Dear Shareholder

As the Chair of the Committee, I am pleased to present the Committee’s 2023 report.

In 2023, we continued to place increased focus on sustainability for the Board and the Company, monitoring sustainability performance as we strive to meet the expectations of our stakeholders while also ensuring we manage our risks and take advantage of opportunities.

Our committee members bring with them a wide range of sustainability expertise, including marketing, technology, sustainable business and international development, from senior positions in business and non-governmental organisations. Several are also active members of Chapter Zero, an online community that aims to empower non-executive directors to lead crucial UK boardroom discussions on the impacts of climate change.

The effects of inflation, social inequality, climate-related disasters, geopolitical instability, political division and rising polarisation continue to drive a focus on environmental, social and governance (ESG) matters. Businesses face rising pressure to drive down emissions, transform market demand for low-emissions goods and services, and inspire consumer behaviour change. This presents significant risks and opportunities for our business and our clients.

The Committee received updates on a wide range of topics throughout the year, ranging from the launch of a client version of our Green Claims Guide and continued work to equip our people on making effective environmental claims that are not misleading (see page 32), to regular updates on progress against our commitment to phase out single-use plastics across our offices (see page 25).

During the year the Committee, along with the Audit Committee, paid careful attention to developing ESG regulation, including the implementation of ESG reporting frameworks. In 2024, we will receive regular updates as WPP conducts a formal double materiality assessment in line with the requirements of the European Corporate Sustainability Reporting Directive, and reviews ESG metrics and disclosures. As referenced in the Audit Committee Report (2023 Annual Report, from page 130), certain meetings of the Committee have been partially combined with Audit Committee meetings from 2024 in order to streamline review and assurance processes.

Climate Crisis

We received regular in-depth progress reviews on WPP’s ambitious near-term carbon reduction targets. The Planet section on pages 17 to 26 of this report sets out the Company’s net zero commitments and performance. In March, we received an update on GroupM’s media decarbonisation programme (see page 24) and in July the Committee discussed supply chain decarbonisation as part of a review of WPP’s responsible procurement strategy (see page 45). In December the Committee conducted its annual review of climate-related risks and opportunities.

Throughout the year, we supported management in the development of WPP’s first formal Transition Plan, which outlines decarbonisation roadmaps across the six most material emissions hotspots, detailed on page 23, and explores the contribution WPP can make towards an orderly and just transition. Monitoring progress and continued improvement in data quality and disclosures remain a firm priority for us.

Health, Safety and Wellbeing

We assist the Board in oversight of health and safety-related matters. The annual All In employee survey showed that mental health and wellbeing is a priority for our people. During the year, we received updates on the Company’s continued investment in initiatives including our Mental Health Allies programme, which encourages open conversations about mental health in the workplace and guides people to help and resources (see page 15). Mental health and wellbeing will continue to be prioritised by management in 2024.

We continue to monitor how well prepared WPP agencies and people are to recognise and respond to existing and emerging disruptive events, including the social and economic impacts of climate change. In 2023, this included an update on WPP’s Crisis Management & Business Resilience (CMBR) unit. CMBR provides training and support to the business on topics from threat analysis to business continuity management to critical incident response. We welcomed the increased focus on analysing and understanding the potential for disruption as a result of climate, geopolitical, health and crime impacts on business services.
Throughout the year, the Committee, alongside the Board, received updates on WPP’s response to disasters including the devastating earthquakes in Turkey and Syria in February and in Morocco in September. In each case, WPP provided support for employees directly or indirectly affected, including through the Employee Assistance Programme (see page 15). Employees also gave generously to disaster relief appeals, which WPP matched. Further details can be found on page 38.

ENGAGEMENT
We continue to support management’s engagement strategy on sustainability. Employee engagement remains a high priority and this report highlights a number of initiatives, from building ESG capability and encouraging volunteering (see page 38) to Employee Community Groups, which provide a system of support for our people with a shared identity or experience (see page 11). In January 2023, a sustainability-focused CEO townhall attracted an audience of over 8,500.

On a personal note, during the year, I enjoyed attending our India People Forum and visiting a school supported by the WPP India Foundation, as well as engaging with investors on ESG topics. I look forward to continued dialogue in 2024.

TRANSPARENCY
Measuring and monitoring sustainability KPIs is critical to delivering against our sustainability strategy and targets. Progress against our strategy also relies on accountability. Diversity, equity and inclusion goals are included in our incentive plans for senior executives, and we have also included carbon-reduction targets in incentive plans for Executive Directors from 2021.

Throughout this report, selected content highlighted with the symbol ☰ was subject to independent limited assurance procedures by PwC for the year ended 31 December 2023.

For the details and results of the limited assurance, see wpp.com/sustainabilityreport2023

In May 2023 PwC presented its second management report to the Committee. The Sustainability Governance and Management section of this report on pages 42 and 43 outlines work undertaken during the year to strengthen data quality, including new ESG data controls, training and work to centralise data. Management provides regular progress updates to the Committee throughout the year.

The Committee will continue to monitor sustainability KPIs to ensure that the Company is making progress against its external commitments and effectively managing sustainability risks and opportunities.

TERMS OF REFERENCE
The Committee’s terms of reference are reviewed annually by the Committee and adopted by the Board, most recently on 31 January 2024.

A copy of the Committee’s terms of reference is available at wpp.com/investors/corporate-governance

I would like to thank the members of the Committee and the management team for their commitment throughout the year, and look forward to continuing our work in 2024.

Keith Weed
Chair of the Sustainability Committee
21 March 2024