set out in the WPP Sustainability Reporting Criteria 2023. For details of the nature and impact of the restatement, see page 61

These metrics have been subject to independent limited assurance procedures by PricewaterhouseCoopers for the year ending 31 December 2023. For PwC's 2023 Limited Assurance Report and the WPP Sustainability Reporting Criteria 2023, see [wpp.com/sustainabilityreport2023](http://wpp.com/sustainabilityreport2023)



We used the tool to measure the footprint of around 2,800 campaigns. Our client coalition of leading advertisers, worth \$10 billion in global advertising investment, is driving support for greater transparency and standardisation of emissions measurement.

#### PRODUCTION

The emissions generated by the production of films and other content we create on behalf of clients are responsible for 14% of our supply chain carbon footprint.<sup>1</sup> Hogarth continues to invest in generative AI, 3D and virtual production technologies. In many circumstances we estimate these technologies will help lower the carbon footprint of production, through both reduced travel and more efficient ways of generating content. By consolidating WPP's production capabilities through Hogarth, we can strengthen our overall capabilities and boost skills development for our people.

#### TECHNOLOGY

The technology we use – from data centres to emails – generates 6% of our Scope 3 footprint.<sup>1</sup> Decommissioning older, less efficient hardware and migrating our IT infrastructure to the cloud will reduce energy use and emissions. By working more closely with our technology providers to understand the emissions of the products and services we use, we are beginning to better track emissions reduction from IT.

#### PROCUREMENT

In 2023, we analysed our indirect suppliers' carbon footprint, identifying those 'carbon strategic suppliers' we can engage with to help bring down emissions (see page 71).

Business air travel accounts for around 3% of our baseline carbon footprint. In 2023, our total Scope 3 emissions from business air travel were 75,687 tCO<sub>2</sub>e, including 59,793 tCO<sub>2</sub>e from centrally contracted

flights (79% of the total), which have been subject to independent limited assurance procedures by PwC. The business air travel emissions not subject to assurance procedures come from flights booked outside our centralised systems.

Potential gaps were identified in the data provided by one of our three central business air travel suppliers. This is reflected in PwC's assurance opinion.

We purchase high-quality carbon credits to offset emissions from air travel. Since 2007 we've permanently retired 1.7 million credits, which are charged to each of our agencies to create an internal carbon cost.

#### GREEN CLAIMS GUIDE

Scrutiny over brands' environmental claims continues to grow, making it more important than ever that claims we make on behalf of clients are authentic, material and matched by real action. WPP's Green Claims Guide provides principles and practical tips for making effective green claims that are not misleading in any way. In 2023 we launched a client version of the guide and ran training for employees and clients in potentially higher-risk and higher-emissions sectors (see page 27).

#### CIRCULAR ECONOMY

We remain committed to phasing out plastics that cannot be reused, recycled or composted across our campuses and offices worldwide. In 2023, we continued to drive progress within our campuses by introducing additional waste streams, engaging suppliers, reviewing the products purchased by our agencies, and working with campus Green Teams to encourage our people to change their behaviour at work.

#### OFFSETTING

The first step to limiting emissions is to reduce the total footprint of any of our products or services as far as possible. Our Environment Policy sets out how we manage the cost and quality of the carbon credits we buy to offset emissions we cannot avoid.

#### DATA QUALITY

A significant challenge for reducing carbon emissions is being able to measure them with confidence. We are working to improve the quality and coverage of our emissions data.

In 2023 we simplified our reporting to reflect our campus consolidation programme (detailed in our 2023 reporting criteria). An error was highlighted in our 2022 energy consumption caused by the complexity of our historic structure and resulting in an 8% and 6% restatement in Scope 2 market-based and location-based emissions respectively.

We are working to include the portion of unassured Scope 1 data, relating to locally managed company cars, in scope for assurance in future years.

Data quality is particularly challenging for Scope 3 emissions, as they are beyond our direct control. We are reviewing how we capture and calculate Scope 3 emissions and aim to improve both data quality and coverage, so that over time we can seek assurance over a larger proportion of Scope 3 emissions. In 2023 we integrated travel by class into our metrics subject to assurance for the first time, as we continue to work to improve the consistency and coverage of flight data across the business.

➔ See more in the Planet section of our 2023 Sustainability Report

# TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD) STATEMENT

## TCFD CONTENT INDEX






This section of our reporting includes disclosures relating to WPP's identified climate-related risks and opportunities.


### UK LISTING RULES AND COMPANIES ACT STATEMENT OF COMPLIANCE

WPP was an early adopter of the Task Force on Climate-related Financial Disclosures. WPP's sixth disclosure, set out below, is structured around the four TCFD themes of governance, strategy, risk management, and metrics and targets. We aim to develop our disclosures in line with TCFD's 11 recommended disclosures set out in June 2017 (see table below). We report in line with the FCA Listing Rule 9.8.6(8)b, which requires us to report on a 'comply or explain' basis against the TCFD Recommended Disclosures in respect of the financial year ended 31 December 2023.

We consider our climate-related financial disclosures to be consistent with nine of the 11 TCFD recommended disclosures and we have explained why we are not consistent for the remaining two in the related sections. Therefore our disclosures are compliant with Listing Rule 9.8.6(8)b and aligned with The Companies Regulations 2022, 414CB (2A). Some of the recommended disclosures, published in the 2021 TCFD Annex, will take more time for us to become fully consistent with due to challenges around data access and quantification. These areas, outlined in the

table below, are most closely aligned with the UK Companies Regulations 414CB (2A) sub paragraphs (e) and (f) and relate to detailed financial impacts and quantitative scenario analysis of climate-related risks and opportunities. We will continue to implement the 2021 TCFD Annex 1 recommendations and intend to apply these more fully in our future disclosures through 2024.

| TCFD RECOMMENDATION   | LOCATION IN REPORT   |
|---|--|
| <b>GOVERNANCE</b>   |  |
| <p> a) Describe the Board's oversight of climate-related risks and opportunities</p>  | <p><b>SUSTAINABILITY GOVERNANCE</b><br/>The governance of climate-related risks and opportunities is fully integrated within our sustainability governance structures. References to sustainability and ESG are inclusive of the climate change issues identified as relevant to WPP in this TCFD statement</p> <p>The Sustainability Committee meets at least four times a year, receiving in-depth progress reviews from management on climate-related issues at each meeting. The Board receives an update from the Sustainability Committee Chair following each meeting</p> <p><b>SUSTAINABILITY COMMITTEE REPORT</b><br/>The Sustainability Committee report provides an update on the matters considered by the Committee in 2023</p> |
|   | <p>From page 54</p> <p>From page 137</p>   |
| <p> b) Describe management's role in assessing and managing climate-related risks and opportunities</p>   | <p><b>SUSTAINABILITY GOVERNANCE</b><br/>Our CEO and CFO (both Executive Directors) have overall responsibility for climate-related risks and opportunities, and our performance on carbon reduction is integrated into their incentive plans. The Chief Sustainability Officer has operational responsibility for assessing and managing climate-related issues</p>  |
|   | <p>From page 54</p>  |
| <b>STRATEGY</b>   |  |
| <p> a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term</p>                                | <p><b>PRINCIPAL RISKS AND UNCERTAINTIES</b><br/>Descriptions of WPP's climate-related risks and opportunities are included in the Principal Risks disclosure</p> <p><b>CLIMATE-RELATED RISKS AND OPPORTUNITIES</b><br/>Detailed descriptions of our climate-related risks and opportunities over the short, medium and long term</p>   |
|   | <p>From page 98</p> <p>From page 64</p>  |
| <p> b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning</p>                         | <p><b>CLIMATE-RELATED RISKS AND OPPORTUNITIES</b><br/>Detailed descriptions of the impact of climate-related risks and opportunities on our resilience, strategy and financial planning. We have not yet quantified the impact of our climate-related risks and opportunities. Information on the status of quantification is included against each risk and opportunity disclosure</p>  |
|   | <p>From page 64</p>  |
| <p> c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario</p> | <p><b>CLIMATE-RELATED RISKS AND OPPORTUNITIES</b><br/>Detailed descriptions of the resilience of the organisation's strategy, taking into consideration different climate-related scenarios. We have not yet undertaken quantitative scenario analysis of our climate-related risks and opportunities. Information on the status of quantification is included against each risk and opportunity disclosure</p>  |
|   | <p>From page 64</p>  |

**KEY**  In compliance  Partial compliance

| TCFD RECOMMENDATION  | LOCATION IN REPORT   |
|--|--|
| <b>RISK MANAGEMENT</b>   |  |
| ✓ a) Describe the organisation's processes for identifying and assessing climate-related risks   | <b>IDENTIFYING CLIMATE-RELATED RISKS</b><br>Detailed descriptions of how our climate-related risks and opportunities are managed <b>Page 63</b>  |
| ✓ b) Describe the organisation's processes for managing climate-related risks  | <b>CLIMATE-RELATED RISKS AND OPPORTUNITIES</b><br>Climate-related risks are integrated into our overall risk management process. We disclose how we manage our relevant climate-related risks and opportunities in our risk disclosure table <b>From page 64</b> |
| ✓ c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management   | <b>IDENTIFYING CLIMATE-RELATED RISKS</b><br>Our process for identifying climate-related risks takes into account multiple sources and stakeholders. It is integrated into our overall risk management process <b>Page 63</b>                                     |
| <b>METRICS AND TARGETS</b>   |  |
| ✓ a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process | <b>TCFD METRICS AND TARGETS SUMMARY</b><br>Metrics and targets relating to our relevant climate-related risks and opportunities are provided in a summary table <b>Page 68</b>   |
| ✓ b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas emissions, and the related risks   | <b>CARBON EMISSIONS STATEMENT</b><br>Our carbon emissions statement outlines our Scope 1, Scope 2 and Scope 3 business air travel emissions <b>Page 69</b>   |
| ✓ c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets                       | <b>TCFD METRICS AND TARGETS SUMMARY</b><br>Metrics and targets relating to our relevant climate-related risks and opportunities are provided in a summary table <b>Page 68</b>   |

## IDENTIFYING CLIMATE-RELATED RISKS

The identification of climate-related risks and opportunities includes input from multiple sources and stakeholders. In 2022, our climate-related risks and opportunities were reviewed as part of a detailed executive-level workshop which included representatives from different corporate functions, including sustainability, finance, real estate, legal, communications, procurement and crisis management and business resilience. In 2023, we worked with a third-party consultancy to identify and assess operational risks associated with our Net Zero Transition Plan.

Annually, we reconfirm the list of risks and opportunities through analysis and interviews. This analysis is informed by interviews with sustainability and consumer experts from within WPP agencies, as well as external data sources. As part of our 2023 assessment we considered both existing and emerging regulatory requirements related to climate change, incorporating an impact assessment of the Corporate Sustainability

Reporting Directive and International Financial Reporting Standards (IFRS) Sustainability Standards.

Recommendations on changes to the risks and opportunities and associated disclosures are reviewed by the Board Sustainability Committee on an annual basis.

Sustainability risks, including climate-related risks, are integrated into our overall risk management processes. Performance and updated risk implications are reviewed by the Audit Committee on a regular basis. Our overall risk management process is outlined from page 93 and climate change risk is included as a risk within the principal risks and uncertainties disclosure from page 98. WPP has implemented risk committees at Group level and in our agencies with the aim of ensuring accountability at both levels to identify, monitor and proactively manage risk and compliance issues, and we are embedding climate risks in their agendas (see page 93).

## CLIMATE-RELATED RISKS AND OPPORTUNITIES

WPP's disclosure of climate-related risks and opportunities provided in this section outlines the impacts we expect to see on our business between now and 2030. It includes qualitative disclosure of both the impact on, and the resilience of, WPP's strategy. Details of the time horizons and climate scenarios considered as part of this assessment are included in the tables below. We do not believe there is a material financial impact of physical or transition climate change risks on our current year financial reporting. Further information is provided in the Notes to the Financial Statements under Climate Change. The most significant impacts from the climate-related risks and opportunities summarised below are expected to be realised on a timeframe that exceeds our current financial planning. Materiality is described in Our Application of Materiality (see page 218).

## TIME HORIZONS

| Time horizon  | Time period | Internal time horizon alignment   |
|---------------|-------------|---|
| ○ Short term  | 2023-2024   | Annual reporting periods  |
| ◐ Medium term | 2024-2027   | Scope 1 and 2 science-based reduction target (2025) and transformation programme (2027) |
| ● Long term   | 2027-2030   | Scope 3 science-based reduction target (2030)   |

# TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES STATEMENT CONTINUED

## CLIMATE SCENARIOS

Details of the assumptions applied under each scenario are included against each risk and opportunity. These scenarios were selected to cover a range of potential scenarios exploring how climate change could impact the business. We have used the Intergovernmental Panel on Climate Change (IPCC) Representative Concentration Pathways (RCPs) to provide inputs and assumptions regarding decarbonisation trajectories and physical impacts. The IPCC Shared Socioeconomic Pathways (SSPs) are used to provide social, economic and political inputs and assumptions.

| Description        | High-carbon (more than 4°C)                  | Low-carbon (less than 2°C)                 | Very low-carbon (less than 1.5°C)                |
|--------------------|--|--|--|
| RCP alignment      | RCP 8.5- business as usual, 4-degree Celsius | RCP 2.6- acceptable limit 2-degree Celsius | RCP 1.9- net zero transition, 1.5-degree Celsius |
| IPCC SSP alignment | SSP4- a road divided                         | SSP2- middle of the road                   | SSP1- the green road                             |

## WPP'S CLIMATE-RELATED RISKS AND OPPORTUNITIES

### POTENTIAL IMPACT AND RESILIENCE

| RISK OR OPPORTUNITY | HIGH CARBON SCENARIO | LOW CARBON SCENARIO | VERY LOW CARBON SCENARIO | MANAGEMENT |
|---------------------|----------------------|---------------------|--------------------------|------------|
|---------------------|----------------------|---------------------|--------------------------|------------|

#### Increased frequency of extreme weather and climate-related natural disasters



#### Area of potential impact: Expenditure

Includes chronic and acute extreme weather which can damage our buildings and our employees' homes, jeopardise the safety and wellbeing of our people and significantly disrupt our operations. We consider this risk relevant to all operations, however certain geographies are more exposed (eg coastal cities including New York, Miami, Mumbai and Shanghai)

We are currently unable to isolate the impact of climate change from other drivers and therefore do not publish a quantified value

**Key assumptions:** the physical impacts of climate change are broadly consistent across all three scenarios considered and start to differentiate after 2050 (in line with the RCP and SSP narratives). We are already experiencing increased exposure to extreme weather events

**Impact:** as the longer-term physical impacts of climate change increase, we have assumed that WPP's campuses, business continuity procedures and employee support systems would require some additional investment above inflation to ensure continuity, minimise risk to infrastructure and, more critically, our people. We would also need to diversify these programmes to respond to increased climate-related migration, for example supporting our people through relocations

**Crisis management and business resilience (see page 105):** provides global standards for operational resilience; strategy, governance, policy, resources and training assets to better plan for and respond to crisis events of all types and at all degrees of scale

**Campuses (see page 19):** our campus programme enables centralisation of emergency preparedness, incident response and business continuity procedures

**Employee assistance programme (see page 39):** is activated in response to climate-related extreme weather events

#### Delivering net zero commitments



#### Area of potential impact: Expenditure

Delivering WPP's Scope 3 carbon reduction targets depends upon the adoption of new technologies (some of which have not yet been conceived or created) and business model innovations across the supply chain.

We consider this risk relevant to all geographies, however it is more significant for operations with larger associated carbon emissions (eg media and production)

We are in the process of quantifying the workstreams identified through our Transition Plan

**Key assumptions:** policy support would be limited and market-based solutions prioritised. There would be limited regulation and reporting standards specific to our sector, eg around green claims and carbon based products. Clients, consumers and existing commitments would drive decarbonisation

**Potential impact:** increased investment would be required in building renovation, electrification and supplier engagement to meet targets, including developing internal ESG capacity and capabilities. Likely increase in the cost of carbon removals required to meet our net zero targets

**Key assumptions:** policy support would be limited to markets currently advancing policy. This includes the UK, US and EU and includes sector-specific requirements. Market-based solutions would still feature heavily. Increased policy action would embolden client and consumer expectations, resulting in wider calls for decarbonisation

**Potential impact:** markets with less policy support and regulation may require additional expenditure to meet targets. Moderate demand-led increase in market price per tonne of carbon removals required to meet our net zero targets

**Key assumptions:** policy support would be widespread, accelerating progress towards net zero across our value chain. Market-based solutions still utilised. Increased policy action would embolden client and consumer expectations, substantially accelerating the required pace of change

**Potential impact:** policy support would accelerate the pace of change, reducing investment required to deliver targets. More rapid decarbonisation would reduce pressure on the carbon removals market, and reduce overall cost associated with meeting our net zero targets

**Our climate strategy (pages 60 and 61):** in 2021, we set ambitious near-term science-based targets to reduce our greenhouse gas emissions in line with limiting global warming to 1.5°C above pre-industrial levels. Our climate strategy addresses how we are managing the implementation of our net zero commitments

WPP'S CLIMATE-RELATED RISKS AND OPPORTUNITIES CONTINUED

POTENTIAL IMPACT AND RESILIENCE

| RISK OR OPPORTUNITY  | HIGH CARBON SCENARIO   | LOW CARBON SCENARIO  | VERY LOW CARBON SCENARIO   | MANAGEMENT   |
|--|--|--|--|--|
| <b>Changes in regulation and reporting standards</b>   |  |  |  |  |
| <p><b>Area of potential impact:</b> Expenditure</p> <p>WPP could be subject to increased costs to comply with potential future changes in environmental laws and regulations and increasing carbon offset pricing to meet its net zero commitments. Carbon emission accounting for marketing and media is in its infancy and methodologies continue to evolve. This is particularly the case for emissions associated with digital media</p> <p>We are currently unable to isolate the impact of climate change from other drivers and therefore do not publish a quantified value</p> | <p><b>Key assumptions:</b> no new disclosure standards and reporting requirements emerge. A lack of ESG reporting regulation and standards could lead to mistrust of corporate carbon emissions data, net zero commitments and the advertising of sustainable products and services among consumers and clients</p> <p><b>Potential impact:</b> current resourcing levels would continue to meet reporting obligations</p> | <p><b>Key assumptions:</b> emerging disclosure standards and reporting requirements in markets currently enacting legislation come into effect</p> <p><b>Potential impact:</b> additional investment in internal capability building (managed at a global level), data capture, reporting and assurance would be required to meet the needs of legislation, including in the UK, US and EU where legislation addressing ESG reporting is currently being enacted</p> | <p><b>Key assumptions:</b> disclosure standards and reporting requirements cover most major geographies and advance beyond what is currently in place. This includes the expansion of reporting requirements specific to the advertising sector – eg relating to the emissions facilitated through the sale of products and services</p> <p><b>Potential impact:</b> further additional investment in internal capability building (with localised expertise to support local compliance), data capture, reporting and assurance would be required to meet the needs of this legislation</p> | <p><b>About our reporting (page 55):</b> we are monitoring developments in legislation relating to ESG reporting and the regulation of environmental claims and investing in internal capability building in response</p> <p><b>Work with integrity (page 27):</b> our Green Claims Guide is informed by guidance from regulators and complemented by a legal toolkit that has been incorporated into our legal clearance process</p> <p><b>Media decarbonisation (page 61):</b> we are working with trade bodies to agree a consistent and transparent methodology for calculating emissions from media placement</p> <p><b>Offsetting (page 61):</b> our Environment Policy covers how we manage the cost and quality of carbon credits purchased to offset emissions we cannot remove. We continue to develop our offsetting strategy as part of our transition plan</p>                              |
| <b>Increased demand for sustainable products and services</b>  |  |  |  |  |
| <p><b>Area of potential impact:</b> Revenue</p> <p>Opportunity to grow revenues from products and services which support clients as they seek to decarbonise their businesses. This may include developing low or net zero marketing, media and ecommerce services, developing sustainability-focused brand strategies and promoting sustainable consumption to consumers. This opportunity is relevant globally</p> <p>We have not yet quantified the scale of this opportunity due to the availability of data</p>   | <p><b>Key assumptions:</b> under this scenario we have assumed that, while some clients and consumers will seek sustainable products and services, the overall rise in demand is limited</p> <p><b>Potential impact:</b> the overall impact on Group level financial planning processes would be limited</p>   | <p><b>Key assumptions:</b> growth in demand would be steady, and revenue generated from sustainable products and services by 2030 would be material with some markets and services seeing more growth than others</p> <p><b>Potential impact:</b> budgets and cash flow forecasts would likely reflect an investment in sustainability-related skills, as well as new sustainable product and service offerings</p>  | <p><b>Key assumptions:</b> growth in demand would be rapid, and sustainable products and services would make up a significant proportion of revenues by 2030 across most markets and service offerings</p> <p><b>Potential impact:</b> budgets and cash flow forecasts would reflect the required investment to meet the opportunity. Significantly increased investment in employee capability required, and growth through acquisition may be needed to meet demand. Innovation and investment in new products and services would be extensive</p>   | <p><b>Our approach to sustainability (pages 54 and 55):</b> 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</p> <p><b>Media decarbonisation (page 65):</b> in 2023, GroupM launched a new omnichannel media carbon calculator for clients, enabling them for the first time to factor channel-level carbon emissions data into their media planning. Our client coalition of leading advertisers, worth \$10 billion in global advertising investment, is driving support for greater transparency and standardisation of emissions measurement</p> <p><b>Advertising production (page 61):</b> we continue to invest in virtual production capabilities, partnering with key industry innovators to create a compelling alternative to traditional production methods</p> |

# TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES STATEMENT CONTINUED

## WPP'S CLIMATE-RELATED RISKS AND OPPORTUNITIES CONTINUED

### POTENTIAL IMPACT AND RESILIENCE

| RISK OR OPPORTUNITY   | HIGH CARBON SCENARIO   | LOW CARBON SCENARIO   | VERY LOW CARBON SCENARIO  | MANAGEMENT  |  |
|---|--|---|---|---|--|
| <b>Achieving resource efficiencies through cutting our carbon footprint and improving energy efficiency</b>   |  |   |   |   |  |
| <p><b>Area of potential impact:</b><br/>Avoided expenditure</p> <p>Through carbon reduction initiatives we have the opportunity to decrease the costs associated with energy use and limit increased costs associated with carbon taxation. This relates both to our buildings, and to energy-intense activities such as data storage. This opportunity is relevant globally</p> <p>We are currently unable to isolate the impact of climate change from other variables and therefore do not publish a quantified range of impact</p>  | <p><b>Key assumptions:</b> policy support for decarbonisation would be limited, placing the burden for decarbonisation on private sector funding</p> <p><b>Potential impact:</b> our investment in our net zero strategy would still achieve resource efficiencies. However, some decarbonisation opportunities, including technology-based solutions, may not be available without a supportive policy environment, lowering the impact of this opportunity. This may increase our overall expenditure on carbon removals and offsets required to meet our net zero commitment</p>  | <p><b>Key assumptions:</b> a greater level of policy support for decarbonisation would widen the pool of opportunities available to WPP. This includes greater proliferation of electrified buildings, greater availability of electric vehicles and greater innovation in value chain solutions. This would accelerate the overall rate at which WPP could decarbonise our operations and value chain</p> <p><b>Potential impact:</b> the greater availability of decarbonisation options would accelerate the overall rate at which WPP could decarbonise our operations and value chain. Overall, this would lower our reliance on removal-based offsetting and reduce the cost associated with meeting our net zero commitments</p> | <p><b>Our climate strategy (pages 60 and 61):</b> In 2021, we set ambitious near-term science-based targets to reduce our greenhouse gas emissions in line with limiting global warming to 1.5°C above pre-industrial levels. Our climate strategy addresses how we are managing the implementation of our net zero commitments</p> <p>Additional information can be found in the Planet section of our 2023 Sustainability Report</p>  |   |  |
| <b>Increased reputational risk associated with misrepresenting environmental claims in marketing and advertising content</b>  |  |   |   |   |  |
| <p><b>Area of potential impact:</b><br/>Fines, Revenue</p> <p>As societal consciousness around climate change rises, our sector is seeing increased scrutiny of its role in driving consumption. Our clients seek expert partners who can give recommendations that take into account stakeholder concerns around climate change. This risk is globally relevant, but in the short term is greater in geographies with existing or emerging regulation (Australia, EU, UK and US)</p> <p>We are currently unable to isolate the impact of climate change from other variables and therefore do not publish a quantified range of impact</p> | <p><b>Key assumptions:</b> government regulation of environmental advertising and marketing claims would likely be limited. There is little risk of litigation</p> <p><b>Potential impact:</b> the risk of fines or revenue losses is negligible under this scenario. We would continue to invest in training to support credible environmental claims to respond to consumer and client concerns around credibility</p> <p>As government regulation of environmental advertising and marketing claims has been enacted in geographies including Australia, EU, UK and US, we no longer consider this scenario as relevant</p> | <p><b>Key assumptions:</b> government regulation of environmental advertising and marketing claims is likely to be centred on markets already advancing climate policy, in addition to consumer and client concern around credibility. This includes the UK and US. The risk of litigation increases in those markets</p> <p><b>Potential impact:</b> increased investment in training and capability would be required to ensure advertising and marketing content is compliant</p>  | <p><b>Key assumptions:</b> government regulation of environmental advertising and marketing claims would likely be widespread, in addition to a significant rise in consumer and client concern around credibility. There would be widespread risk of litigation and the potential for revenue losses should our reputation for credibility be jeopardised</p> <p><b>Potential impact:</b> investment in localised training and capability would be required to ensure advertising and marketing content is compliant</p> | <p><b>Policies, procedures and culture (page 94):</b> the misrepresentation of environmental issues is governed by our Code of Conduct</p> <p><b>Work with integrity (page 27):</b> we continue to develop and implement internal tools, including our Green Claims Guide, to help our people make effective environmental claims which are not misleading in any way</p> <p><b>Accepting new assignments (page 27):</b> our Assignment Acceptance Policy and Framework provides guidance on how to conduct due diligence in relation to clients and any work we are asked to undertake</p> <p>Additional information can be found in the Clients section of our 2023 Sustainability Report</p> |  |



WPP'S CLIMATE-RELATED RISKS AND OPPORTUNITIES CONTINUED

POTENTIAL IMPACT AND RESILIENCE

| RISK OR OPPORTUNITY | HIGH CARBON SCENARIO | LOW CARBON SCENARIO | VERY LOW CARBON SCENARIO | MANAGEMENT |
|---------------------|----------------------|---------------------|--------------------------|------------|
|---------------------|----------------------|---------------------|--------------------------|------------|

Increased reputational risk associated with working on client briefs perceived to be environmentally detrimental



**Area of potential impact:**  
Revenue

WPP serves some clients whose business models are under increased scrutiny, for example energy companies or associated industry groups who are at different stages of the decarbonisation process. This creates both a reputational and related financial risk for WPP if we are not rigorous in our content standards

We are currently unable to isolate the impact of climate change from other variables and therefore do not publish a quantified range of impact

**Key assumptions:** government regulation of environmental advertising and marketing claims would be limited. There would be little risk of litigation

**Potential impact:** we continue to develop training to support credible environmental claims to respond to consumer and client concerns around credibility

**Key assumptions:** government regulation in a limited number of markets could outline definitions of high-carbon products or services that cannot be advertised, but this would be restricted to the most carbon-intense instances. The risk of litigation would increase in those markets

**Potential impact:** there would likely be an increased risk associated with working on client briefs perceived to be environmentally detrimental. Increased investment in training and capability would be required to ensure advertising and marketing content is compliant

**Key assumptions:** government regulation in a large number of markets may outline definitions of high-carbon products or services that cannot be advertised and this covers a larger number of instances

**Potential impact:** there would be a significant increased risk associated with working on client briefs perceived to be environmentally detrimental. Investment in localised training and capability would be required to ensure advertising and marketing content is compliant

**Accepting new assignments (page 27):** our Assignment Acceptance Policy and Framework provides guidance on how to conduct due diligence in relation to clients and any work we are asked to undertake

Additional information can be found in the Clients section of our 2023 Sustainability Report

# TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES STATEMENT CONTINUED

## METRICS AND TARGETS

Metrics and targets are used by WPP to assess and manage our climate-related risks and opportunities. As part of the process of preparing this disclosure, we have considered the metrics set out by the TCFD in tables A1.1, A1.2 and A2.1 of the TCFD recommendations. In 2023, we added a new metric to track delivery of green claims training.

| WPP risk or opportunity   | Risk or opportunity type      | Internal time horizon alignment   |
|---|-------------------------------|---|
| Increased frequency of extreme weather and climate-related natural disasters  | Physical risks                | <ul style="list-style-type: none"> <li>12% of headcount located in countries at 'extreme' exposure to the physical impacts of climate change in the next 30 years (2022: 11%)</li> </ul>                                    |
| Changes in regulation and reporting standards   | Transition risks              | <ul style="list-style-type: none"> <li>In 2024, conduct a double materiality assessment in line with the EU CSRD to determine the materiality of various climate-related issues. See About Our Reporting page 55</li> </ul> |
| Delivering net zero commitments   | Greenhouse gas emissions      | <ul style="list-style-type: none"> <li>Achieving net zero in our own operations (Scope 1 and 2) by 2025 and across our supply chain (Scope 3) by 2030, including emissions from media buying – an industry first</li> </ul> |
|   |                               | <ul style="list-style-type: none"> <li>Reducing absolute Scope 1 and 2 emissions by 84% by 2025 and absolute Scope 3 emissions – including media buying – by 50% by 2030, both from a 2019 base year</li> </ul>             |
|   |                               | <ul style="list-style-type: none"> <li>Sourcing 100% of our electricity from renewable sources by 2025</li> </ul>   |
|   |                               | <ul style="list-style-type: none"> <li>Absolute Scope 1 and Scope 2 emissions (see Carbon Emissions Statement – page 69)</li> </ul>   |
|   |                               | <ul style="list-style-type: none"> <li>Scope 1 and 2 carbon emissions per person and per unit of revenue (see Carbon Emissions Statement – page 69)</li> </ul>  |
|   |                               | <ul style="list-style-type: none"> <li>Scope 3 carbon emissions (see 2023 Sustainability Report)</li> </ul>   |
|   |                               | <ul style="list-style-type: none"> <li>88% electricity purchased from renewable sources (2022: 83%)</li> </ul>  |
|   | Capital deployment            | <ul style="list-style-type: none"> <li>Deployment of first year of Net Zero Transition Plan</li> </ul>  |
|   | Remuneration                  | <ul style="list-style-type: none"> <li>Integration of performance on Scope 1 and 2 carbon reduction targets in executive remuneration (see Compensation, Succession and Evaluation – from page 152)</li> </ul>              |
|   | Internal carbon prices        | <ul style="list-style-type: none"> <li>£6.93 per tCO<sub>2</sub>e associated with business air travel recharged to WPP agencies (2022: £6.01 per tCO<sub>2</sub>e)</li> </ul>   |
| Increased demand for sustainable products and services  | Climate-related opportunities | <ul style="list-style-type: none"> <li>82% of our top 50 clients have set or committed to set science-based carbon reduction targets (2022: 78%)</li> </ul>   |
| Achieving resource efficiencies through cutting our carbon footprint and improving energy efficiency                  | Climate-related opportunities | <ul style="list-style-type: none"> <li>Sourcing 100% of our electricity from renewable sources by 2025</li> </ul>   |
|   |                               | <ul style="list-style-type: none"> <li>75,000 employees in net zero campuses by 2025</li> </ul>   |
| Increased reputational risk associated with misrepresenting environmental claims in marketing and advertising content | Transition risks              | <ul style="list-style-type: none"> <li>Expand the delivery of Green Claims training, with focus on clients in higher risk and higher emissions sectors (2022: N/A)</li> </ul>   |
| Increased reputational risk associated with working on client briefs perceived to be environmentally detrimental      | Transition risks              |   |

⦿ Indicates the selected metrics have been subject to independent limited assurance procedures by PricewaterhouseCoopers for the year ending 31 December 2023. For PwC's 2023 Limited Assurance report and the WPP Sustainability Reporting Criteria 2023, see [wpp.com/sustainabilityreport2023](http://wpp.com/sustainabilityreport2023)

# CARBON EMISSIONS STATEMENT

## EMISSIONS AND ENERGY<sup>1,3</sup>

CO<sub>2</sub>e EMISSIONS BREAKDOWN (TONNES/ENERGY (MWh))

| Emissions source             |   | 2023            |                             |                |                             |                |                             | 2022                        | 2021                        | 2019                        |
|------------------------------|---|-----------------|-----------------------------|----------------|-----------------------------|----------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
|                              |   | UK <sup>2</sup> |                             | Non-UK         |                             | Total          |                             | Total                       | Total                       | Total                       |
|                              |   | Energy MWh      | Tonnes of CO <sub>2</sub> e | Energy MWh     | Tonnes of CO <sub>2</sub> e | Energy MWh     | Tonnes of CO <sub>2</sub> e | Tonnes of CO <sub>2</sub> e | Tonnes of CO <sub>2</sub> e | Tonnes of CO <sub>2</sub> e |
| <b>Continuing operations</b> |   |                 |                             |                |                             |                |                             |                             |                             |                             |
| Scope 1                      | Natural gas   | 7,765           | 1,574                       | 10,918         | 2,213                       | 18,683         | 3,787                       | 4,443                       | 5,071                       | 6,299                       |
|                              | Diesel and heating oil  | 5               | 1                           | 1,898          | 493                         | 1,903          | 494                         | 698                         | 638                         | 541                         |
|                              | Company cars (centrally contracted)                           | N/A             | 5                           | N/A            | 4,246                       | N/A            | 4,251                       | 4,911                       | 4,429                       |                             |
|                              | <b>Sub-total Scope 1</b>                                      | <b>7,770</b>    | <b>1,580</b>                | <b>12,816</b>  | <b>6,952</b>                | <b>20,586</b>  | <b>8,532</b> <sup>⊕</sup>   | <b>10,052</b>               | <b>10,138</b>               | 18,175                      |
|                              | Company cars (local contracts)                                | N/A             | 17                          | N/A            | 2,805                       | N/A            | 2,822                       | 4,054                       | 3,154                       |                             |
|                              | <b>Total Scope 1</b>  | <b>7,770</b>    | <b>1,597</b>                | <b>12,816</b>  | <b>9,757</b>                | <b>20,586</b>  | <b>11,354</b>               | <b>14,105</b>               | <b>13,292</b>               | <b>25,015</b>               |
| Scope 2                      | Standard electricity (location based) <sup>4</sup>            | 0               | 0                           | 18,062         | 7,969                       | 18,062         | 7,969                       | 10,431                      | 20,602                      | 56,421                      |
|                              | Green and renewable electricity (location based) <sup>4</sup> | 14,735          | 3,051                       | 111,995        | 42,886                      | 126,730        | 45,937                      | 41,558                      | 34,150                      | 27,324                      |
|                              | Heat and steam <sup>4</sup>                                   | 32              | 6                           | 10,063         | 1,808                       | 10,095         | 1,814                       | 1,964                       | 1,238                       | 1,820                       |
|                              | <b>Total Scope 2 (location-based emissions)<sup>4</sup></b>   | <b>14,767</b>   | <b>3,057</b>                | <b>140,120</b> | <b>52,663</b>               | <b>154,887</b> | <b>55,720</b> <sup>⊕</sup>  | <b>53,953</b>               | <b>55,990</b>               | <b>85,565</b>               |
|                              | Standard electricity (market based) <sup>4</sup>              | 0               | 0                           | 18,062         | 8,154                       | 18,062         | 8,154                       | 10,032                      | 20,602                      | 60,750                      |
|                              | Green and renewable electricity (market based)                | 14,735          | 0                           | 111,995        | 0                           | 126,729        | 0                           | 0                           | 0                           | 0                           |
|                              | Heat and steam <sup>4</sup>                                   | 32              | 6                           | 10,063         | 1,808                       | 10,095         | 1,814                       | 1,964                       | 1,238                       | 1,820                       |
|                              | <b>Total Scope 2 (market-based emissions)<sup>4</sup></b>     | <b>14,767</b>   | <b>6</b>                    | <b>140,120</b> | <b>9,962</b>                | <b>154,887</b> | <b>9,968</b> <sup>⊕</sup>   | <b>11,996</b>               | <b>21,840</b>               | <b>62,570</b>               |
| Total Scope 1 and 2          | Total Scope 1 and 2 (location based) <sup>4</sup>             | <b>22,537</b>   | <b>4,654</b>                | <b>152,936</b> | <b>62,420</b>               | <b>175,473</b> | <b>67,074</b>               | <b>68,059</b>               | <b>69,282</b>               | <b>110,580</b>              |
|                              | Total Scope 1 and 2 (market based) <sup>4</sup>               | <b>22,537</b>   | <b>1,603</b>                | <b>152,936</b> | <b>19,719</b>               | <b>175,473</b> | <b>21,322</b>               | <b>26,102</b>               | <b>35,132</b>               | <b>87,585</b>               |
| Scope 3                      | Business air travel (centrally contracted flights)            | N/A             |                             | N/A            |                             | N/A            | 59,793 <sup>⊕</sup>         | 34,315                      | 11,421                      | 122,967                     |
|                              | Business air travel (locally contracted and uplifted)         |                 |                             |                |                             |                | 15,894                      | 21,347                      |                             |                             |
|                              | <b>Total Scope 3</b>  |                 |                             |                |                             |                | <b>75,687</b>               | <b>55,662</b>               | <b>11,421</b>               | <b>122,967</b>              |

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

| Intensity metric    |   | UK  |      | Non-UK |      | Total | 2022 | 2021 | 2020 |
|---------------------|---|-----|------|--------|------|-------|------|------|------|
| Total Scope 1 and 2 | Tonnes per full-time employee (market based) <sup>4</sup> | N/A | 0.12 | N/A    | 0.20 | 0.19  | 0.23 | 0.32 | 0.82 |
|                     | Tonnes per £m revenue (market based) <sup>4</sup>         | N/A |      |        |      | 1.44  | 1.81 | 2.74 | 6.62 |
| Scope 3             | Tonnes per full-time employee                             | N/A |      |        |      | 0.67  | 0.48 | 0.10 | 1.15 |

### Notes

- 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 where WPP have control of the entity, either through majority ownership of the equity share capital or through other facts and circumstances that lead to the conclusion that WPP has power over the investee.
- This year, in line with UK Streamlined Energy and Carbon Reporting (SECR) requirements, we have calculated our energy use and emissions for UK markets, showing in a separate column.
- Additional information on our carbon emissions methodology is included in our Sustainability Report and Reporting Criteria on our website ([wpp.com/sustainability](http://wpp.com/sustainability)).
- 2022 energy metric restated in line with the procedures set out in the WPP Sustainability Reporting Criteria 2023. For details of the nature and impact of the restatement, see page 61.
- ⊕ Indicates the selected metrics have been subject to independent limited assurance procedures by PricewaterhouseCoopers for the year ending 31 December 2023. For PwC's 2023 Limited Assurance Report and the WPP Sustainability Reporting Criteria 2023, see [www.wpp.com/sustainabilityreport2023](http://www.wpp.com/sustainabilityreport2023)

# PUBLIC POLICY

## Business can make a valuable contribution to the public policy debate

**To protect the public interest, it is important that we conduct all lobbying with integrity and transparency.**

Most of our public policy work is carried out for clients by our public affairs businesses, including lobbying public officials and influencing public opinion. We also advocate on issues that affect our business, people and wider stakeholders.

Our agencies engaged in public affairs include BCW, Hill & Knowlton and FGS Global. The majority of this work takes place in the US, UK and EU, although many clients are multinational businesses operating in many countries.

### OUR STANDARDS

Our Code of Business Conduct and Political Activities and Engagement Policy govern our political activities. They commit us to acting ethically in all aspects of our business, and to maintaining the highest standards of honesty and integrity. Political activities should be conducted legally, ethically and transparently, and all related communication should be honest, factual and accurate. Our policies apply to all agencies and employees, at all levels.

Our Group Chief Counsel has responsibility for developing and implementing our Political Activities and Engagement Policy and public reporting procedures. Agency CEOs and CFOs in each country or region are responsible for implementing the policy locally.

Any third parties conducting political activities on behalf of WPP or our agencies must comply with the policy. Third parties are required to complete WPP mandatory ethics training or equivalent within their own organisations.

WPP agencies comply with all applicable laws and regulations governing the disclosure of public affairs activities. In the US, this includes the Lobby Disclosure Act and the Foreign Agent Registration Act, which are designed to achieve transparency on client representation and require lobbying firms to register the names of clients on whose behalf they contact legislators or executive branch personnel. A number of our agencies are listed on the EU Transparency Register

of lobbying activities. Our agencies in the US whose sole or primary business is lobbying have representatives of both major political parties among senior management.

Many of our agencies are members of professional organisations and abide by their codes of conduct. Examples include the UK Association of Professional Political Consultants and the European Public Affairs Consultancies' Association.

We will not undertake work that is intended to mislead, and always seek to identify the underlying client before taking on work. Our Assignment Acceptance Policy and Framework provides guidance to our leaders and people about how to conduct additional due diligence in relation to clients and any work we are asked to undertake (see page 27).

### LOBBYING AND POLITICAL ADVOCACY

We occasionally directly contribute to the debate on public policy issues relevant to our business, people and wider stakeholders. For example, we are part of the Race to Zero campaign managed by the UNFCCC. We engaged with the UK Government on its AI regulatory framework by contributing to the public consultation, participating in ministerial roundtables, and providing insight into AI systems. Where relevant we contributed to the public policy debate through trade bodies, such as the Federal Trade Commission's updated Green Guides, or the EU's rules on late payments.

We also support clients' advocacy on a wide range of issues including LGBTQ+ rights, through both pro bono and paid work. Our agencies contribute to public policy debate in areas where they have expertise and a special interest, such as privacy, data protection and AI issues.

WPP agencies must implement clear procedures for employing serving or former politicians, including a six-month 'cooling-off' period for people joining WPP from public office or the public sector.

### POLITICAL CONTRIBUTIONS

WPP agencies are not permitted to make direct cash donations. Other political donations can only be made with the prior written approval of a WPP Executive Director. Donations must be reported to WPP's legal function before they are made, to confirm they comply with this policy and to obtain the necessary approvals.

### POLITICAL ACTION COMMITTEES

In countries where it is consistent with applicable law, individuals working at WPP agencies may make personal voluntary political contributions directly to candidates for office. BCW and FGS Global also maintain political action committees, which accept voluntary donations from their people to support political candidates. In 2023, these committees made disbursements worth \$164,389 (data from fec.gov).

### MEMBERSHIP OF TRADE ASSOCIATIONS

WPP and our agencies are members of industry groups, business associations and other membership organisations with robust governance processes. WPP agencies must nominate a senior manager to manage and oversee trade association relationships.

We actively support initiatives and projects that align with our values and priorities, such as the Global DEI Census, Ad Net Zero and Global Alliance for Responsible Media. This can help accelerate progress across the industry. For example, we are working with trade bodies to agree a consistent and transparent methodology for calculating emissions from media placement.

WPP's memberships include: 30% Club, Accounting for Sustainability, the American Benefits Council, Business Disability Forum, Business in the Community, Champions of Change Coalition, China-Britain Business Council, Global Equity Organization, Institute of Business Ethics, Living Wage Foundation, Media Trust, RE100, UN Global Compact, Unmind, The Valuable 500, Women on Boards and Partnership for Global LGBTIQ+ Equality.

At a local level, our agencies are often members of local advertising, PR, public affairs and market research industry associations, as well as national chambers of commerce and business councils.

# SUPPLY NETWORK

## Creating an inclusive, sustainable, ethical and diverse network of suppliers

**The wide range of services we offer and our organisational structure mean we have to manage a complex and dynamic supply chain.**

We work with more than 60,000 parent companies across our supply network. Our suppliers fall into two main categories: those providing goods and services such as IT, telecommunications and travel, and those used in client work such as production and media.

In 2023 our newly expanded responsible procurement team strengthened how we manage environmental, social and governance issues in our supply chain, focusing on supply chain risk, carbon reduction and supplier diversity.

### SUPPLY CHAIN RISK

We continually assess our supply chain risk, and have established due diligence processes to help us select suppliers that meet our responsible sourcing standards.

In 2023, we developed and rolled out a refreshed risk assessment methodology and mitigation framework, alongside workshops to help us identify and rank risks across each supply category. The next phase will assess key suppliers in each category, formulating plans to manage specific supplier risks.

Suppliers are asked to sign a copy of WPP's Code of Business Conduct or prove equivalence within their own policies as a pre-condition to engagement to confirm they will comply with its principles.

Our Code of Business Conduct requires suppliers to apply similar standards to companies within their own supply chains, including evidencing diversity and social responsibility in their cultures, behaviours and attitudes.

WPP also includes a right-to-audit provision in the supplier documentation and/or standard terms and conditions of contract.

### CARBON REDUCTION

We are committed to halving carbon emissions across our supply chain by 2030, from a 2019 baseline. We know that the complex nature of our supply chain makes this target ambitious, but it's one we are determined to reach.

In 2023 we commissioned sustainability consultancy Anthesis to help map our indirect suppliers' carbon footprint, identifying those 'carbon strategic suppliers' we can engage with to help bring down their emissions. It revealed that around 800 suppliers make up 80% of our total indirect purchased goods and services CO<sub>2</sub>e emissions – giving us a clear strategy to work with these suppliers to understand their emissions reduction plans. This will remain a priority in 2024 and beyond.

### SUPPLIER DIVERSITY

We are committed to including Certified Diverse Suppliers (CDS) in our purchasing lifecycle, both internally and for the benefit of our clients.<sup>1</sup>

We partner with Supplier.IO to actively search and include CDS in our sourcing process. In addition, we are now in our third year of working with MSDUK (Minority Supplier Development UK) on its Integrated Supply Chain Accelerator scheme, hosting the Accelerator programme in January 2024. This initiative means we are one of four major industry leaders collaborating to find ways of embedding an ethos of diversity in our ways of working.

### HUMAN RIGHTS

Respect for human rights is a fundamental principle for WPP. In our business activities we aim to prevent, identify and address negative impacts on human rights. We look for opportunities to promote and support human rights, including children's rights, through our business activities and in areas such as our pro bono work.

All WPP agencies must comply with our Human Rights Policy Statement, which reflects international standards and principles including the UN Guiding Principles on Business and Human Rights, the International Labour Organization's Declaration on

Fundamental Principles and Rights at Work, and UNICEF's Children's Rights and Business Principles.

Our most direct impact on human rights is as a major employer. We recognise the rights of our people, including those relating to freedom of association and collective bargaining, and do not tolerate harassment or any form of forced, compulsory or child labour.

We work with clients to manage any human rights risks from marketing campaigns, for example by protecting children's rights in relation to marketing. We will not undertake work that is intended to mislead on human rights or any other issue.

### MODERN SLAVERY

We do not tolerate any form of modern slavery or human trafficking in any part of our business or supply chain.

➔ **Modern Slavery Act Transparency Statement, [wpp.com/sustainability/modern-slavery-act-statement](http://wpp.com/sustainability/modern-slavery-act-statement)**

We recognise the prevalence of modern slavery across all countries. To strengthen how we identify and manage modern slavery risk in our indirect supply chain, we recently partnered with third-party service provider SlaveCheck, who identify and flag any potential slavery risks or incidences within global supply chains.

We also introduced new mandatory modern slavery training, which was completed by all group procurement employees.

Our global Supplier Agreement includes a specific clause relating to modern slavery compliance. We reserve the right to terminate a contract with any supplier found to breach or fail to comply with any legislation relating to modern slavery.

➔ **See more in the Supply Chain and Human Rights sections of our 2023 Sustainability Report**

<sup>1</sup> We define CDS as minority-owned, women-owned, veteran-owned, LGBTQ-owned, service disabled, historically underutilised businesses and small businesses