

SUPPLY CHAIN

We expect the companies we work with to meet high ethical, human rights, workplace and environmental standards. However, with over 130,000 companies in our supply chain, some risks will remain. We endeavour to mitigate these risks.

WHO'S IN CHARGE?

Our Group procurement team is led by our new Chief Procurement Officer and manages centrally negotiated contracts with preferred suppliers. A significant proportion of additional procurement is delivered through contracts negotiated by budget holders within our operating companies. Our sustainability team provides Group Procurement and our companies with guidance on the implementation of our responsible sourcing standards.

HOW ARE WE DOING?

- CODE OF CONDUCT** All suppliers must read and sign our Supplier Code of Conduct
- 12 MARKETS** Pre-selection questionnaire with integrated sustainability criteria rolled out across 12 key markets, with an intent to roll out to further markets during 2020
- REVIEW** Redeveloping our approach to supply chain management and responsible sourcing
- 1.6%** of procurement spend in the United States is with certified diverse suppliers (2018: 2.1%)

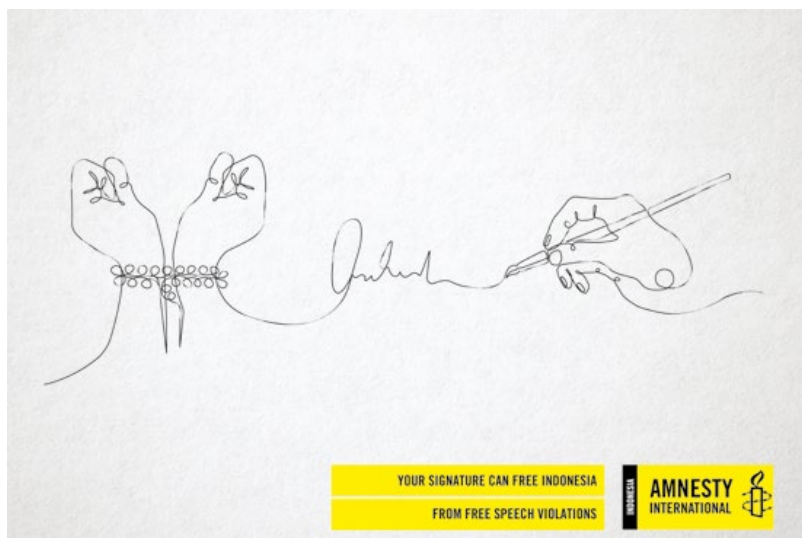
IN THIS SECTION

OUR SUPPLY CHAIN

Setting and communicating clear supplier standards, and embedding sustainability criteria within our supplier selection and onboarding process.

HUMAN RIGHTS

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



THE POWER OF PEN ON PAPER

AGENCY
GREY

CLIENT
AMNESTY INTERNATIONAL

Amnesty International wanted to show Indonesians that a single signature can make a big impact. So Grey created Signature, a poster series chronicling the role petitions can play in ending human rights violations such as child marriage and gender-based violence, and calling for Indonesians to take action by putting pen to paper.

25%
increase in signature pledges to Amnesty International Indonesia

Data from: October-December 2019

YOUNG BRIDE

AGENCY
WUNDERMAN THOMPSON

CLIENT
THE LEBANESE WOMEN DEMOCRATIC GATHERING

Over 3,000 child brides were legally married in Lebanon in 2018. Wunderman Thompson turned the tables on the tradition through the website young3arous.com, a fake e-matrimony child bride site. To highlight the plight of child brides, a film tells the story of a 12-year-old girl, in a white wedding dress and veil, marrying a man who looks old enough to be her grandfather. The story gained traction across media and instigated a demonstration to change the law which reached Parliament.

6m
people engaged in the campaign

The proposed new law to raise the legal age of marriage to 18 was presented to Parliament once more for hearing



Data from: October-November 2018

wpp.com/youngbride

OUR SUPPLY CHAIN

Our suppliers fall into two main categories: those providing goods and services that we use to run our companies such as IT, travel, telecommunications, professional services and facilities; and those providing services used in client work, such as advertising production and market research.

In 2019, we commissioned an independent consultancy to assess the maturity of our supply chain management policies and processes. Following this evaluation, our new Chief Procurement Officer is leading a complex programme of activities designed to evaluate and implement a modernised procurement ecosystem and infrastructure. This work includes a project to develop an automated consolidation of our supply chain systems across WPP in order to upgrade data insights on our suppliers. Working with Group Procurement, the sustainability team is conducting an exploratory project on how to embed new controls and processes to develop a more mature responsible sourcing programme.

SOURCING STANDARDS

Our expectations of suppliers are set out in our [Supplier Code Of Conduct](#), which is based on the Code that applies to all WPP companies and people. The supplier version includes requirements relating to labour practices (such as anti-harassment and discrimination, and health and safety), human rights (including modern slavery issues such as child, forced or bonded labour), social impacts (such as anti-bribery and corruption) as well as other sustainability issues. Our Code requires suppliers to apply similar standards to companies within their own supply chain.

SUPPLIER SELECTION

We have already established due diligence processes to help us select suppliers that meet our responsible sourcing standards, and we work with them to positively influence the wider supply chain. This reduces risks to our business and clients and enables us to respond to the growing number of client tender processes that include supply chain management criteria.

As part of our supplier onboarding process, we evaluate potential new suppliers on factors such as assurance of supply, quality, service, cost, innovation and sustainability.

Our procurement policy requires that anyone who buys goods and services in any WPP company considers sustainability risks and criteria to determine whether suppliers are fit for purpose. Supplier partners must read and sign the WPP Supplier Code of Conduct, confirming that they will comply with our standards, and we include a right-to-audit clause in purchase orders where appropriate.

To continue to strengthen our due diligence, in 2019 we completed the roll-out of two additional supplier pre-selection questionnaires across 12 of our largest markets. The first questionnaire is for use with potential new suppliers. It assesses compliance with our core standards in areas such as legal compliance, labour and human rights practices, environment and supply chain management. The second, more detailed information request, will help us to monitor standards in our supply chain and work with suppliers to address gaps and risk areas.

Any "flags" raised in this process are immediately sent to the global sustainability team for investigation before any further onboarding takes place.

As part of a wider transformation of our procurement data systems and processes, we will conduct comprehensive assessments of a selection of our suppliers within high-risk countries (e.g. for issues such as modern slavery) and will embed responsible procurement guidance and any changes or updates to processes as required.

SUPPLIER DIVERSITY

We work with many small and diverse suppliers and this can be a source of new ideas and creativity. In the United States, around 1.6% of spend (2018: 2.1%) is with certified diverse suppliers including women- and minority-owned businesses. Our data does not capture the number of small suppliers. We have recently expanded our data collection to cover some of our European markets, and aim to report on this next year.

HUMAN RIGHTS

Respect for human rights is a fundamental principle for WPP. We aim to prevent, identify and address any negative impacts on human rights associated with our business activities.

We look for opportunities to promote human rights, in areas such as our pro bono work.

i See examples of our pro bono work, pages 22-24

Our [human rights policy statement](#) summarises our approach. It reflects international standards and principles, including the International Bill of Human Rights, the UN Guiding Principles on Business and Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the Children's Rights and Business Principles.

We are a member of the [United Nations Global Compact](#) and report progress against its 10 principles annually. This report forms our fifth annual communication on progress.

i See reporting standards index, pages 61-64

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 we do not tolerate harassment or any form of forced, compulsory or child labour.

Human rights are included in the ethics training completed by all employees, which we updated during the year as part of a wider commitment.

i See 'Attracting and Retaining Talent', pages 25-34

We work with clients to manage any human rights risks from marketing campaigns, for example by protecting children's rights in relation to marketing. WPP companies will not undertake work designed to mislead on human rights issues.

MODERN SLAVERY

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

WPP recognises the prevalence of modern slavery across all countries. We aim to implement appropriate measures to mitigate the risk of it occurring, either in our own operations or those of our partners. To this end, we are working with a transnational crime consultant to help us re-evaluate our approach to managing modern slavery risks within our supply chain.

As part of our due diligence process, our supplier questionnaires include an assessment of modern slavery risk. In 2019, we updated our Global Supplier Agreement to include a specific clause relating to modern slavery.

In line with the Australian Modern Slavery Act, our Group procurement team has re-evaluated our supply chain and conducted a risk assessment on a selection of direct suppliers based on country, category, industry and spend.

WPP is also committed to working with other businesses and governments to act against modern slavery. In the UK, we are a member of the Home Office Business Against Slavery Forum (BASF) and are on the Steering Committee of the inaugural Business Against Slavery Conference, which aims to bring together businesses and leading experts to consider best practice business responses to risks of modern slavery.

i To learn more download our [Modern Slavery Act Transparency Statement](#)

TRANSPORT INITIATIVE FOR SURVIVORS OF MODERN SLAVERY

Using public transport to reach job interviews or appointments is prohibitively expensive for many survivors of modern slavery and can be a barrier to recovery.

In 2019, we supported the launch of an initiative, alongside charity Hestia, the Rights Lab from The University of Nottingham, The Salvation Army, Transport for London, and other companies, to understand the transport needs of survivors of modern slavery in London and build the evidence needed to push for policy change in this area.

From December 2019 to February 2020, 100 survivors of modern slavery in London received Oyster cards, which were topped up fortnightly.

They then took part in surveys and interviews to provide qualitative and quantitative data. The findings will be published after further analysis in late 2020.

The Rights Lab said, "It is through research and evidence gathering such as this that we start to get an insight into the daily realities for survivors of modern slavery and can understand what is needed to enable them to thrive and not fall back into exploitative situations".

Hestia said, "We are incredibly grateful to WPP for their support to this important and innovative project. Transport poverty is a significant barrier in the recovery and integration of survivors of modern slavery whom we support."