# **ATTRACTING AND RETAINING TALENT**

Our clients choose WPP on the strength of our people's insights, creativity, expertise in data and technology, and original ideas. We need to attract and retain the best, most forward-thinking talent.

There is fierce competition for talented people in our industry so we need to offer a great employee experience with attractive remuneration and benefits, and opportunities to learn, develop and grow. Diversity of thought, background and outlook stimulates creativity and helps us to produce great work. Increasing the diversity of our workforce and creating an inclusive, values-led culture is a priority.

We directly employ more than 130,000 people in 112 countries.

### **OUR FOCUS AREAS**

- Embedding a culture based on our new values of being open, optimistic and doing extraordinary work
- Improving diversity and inclusion
- Investing in skills and creativity
- Offering attractive compensation, flexible working practices and opportunities for collaboration and growth

### **WHO'S IN CHARGE?**

WPP's talent team supports leadership and human resources professionals in our companies, providing guidance on current issues and facilitating best practice sharing.

Our Head of Culture champions our values, collaboration and employee engagement.

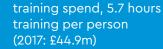
Our Code of Business Conduct, Human Rights Policy Statement and Sustainability Policy set out our core principles for people management.

### HOW ARE WE DOING?



women in executive leadership (2017: 35%)

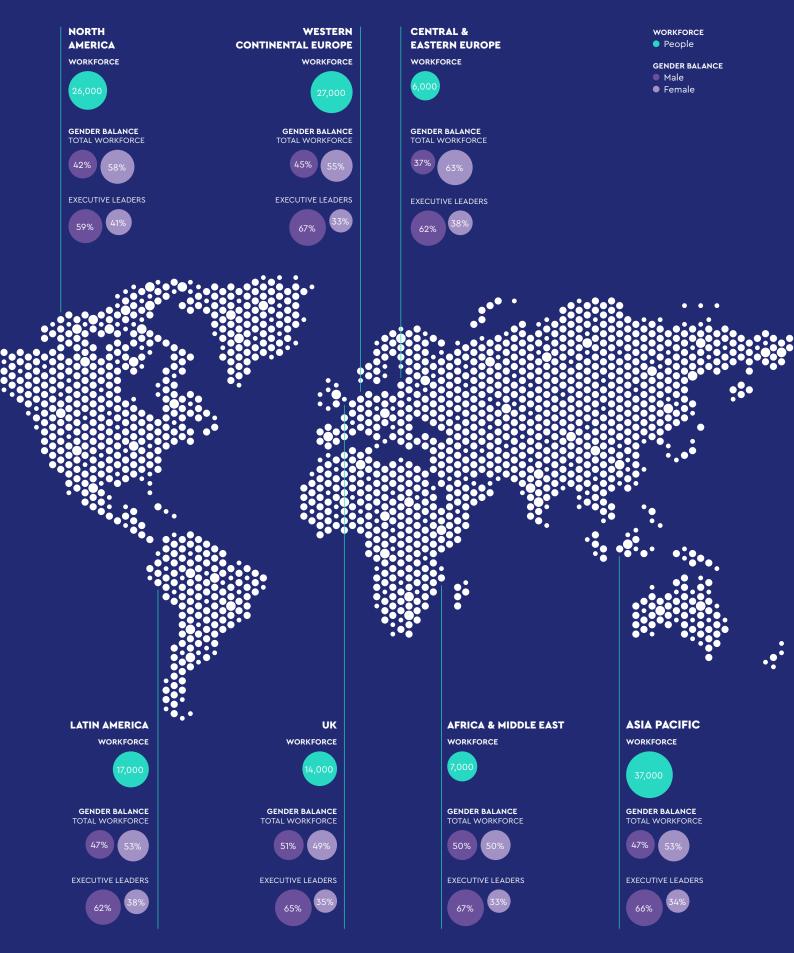
women in senior management (2017: 49%)





satisfied with work-life balance (2017: 47%)





# SKILLS, TRAINING AND DEVELOPMENT

We invest in training and development to build the creative, technical and leadership skills our business needs. Training and opportunities for professional and personal development contribute to employee engagement and retention.

Overall, we spent £45.5 million on training in 2018 (2017: £44.9 million) with 65% of our people taking part in formal training programmes, averaging 5.7 hours per person. In 2018, we also rolled out Lynda.com to over 57,000 of our people, enabling them to access thousands of video courses that can be completed on a desktop or mobile device.

Around 900 of our leaders participated in our group leadership training programmes in 2018, such as Maestro which develops the effectiveness and confidence of our senior client-facing people. We are developing the coaching elements of our programmes to enable and encourage leaders to share the new insights and skills gained through our programmes with their teams. We follow up with training participants to understand the impact of our courses and identify opportunities for improvement. Feedback from our leadership courses, for example, shows that 89% of participants agree that it has helped improve their performance at work.

During 2018, 76% (2017: 80%) of our people participated in a formal appraisal process, and 69% (2017: 70%) of executive leaders and 66% (2017: 68%) of senior managers had a 360-degree appraisal.

Springboard, our online job board, helps our people find new roles within our companies in the UK, China, Hong Kong and Singapore. In 2018, around 23% of vacancies were filled by people already working within the Company. £45.5m spent on training in 2018 (2017: £44.9m)

65% of our people taking part in formal training programmes (2017: 63%)

# **REWARD AND REMUNERATION**

Our companies offer competitive compensation packages to recruit and retain talented people. We are reviewing our incentive plans to align with our new strategy and ensure we have rewards that promote and encourage collaboration and growth.

Not all markets will provide the same benefits but typically, these may include retirement savings plans, health and wellness, employee assistance and life assurance. Many of our people also participate in performance-related incentive plans.

WPP has operated worldwide stock option plans since 1997 and makes grants to around 50,000 eligible employees each year. Senior people may participate in share-based incentive plans that align their reward with that of our shareholders. Compensation for our Executive Directors is set in accordance with our Directors' Compensation Policy and in accordance with the UK Corporate Governance Code. The policy for our most senior executives is designed to attract and retain best-in-class talent. Our policy looks to incentivise Directors to develop their skills, and those of their employees, in order to maximise their potential and ability to deliver an excellent service for our clients and a sustainable return for our shareholders. 50,000 employees eligible for WPP stock option plans

# **INTERNSHIPS AND APPRENTICESHIPS**

Internships and apprenticeships provide valuable development opportunities for young people and can be an important source of new talent for our businesses. It is our policy that all internships and apprenticeships should be paid positions to make sure they are accessible to people from all backgrounds. Many of our internships focus on attracting and retaining diverse candidates. In 2018, our companies offered 9,852 paid internships and apprenticeships (2017: 7,888) across 52 countries with the greatest participation being in Brazil, China, Germany, India and the US.

### SEEKING OUT THE BEST NEW TALENT

Each of our apprentice and internship programmes are a little different. But they all play a valuable role in helping us identify the next generation of talent, while providing unique development opportunities for young people.

In San Francisco, for example, Wunderman Thompson's Summer Internship Programme offers college students the opportunity to own a project from brief through the creative process to the final marketing solution. Over eight weeks, students receive classroom style training from top creatives, strategists, analysts and account managers and present their ideas directly to the client.

In London, MediaCom operates a 12-month apprenticeship enabling participants to gain experience across different functions while studying for an NVQ qualification. Apprenticeships are offered in media planning, buying, data and technology, HR, new business and business science. MediaCom works with inner city schools and colleges, social enterprises and diversity groups to encourage a wide range of candidates to apply. 9,852 paid internships and apprenticeships offered during 2018 (2017: 7,888)

# **EDUCATION PARTNERSHIPS**

We partner with schools, colleges and universities to promote careers in our industry and to help ensure that our future talent pool will have the skills we need. This can be particularly important in countries where our industry is less well established.

Our involvement ranges from significant partnerships to support provided by our offices at the local level. Many of our senior staff also share their time and expertise as visiting lecturers and teachers.

Examples include:

- the WPP School of Communications and Marketing at the Shanghai Arts and Design Academy (SADA);
- our partnership with the Indian School of Design and Innovation, in Mumbai, which offers a three-year undergraduate course on marketing communications; and
- the WPP Africa Academy, in Johannesburg, which provides training and development opportunities for all WPP agencies in South Africa.

### **INSPIRING CREATIVITY WITH D&AD**

The D&AD New Blood Academy with WPP is a two-week creative bootcamp for some of the most talented young creatives. Held in East London, attendees are mentored by our agencies through a programme of talks, workshops, hacks and live client briefs. Participants gain unique access and experience with the opportunity to secure internships within the WPP global network – while our agencies gain access to exceptional young talent.

D&AD is a membership and awards association for the creative, design and advertising communities.

# ENGAGEMENT AND FEEDBACK

We use formal and informal mechanisms to assess employee engagement and satisfaction.

In 2018, we began the process to set up our first employee forum in the UK. We will roll this out to more markets starting with China, India and Turkey. The views and ideas raised through these forums will be shared with the two Non-Executive Board Directors responsible for workforce engagement. We use employee surveys to assess employee engagement and satisfaction. In 2018, a set of consistent questions to assess employee views on sustainability and workforce-related topics were used in surveys covering 75% of our employees. During 2019, we plan to launch a Company-wide employee survey.

Around 99% of our companies use exit interviews, which can provide useful feedback on our culture and practices.

# **75%**

of our employees took part in surveys to assess their views on sustainability-related topics

99% of our companies use exit interviews

# LABOUR RELATIONS

We support the right of our people to join trade unions and to bargain collectively, although trade union membership is relatively low in our industry. In 2018, around 7% of our employees were either members of a trade union or covered by a collective bargaining agreement (2017: 8%). There were 1,267 consultations with works councils, of which the majority were in Europe (2017: 4,116).

As part of our transformation programme we announced that we will be making around 3,500 redundancies in our business, as we merge and restructure some of our agencies and as a result of changes in our client base. We aim to support employees affected by redundancy including through our employee assistance programmes. In 2018, 196 cases against WPP companies were reported through employment tribunals and other external channels, compared to 267 cases in 2017. During the year, 393 cases were finalised (including cases reported from prior years). Of these, 37 were withdrawn, 87 agreed between parties, 220 judged against our companies and 49 judged in favour.

# **DIVERSITY AND INCLUSION**

Creativity thrives on diversity of background and thought. This makes having a diverse and inclusive workplace essential to our long-term business success. We want all of our people to feel valued and able to fulfil their potential, regardless of gender, ethnicity, age, or disability.

WPP does not tolerate harassment sexual harassment, discrimination or offensive behaviour of any kind. We select and promote our people on the basis of their qualifications and merit, without discrimination or concern for factors such as race, religion, national origin, colour, sex, sexual orientation, gender identity or expression, age, or disability. These commitments are set out in our Code of Business Conduct, which applies to all our people and is available on the WPP website, in our Policy Book and on our intranet. Employees are trained on our commitment through our online ethics training, How We Behave, which includes training on diversity and unconscious bias.

### **GENDER BALANCE**

Our workforce is gender-balanced overall and the proportion of women in executive leadership roles increased this year. At the Board level the appointment of Cindy Rose raises the proportion of women on the Board to 33%. Achieving gender balance at leadership levels remains a priority.

In 2018, we signed up to the Women's Empowerment Principles, established by UN Women and UN Global Compact as a guide for businesses on how to empower women in the workplace, marketplace and community. We were proud to be named as an industry leader in the 2019 Bloomberg Gender-Equality Index (GEI) which identifies companies committed to transparency in gender reporting and advancing women in the workplace. The GEI includes 230 firms from 10 sectors, headquartered across 36 countries and regions.

We run development programmes to support career progression for our mid-level and senior women. Examples include:

- Our WPP Stella network, now active in India, Italy, Mexico, South Africa, Taiwan and the UK, aims to tackle barriers that may prevent women progressing to the most senior roles. It runs events, networking opportunities, coaching and training as well as a speaker database to raise the internal and external profile of our senior women. A series of podcasts was launched in 2018 featuring some of our female leaders. The network will be rolled out to further markets during 2019.
- Walk the Talk is our award-winning programme that aims to address gender imbalance at leadership level. It gives participants the chance to focus on their professional and personal ambitions and develop their confidence to take the next steps towards their goals. 1,150 senior female leaders had participated in over 86 of our companies by the end of 2018.
- For mid-level women we have launched **Propeller** which includes training and coaching. It helps participants develop their cross-company networks and address the hurdles that women frequently encounter in their career progression. 75 women have completed Propeller so far.

### **GENDER DIVERSITY**

Board and Executive			
36% (1,796)		64% (3,189)	2018
35% (1,820)		65% (3,436)	2017
Senior Managers			
49% (9,949)		51% (10,407)	2018
49% (9,754)		51% (10,017)	2017
All other employees			
56% (60,601)		44% (47,216)	2018
56% (60,456)		44% (47,555)	2017
Total employees			
54% (72,346)		46% (60,812)	2018
54% (72,030)		46% (61,008)	2017

🖲 Female 📃 Male

# Industry Leader

recognition for WPP in the Bloomberg Gender-Equality Index



### **GENDER PAY GAP**

We published our second <u>UK Gender Pay</u> <u>Gap report</u> in March 2019. This shows a median pay gap for the WPP network of 14.9% (2017: 14.6%). The equivalent national figure (according to the Office for National Statistics) is 17.9%. WPP's mean pay gap is 23.7% (2017 25.5%). Our pay and bonus gaps reflect the lower proportion of women in our upper pay quartile. We are committed to improving the gender balance of our leadership teams, which is the key to tackling our gender pay gap.

### **CHAMPIONING DIVERSITY IN THE UK** Evaluate. Engage. Equip. Empower. These are the four principles of WPP's UK strategy for attracting the best and most diverse talent.

Efforts are led by our UK Inclusion Board, set up in 2018. This is chaired by Country Manager Karen Blackett OBE who is also the UK Government's Race Equality Business Champion. Its members include CEOs, HR heads and client leads from our UK businesses with a passion for inclusion and commitment to drive diversity.

The Inclusion Board is working on projects aimed at increasing the diversity of our workforce in the UK. This includes a diversity survey to improve data; the launch of a WPP mentoring app; new partnerships with universities, professional groups and recruiters; and a host of training opportunities and events.

A key focus is on celebrating and rolling out the best approaches from our agencies. WPP Roots is one of the early successes of this approach. Roots began as professional network within Ogilvy promoting greater ethnic and cultural diversity. Now it is active across several of our UK businesses. It champions authentic representation of diversity within our client work and collaborates with our teams on client briefs such as the successful campaign Change The Facts, Not The Fro for World Afro Day.

Change The Facts, Not The Fro challenged stereotypes that prevent many women and girls wearing their hair naturally.

### "CREATIVITY POWERS BUSINESS GROWTH AND THIS ONLY HAPPENS BY HAVING DIVERSITY OF TALENT IN THE ROOM AND REFLECTING SOCIETY IN THE CONTENT WE CREATE."

### Karen Blackett OBE

WPP UK Country Manager and Chairwoman of MediaCom UK & Ireland

# HEALTH, SAFETY AND WELLBEING

We aim to support our people to look after their physical and mental health and wellbeing. The main health and safety risks in our business are work-related stress and ergonomic injuries. 76% of our companies have appointed someone with specific responsibility for health and safety management.

We offer a range of programmes which can include fitness facilities or subsidised gym memberships; health and nutrition services, including health insurance and medical assessments; counselling and employee assistance services; and ergonomic risk assessments and specialist equipment.

In 2018, our overall sickness rate was 3.2 days per employee. This includes non-work related illness or injuries, work-related injuries and illnesses, and occupational diseases such as work-related stress or ergonomic injuries. There were no workrelated deaths in 2018.

### FLEXIBLE WORKING AND PARENTAL LEAVE

Flexible working arrangements contribute to a more inclusive environment and can help us to recruit, retain and engage a diverse workforce, including parents and those with caring responsibilities. We estimate around 25% of our workforce have flexible working arrangements which include part-time working, flexible start and finish times and home working as well as career breaks and sabbaticals.

Almost half of our companies (48%) offer parental leave benefits that exceed local legal requirements.

To tackle stress, we need to have the right policies and procedures but just as importantly, a culture where our people feel able to talk about concerns and get support when they need it. In countries where there is a culture of working very long hours our companies need to take additional measures. These can include restrictions on overtime and monthly review of overtime data by agency management.

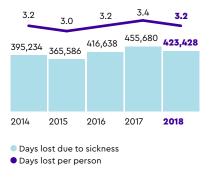
WOMEN RETURNING TO WORK AFTER MATERNITY LEAVE

# c.69%

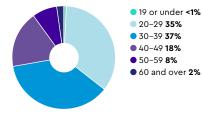
of senior managers were recruited from the local country or region in which they work (2017: 68%)

25% of our workforce have flexible working arrangements (2017: 23%)

# DAYS LOST DUE TO SICKNESS



### AGE DIVERSITY



# Asia Pacific Australia and New Zealand Latin America 0 5,000 10,000 15,000

Do not return

Africa





AGENCY GREY NEW YORK

CLIENT GILLETTE

Gillette launched their tagline, The Best A Man Can Get, back in 1989 to promote their Atra razor line. Thirty years on, Grey New York is helping Gillette redefine their brand message by taking a fresh look at what it means to be "the best" in today's world. The campaign celebrates stories of men who challenge the culture of toxic masculinity by holding each other accountable and eliminating excuses for bad behaviour.

# results 110m

**video views** January 2019-February 2019 15bn impressions January 2019-February 2019



To learn more see wpp.com/bestmencanbe

# TOMMY ADAPTIVE

AGENCY POSSIBLE NEW YORK

CLIENT TOMMY HILFIGER

POSSIBLE New York has helped Tommy Hilfiger launch its new and innovative disability-friendly clothing line, Tommy Adaptive. The line includes items of fashion with adjustable hems, one-handed zippers, Velcro and magnetic buttons, easy-open necklines and much more. To reflect the inclusive nature of the clothing line POSSIBLE partnered with visually impaired director James Rath and integrated automated closed and audio description to the ad spot.

RESULT 5.6M views on YouTube October 2018-March 2019







# THIS COKE IS A FANTA

AGENCY DAVID SÃO PAULO

CLIENT COCA-COLA

"That Coke is a Fanta" is a common Brazilian homophobic slur. In support of international LGBT+ Pride Day, DAVID São Paulo helped Coca-Cola launch a limitededition red Coca-Cola can with orange Fanta inside, featuring the message: This Coke is a Fanta. So what?

### RESULT



impressions with \$0 media spend June 2018



To learn more see wpp.com/thiscokeisafanta

# ELEPHANT IN TRANSIT

AGENCY GTB LONDON

CLIENT FORD

One in four people in the UK experience mental health problems each year but many, especially young men, don't feel able to talk about their feelings.

GTB created this campaign for Ford UK to launch its partnership with mental health charity, Time to Change, aimed at encouraging men to talk about mental health. It shows how a car or van journey can provide a safe space where people feel more able to open up.

RESULTS



people reached April 2018-June 2018 social impressions April 2018-June 2018

32m

