

RESPONSIBLE BUSINESS

We can reduce risks to our business and clients by establishing clear policies and procedures in areas such as data security, ethical conduct, supply chain management, and human rights, and by being transparent about our progress.

WHO'S IN CHARGE?

Our Group Chief Counsel and Head of Sustainability has operational responsibility for sustainability. She heads our central sustainability team, which develops strategy and coordinates sustainability projects and data collection. Our Group Chief Privacy Officer leads our work on privacy and partners with our companies as well as our security and audit teams to promote privacy best practices. At Board level, the newly formed Sustainability Committee is responsible for sustainability.

HOW ARE WE DOING?

- 57,000+** more than 57,000 people completed ethics training in 2019
- DISABILITY POLICY** Disability Policy launched
- CHARTER UPDATE** Data Privacy and Security Charter updated to include Artificial Intelligence Statement

IN THIS SECTION

TRANSPARENCY AND TRUST

Our standards, policies and procedures, including our Code of Conduct.

PRIVACY AND DATA ETHICS

Managing human rights and modern slavery risk, and promoting human rights.

TAX POLICY

Summary of our tax payments in 2019, as well as our approach to tax planning and transparency.

GOVERNANCE AND MANAGEMENT

Embedding sustainability in our companies and engaging our stakeholders.

SHUT DOWN TO OPEN UP

AGENCY
VMLY&R AND WAVEMAKER

CLIENT
GAZETA.PL

When liberal news portal Gazeta.pl wanted to start a national debate in Poland about everyday sexism and gender inequalities, they turned to VMLY&R and Wavemaker for help. The agencies suggested they team up with MasterCard and BNP Paribas to buy *Twój Weekend* (*Your Weekend*), one of Poland's longest-running and most-read adult magazines. And then close it down. Before they shut it down, the team reimagined its last issue, The Women's Issue, filling regular sections and columns with content on gender portrayal, sexism, equal rights and more. The project is supported by an advertising campaign, including outdoor, media, cinema, radio, press, social media and online.



4.5m organic reach
25m media impressions

Winner

Cannes Titanium Lion, Grand Prix, and three bronze Lions

Data from: March 2019

wpp.com/thelasteverissue



TRANSPARENCY AND TRUST

We set clear standards, policies and procedures to ensure high levels of transparency and trust throughout our business.

OUR CODE OF CONDUCT

Our policy framework and training set clear ethical standards for our people and companies.

The WPP Code of Business Conduct summarises our principles and key policies that apply to everyone at WPP. It is underpinned by more detailed policies on anti-bribery and corruption, hospitality and gifts, facilitation payments, the use of third-party advisors, human rights and sustainability. In 2019, we implemented a new Disability Policy.

We require our people to take our online ethics training, *How We Behave*, on joining and then on a regular basis, including after each update (at least every two to three years). Topics include diversity, human rights, conflicts of interest and avoiding misleading work. More than 57,000 employees completed the training in 2019. In 2020, *How We Behave* will be refreshed and new modules will be introduced on sustainability and business integrity.

Our online training on anti-bribery and corruption covers the requirements of the Foreign Corrupt Practices Act and UK Bribery Act, including issues such as hospitality and gifts, facilitation payments and the use of third-party advisors.

MANAGEMENT AND COMPLIANCE

Our Group Chief Counsel and Head of Sustainability oversees our approach to ethics and compliance. Senior managers in all our companies and our business and supplier partners are asked to sign a copy of the WPP Code of Business Conduct each year to confirm they will comply with its principles. Since 2019, our newly-established Board-level Sustainability Committee and Executive Committee sustainability working group provide additional oversight and guidance on any ethical issues that may arise.

Our people can report concerns or suspected cases of misconduct confidentially through our independently managed Right to Speak facility, which is overseen by our legal and business integrity teams and is available via phone or email in local languages. We publicise the facility in induction packs, on our intranet, in the WPP Policy Book and via our ethics training.

In 2019, we received 361 reports (2018: 200) via Right to Speak, all of which were followed up, investigated where appropriate by our legal, business integrity and internal audit teams, and reported to the Audit Committee.

ASSOCIATES, AFFILIATES AND ACQUISITIONS

We expect associate companies (those in which we hold a minority stake) and affiliate companies (preferred partners to whom we may refer business) to adopt ethical standards that are consistent with our own.

Our due diligence process for acquisitions and expansion into new markets includes a review of ethical risks including those relating to bribery and corruption, human rights or ethical issues associated with client work.

We identify any specific human rights risks associated with different countries of operation, using sources such as the Transparency International Corruption Index, Human Rights Watch country reports and government guidance.

Acquired businesses must adopt our policies and their people must undertake our ethics training within a month of joining WPP. This is agreed in an integration plan before the acquisition is finalised, and we monitor progress.

PUBLIC POLICY

Most of our public policy activity is work that our public affairs businesses carry out for clients, including direct lobbying of public officials and influencing public opinion. On occasion, we also advocate on issues that affect our business.

We believe that business can make a valuable contribution to public policy debate, but that to protect the public interest it is important to conduct all lobbying with integrity and transparency.

Our public affairs companies include: Burson Cohn & Wolfe and its affiliates (Prime Policy Group and Direct Impact); Penn Schoen Berland; Finsbury; Glover Park Group; and Hill+Knowlton Strategies and its affiliates (OGR and Benenson Strategy Group). The majority of their work takes place in the United States and the 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, and both are available on our website. These documents commit us to acting ethically in all aspects of our business and to maintaining the highest standards of honesty and integrity. Political activities in particular should be conducted legally, ethically and transparently and all related communication should be honest, factual and accurate. Our policies apply to all companies and employees at all levels.

57,000+
people completed ethics training in 2019

Many of our companies are members of professional organisations and abide by their codes of conduct. Examples include the UK Association of Professional Political Consultants (APPC), and the European Public Affairs Consultancies' Association (EPACA).

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

Our companies in the United States whose sole or primary business is lobbying have representatives of both major political parties among senior management.

We will not undertake work that is intended to mislead and always seek to identify the underlying client before taking on work. We do not knowingly represent "front groups" purporting to be independent campaign groups but which are in fact controlled by another organisation for the purpose of misleading.

Our Group Chief Counsel and Head of Sustainability has responsibility for developing and implementing our political activity policy and public reporting procedures. The CEO and CFO in each country or region are responsible for implementing our policy at the local level.

Any third parties conducting political activities on behalf of WPP or its companies must comply with our Political Activities and Engagement Policy. Third parties are required to complete the WPP ethics training or equivalent within their own organisation.

POLITICAL CONTRIBUTIONS

WPP companies 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 legal 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 companies may make personal voluntary political contributions directly to candidates for office. Several of our businesses, including Burson Cohn & Wolfe/Prime Policy and Glover Park Group also maintain political action committees (PACs) which accept voluntary donations from their people to support political candidates. In 2019, these PACs made disbursements worth \$128,295 (data from fec.gov).

LOBBYING AND POLITICAL ADVOCACY

We occasionally contribute to the debate on public policy issues relevant to our business, sometimes through our public affairs companies.

We advocate on sustainability issues, through partnerships such as the Common Ground initiative in support of the UN Sustainable Development Goals. In 2019, Demet İnkiler, WPP Turkey Country Manager and EMEA CEO of GroupM, joined the local board of the UN Global Compact with responsibility for diversity and inclusion. Karen Blackett OBE, WPP UK Country Manager, serves as the UK Government's Race at Work Champion, supporting the Race at Work Charter.

Our companies contribute to public policy debate in areas where they have expertise and a special interest. Our digital and research companies, for example, are involved in privacy and data protection issues.

WPP companies 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.

MEMBERSHIP OF TRADE ASSOCIATIONS

We are members of trade associations, industry groups and membership organisations which undertake lobbying activity on behalf of their members. We select organisations with priorities and values aligned with our own and with robust governance processes. WPP companies must nominate a senior manager to manage and oversee trade association relationships.

At a Company level, our memberships include: 30% Club, the American Benefits Council, All Party Parliamentary Corporate Responsibility Group, British American Business Inc, Business Disability Forum, Business Roundtable, CBI, China Britain Business Council, Executive Leadership Council, Institute of Business Ethics, the Northeast Business Group on Health, PARC, Trilateral Commission, Valuable 500, Wall Street Journal CEO Council, Women on Boards, and the World Economic Forum.

In our markets, our companies are often members of local advertising, PR, public affairs and market research industry associations, as well as national chambers of commerce and business councils.

PRIVACY AND DATA ETHICS

More than ever, data underpins, drives and contributes to the work that we do for our clients. We use the term "data" in its broadest sense, to include client data, consumer data, and all information and data related to the operating our businesses.

We require all our people to operate in line with our Data Code of Conduct. This contains the underlying principles that: WPP, its companies and its people are committed to the responsible collection, management, use and protection of data; and we recognise our obligations to all stakeholders, including shareholders, clients, our own people, suppliers and consumers.

We focus on building our people's awareness and knowledge so everyone understands and takes responsibility for data privacy and security. We have robust standards and governance processes in place to reduce risks and comply with regulation. We partner with clients, peers and industry organisations to promote best practice.

In 2020, the focus will continue to increase on data ethics, artificial intelligence and machine learning, and privacy by design, particularly as the availability and possible applications of data increase across all areas of our business.

POLICIES AND GOVERNANCE

Since the launch of the WPP Data Privacy and Security Charter in 2018, we have issued incremental updates to reflect regulatory changes and best practices, as well as changes to our business. For example, the Charter now includes an Artificial Intelligence Statement to guide our people on its use.

The Charter helps us communicate our approach to data to our people and clients, setting out core principles for responsible data management through our Data Code of Conduct, our IT security, privacy and social media policies, and our security standards (which are based on ISO 27001).

Our Group Chief Privacy Officer leads our work on privacy, supported by our Data Protection Officer. Together, they provide practical guidance and support to our agencies on data ethics, ensure that privacy risks are well understood across the business, help us prepare for relevant new regulation, and promote best practices.

Our networks and companies have appointed privacy leads to oversee the implementation of our policies at a local level. They report progress via our Group Chief Counsel and Group Chief Privacy Officer.

AUDIT AND DUE DILIGENCE

Our company-wide audit programme includes controls reflecting the technical and organisational measures in place to protect data, as well as specific data privacy controls. Our internal audit team runs a rolling programme of audits across our companies to review privacy risks and practices using these controls.

Suppliers who collect, manage or store employee, consumer or client data on behalf of WPP, our companies and our clients must have the right data security and privacy standards in place. We conduct due diligence on data suppliers and embed privacy requirements in our supplier contracts.

TRAINING AND ENGAGEMENT

We continue to enhance our Safer Data platform, which is a well-used resource across the Group. The platform provides information, guidance and resources to help our people understand privacy risks and to apply our policies in their work.

The platform also includes our regulatory toolkits for GDPR, CCPA and LGPD, model data protection contract clauses, privacy impact assessment tools, policy templates and other topic – or jurisdiction-specific guidance and resources.

We will relaunch our mandatory global Privacy and Data Security Awareness online training in 2020. There will be updates to both the style and content of the training, making it more engaging and relevant and ensuring our people are well-trained in our data responsibilities as a company and in their individual roles. Our team also continues to run face-to-face training to reflect specific topics or regulations, for example we have trained over 1,000 of our employees on the new California Consumer Privacy Act.

We work with clients to share insights and privacy best practices, demonstrating how we apply these across the Group and in the work we undertake for them. Our people have access to a range of resources to support them in these conversations, and our Data Privacy and Security Charter is written in a way that can be shared with clients.

As regulations continue to evolve, we partner with clients, industry organisations and peer companies on privacy and data protection issues, particularly with advertising bodies in the regions where we operate such as the Internet Advertising Bureau (IAB) in Europe and the United States, and the UK Advertising Association.

DATA HEALTH CHECKER

We use our Data Health Checker to review privacy risks and data security practices in our businesses. This provides insight into how data is used, stored and transferred and helps to identify any parts of the business that need further support on data practices. The results show that the majority of our companies continue to have measures in place that meet or exceed their level of privacy risk (the average risk score is 2.14, where 5 is the maximum risk score). Of those companies surveyed, 80% have a dedicated privacy lead.

TAX POLICY

Tax revenues sustain national economies. We recognise our obligation to pay the amount of tax legally due in the territory in which the liability arises, and to comply with all legal requirements. At the same time, we have an obligation to maximise shareholder value, which includes controlling our overall liability to taxation.

The WPP Audit Committee, which is made up of Independent Non-Executive Directors, is responsible for overseeing our policies on tax and regularly reviews our tax strategy.

We disclose our UK Tax Strategy in our [Annual Report](#) and key elements are summarised below.

TAX PAYMENTS IN 2019

The Company paid corporation and overseas taxes of £536 million in 2019 (2018: £384 million). Estimated employer social security-related taxes paid during 2019 were £939 million (2018: £718 million). Other taxes (primarily property taxes) paid during 2019 were £46 million (2018: £64 million).

We are starting to quantify the wider economic impacts of our business and the benefits associated with our activities, including tax payments to governments. See [Quantifying our impacts](#), pages 9 and 10.

TAX COMPLIANCE AND RELATIONSHIP WITH TAX AUTHORITIES

We seek to comply with our tax filing, tax reporting and tax payment obligations globally. We look to maintain open and transparent relationships with the tax authorities in the jurisdictions in which we operate. This may take the form of discussing key developments in our business and the potential impacts of those developments on our tax liability. Equally, it may involve disclosing and seeking to resolve a known issue prior to filing the relevant tax return.

From time to time, our views (and those of our advisors) on the appropriate tax treatment in a given case may differ from those of the tax authorities. Where such circumstances arise, we work constructively with the tax authorities in question to achieve an early resolution.

TAX PLANNING

We will not engage in purely artificial transactions with the sole purpose of reducing tax. However, we will consider undertaking a transaction in a way that gives rise to tax efficiencies, providing this aligns with our commercial objectives and complies with tax legislation. We will not transact in this way if the underlying commercial objectives do not support the position, or if the arrangements impact upon our reputation, brand, social responsibilities, or future working relationships with tax authorities.

We recognise our responsibility to pay an appropriate amount of tax in each of the key jurisdictions in which we operate. We also have a responsibility to our shareholders to structure our affairs in an efficient manner.

Accordingly, we may utilise tax incentives or opportunities to transact efficiently from a tax perspective where these are:

- not considered to carry significant risks to our reputation or relationship with the tax authorities in the jurisdictions in which we operate;
- aligned with the intended policy objectives of the governments which introduced the incentives; and
- aligned with our business or operational objectives.

We may seek external advice on tax planning or areas of complexity or uncertainty, to support our tax strategy. We will not promote or work with advisors to support tax planning unless the arrangements are consistent with our tax strategy.

TRANSPARENCY

We support initiatives to improve international transparency on taxation, including OECD measures on country-by-country reporting and automatic exchange of information.

We do not tolerate tax evasion, nor do we tolerate the facilitation of tax evasion by any person(s) acting on our behalf.

GOVERNANCE AND MANAGEMENT

We have established governance processes and policies to help us manage sustainability risks and opportunities consistently across the Company.

ROLES AND RESPONSIBILITIES

Our Group Chief Counsel and Head of Sustainability has operational responsibility for sustainability, supported by our Group Director of Sustainability, appointed in 2019. She heads our central sustainability team, which develops strategy and coordinates sustainability projects and data collection. The sustainability team communicates on related matters on behalf of the Company and works with our operating companies and other corporate functions, such as our talent, audit, legal, real estate, IT and procurement teams, to embed our standards.

In 2019, we strengthened our governance of sustainability by establishing a Board-level Sustainability Committee to steer our approach.

i See Sustainability Committee Report on page 5

We also increased our sustainability expertise at Board level with two new Non-Executive Director appointments. Keith Weed brings his experience as ex-chief marketing officer at Unilever where he was responsible for Sustainability globally and as president of the UK Advertising Association and a board member of Business in the Community, while Jasmine Whitbread has held senior positions at Oxfam and Save the Children.

We also established a new Executive Committee working group on sustainability to guide our strategy and oversee our approach across agencies. Our Charity and Pro Bono Committee oversees our donations and pro bono work.

EMBEDDING SUSTAINABILITY IN OUR COMPANIES

WPP sets sustainability policy, with every company responsible for implementation. We have a clear policy framework through our Code of Business Conduct, Sustainability Policy, Supplier Code of Conduct, Data Privacy and Security Charter, Human Rights Policy Statement and other policies included in the WPP Policy Book. We track progress using our social and environmental key performance indicators.

Our internal sustainability advisors are working to ensure consistent implementation of our standards. In 2019, we ran training for our top 200 global leaders on sustainability as a lever for innovation and growth. We also piloted an online resource hub to share best practice across our companies and encourage collaboration.

RISK MANAGEMENT

Environmental, social and governance (ESG) risks are integrated into the Company's risk appetite and tolerance levels as well as its assessment, management and monitoring of principal risks. This includes the Brand Check review process, through which the Board receives an assessment of risks to each business at each Board meeting. Risks included in the Brand Check review include the possibility of winning or losing major business; succession and the addition or loss of a key executive; introduction of new legislation in an important market; sustainability, including risks relating to marketing ethics, privacy, diversity and employment; political instability; and changes in accounting or corporate governance practice.

ESG risks are also included in our programme of internal audits. Our principal risks and uncertainties are set out in detail in the strategic report section of our [Annual Report](#) and include risks relating to climate change, cyber and data security and our ability to recruit and retain talented people.

STAKEHOLDER ENGAGEMENT

Dialogue with our stakeholders, including our people, clients and investors (see below), 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 also carry out more formal research as part of our materiality process, see pages 55-57. We work with clients (pages 14-18) and engage our people (page 29) on sustainability issues, and also work closely with NGO partners to increase our understanding and amplify the impact of their work. Our engagement with government stakeholders is covered in the public policy section on page 49.

INVESTOR ENGAGEMENT

Our involvement with investors, rating agencies and benchmarking organisations on sustainability during 2019 included: Bloomberg Gender-Equality Index; CDP; Ecovadis; Ethibel; Euronext Vigeo Europe; FTSE Russell; Human Rights Campaign Foundation's 2018 Corporate Equality Index; ISS Data Verification; MSCI Research Inc; Sustainalytics; Thomson Reuters D&I index; Trucost; and Workforce Disclosure Initiative (WDI).

We are included in the FTSE4Good Index and participate in the CDP Climate benchmark, receiving a rating of B in 2019 (2018: A-, see page 37).

SAFETY PRACTICE VIDEOS



AGENCY
SOCIAL LAB

CLIENT
TIKTOK

As the TikTok app continues its rapid growth among Gen-Z audiences, the brand was keen to build trust and understanding among parents, teachers and educators through proactive, future-facing, product safety communications.

So Social Lab launched a safety campaign teaching its young audience safer practices online. The campaign features some of their most loved creators from a variety of backgrounds and genres, demonstrating their commitment to originality as they educate, empower and encourage their global community to stay safe.



5m

media impressions

Data from: August-September 2019



INTO THE SPOTLIGHT

AGENCY
WUNDERMAN THOMPSON

CLIENT
LUX

Despite changing attitudes around women and work in Saudi Arabia, only 16% of the workforce is female. The Unilever brand Lux turned to Wunderman Thompson to highlight women when people searched online for male-dominated jobs. The agency launched #IntoTheSpotlight on International Women's Day and used paid search results on Google to profile leading women in the relevant fields. Linking to content on Mira, a joint venture between Unilever and Vice, this meant when someone searched for "photographers" it took the user to videos and information about leading fashion photographer Huda Beydoun.

15-20%
increase in inquiries
for the featured
professionals

870,000
people reached across
Saudi Arabia on
International Women's
Day 2019

Data from: March 2019



wpp.com/intothespilight