

CHIEF EXECUTIVE'S STATEMENT



"WE ARE WORKING CLOSELY WITH OUR CLIENTS AS THEY ENDEAVOUR TO LIVE UP TO THEIR PURPOSE."

Mark Read
Chief Executive Officer

2020 tested and challenged everyone.

The pandemic reshaped our daily lives, forced us to give up what we once took for granted, and distanced us from our families, friends and colleagues. It continues to have a terrible human cost around the world. The killing of George Floyd created a wave of hurt and protest, and reminded us once again of the deep-seated inequities faced by our Black communities. Political division and the climate crisis loomed ever larger.

We have learned that life is fragile. But we have also discovered how resilient and inventive we are, and how much we can achieve when people come together.

It has been a time of great endeavour. The world's development and deployment of vaccines in record time has been little short of miraculous. Forced to work at home, people adapted fast, and so did businesses. We saw five years' worth of innovation in five weeks.

As society and the economy digitised almost overnight, at WPP we helped clients respond to changing consumer needs and the rapid rise of ecommerce. We put our skills to work by helping organisations around the world to communicate public health messages and build confidence in vaccines.

Creativity – and our capabilities in media, public relations, data and technology – have never been more important. Marketing and communications have the power to shift opinion and change behaviour at the scale needed for a more sustainable and equitable future. We are working closely with our clients as they endeavour to live up to their purpose.

Our purpose is to use the power of creativity to build better futures for our people, planet, clients and communities, and this report sets out the various ways in which we are working to do that.

PEOPLE: EMPLOYER OF CHOICE FOR ALL

Since March 16 2020 the overwhelming majority of our people have been working from home, dealing with all the difficulties that brings. Their safety and wellbeing has been our top priority. We invested in wellbeing resources and initiatives, especially in relation to mental health (see page 26) and created new ways to connect and collaborate across WPP. A personal highlight was speaking with more than 39,000 colleagues through a series of 28 virtual townhalls during the year, something we will continue.

In May, the killing of George Floyd compelled us to face the truth that racial injustice is pervasive and endemic. In response, we announced a series of commitments designed to use our creativity, our scale and our influence to tackle racism and invest in Black talent. We formed WPP's first Global Inclusion Council to work with me and the rest of the Executive Committee to help us deliver these commitments. You can read about our goals and progress towards them, including the publication of our US and UK ethnicity diversity data, on pages 18-20 of this report.

Much work remains, but we have made good progress in driving gender equality. Women now represent 51% of our senior managers and, at the most senior executive level, this figure is 40%, up from 37% in the previous year. Our aim is to achieve parity. We have increased the proportion of women on our Board to 43%. In 2020 we were named a Forbes Top 20 Employer for Women in the United States, and in 2021, an industry leader in the Bloomberg Equality Index for the third year running.

Our UK gender pay gap narrowed between 2019 and 2020, but for as long as there is any gap, we cannot, of course, be satisfied.

We are working hard at WPP to improve in all aspects of diversity, equity and inclusion (DE&I). While recognising that we still have much to do, we have improved the disclosure of WPP's workforce ethnicity data and, for the first time, included DE&I goals in the remuneration plans of our senior executives, beginning in 2021.

As a member of the UN Global Compact we remain committed to embedding its 10 principles for human rights, labour, environment and anti-corruption in our business. This report shows our progress.

i Read more on pages 13-27

PLANET: NET ZERO BY 2030

In 2020 we saw a record drop in global emissions, driven by an estimated 3.5% contraction in the global economy as people around the world stayed at home to limit the spread of Covid-19. But low economic growth is not the way to tackle climate change. We need to rebuild our economies without driving up carbon emissions and, thereby, decouple emissions and growth.

Although we have been managing our carbon footprint for 15 years, we know we must all accelerate the pace of change. That is why in 2020 we amended our purpose statement to make it explicit that our commitment to the planet is integral to our business.

We have since committed to reach net zero emissions in our operations by 2025 and our supply chain by 2030, including emissions from media investment – an industry first. Our new goals are underpinned by targets that are in line with the Paris Climate Agreement and will be verified by the Science Based Targets initiative.

A significant challenge for reducing carbon emissions is being able to measure them with confidence, which is why we are determined to use our buying power to work with suppliers to develop more robust protocols for measuring emissions, particularly for the media space we buy. This work will benefit our whole industry and, with it, our clients and the wider public.

i Read more on pages 28-36

CLIENTS: WORK WITH IMPACT

Our client work reaches billions of people every day, and the examples in this report demonstrate its wider impact and contribution towards the UN Sustainable Development Goals.

As clients look again at their business models in preparation for a post-Covid world, many have already set ambitious sustainability targets. We continue to strengthen our expertise and offer so we can help them achieve these goals.

In 2020 we created a playbook to embed inclusive marketing principles in everything we do, and established a Diversity Review Panel to provide a forum to escalate and address concerns around potentially offensive or culturally insensitive work. We also launched a community private marketplace (PMP) to financially support Black journalism and community voices.

i Read more on pages 37-42

COMMUNITIES: PLAYING OUR PART

We aim to use the power of our creativity and voice to support healthy and vibrant communities. While our industry is not on the front line of tackling the pandemic, we do have an extremely important role to play in shaping consumer behaviour and actions.

During 2020, we worked with governments, commercial clients, NGOs and international health bodies, including the World Health Organization (WHO), to produce public awareness campaigns to help limit the spread and impact of Covid-19.

GroupM secured and delivered more than \$45 million in advertising space and pro bono work to help the WHO reach the public with its vital communications promoting social distancing and good hygiene (see page 47).

Many of our agencies have also added their creativity and expertise to the efforts to roll out and build public confidence in vaccines, again working with a range of public and private sector organisations.

i Read more on pages 43-48

There are many challenges ahead, but 2020 gives us reason to be optimistic. At WPP, we will continue to work with our people, clients and partners to take action in the ways that we need to create a better and more sustainable future.



Mark Read
Chief Executive Officer