



How WPP is helping efforts to get to net zero

We go right now to Scotland where Bloomberg's Francine Lacqua is standing by with WPP's CEO Mark Read. Francine, go ahead.

Francine Lacqua: Thank you so much Alex, and I am delighted to be joined by Mark Read of WPP as you were just saying, Mark thank you for joining us. You have a great overview to what client are doing, you've also decided to work on your own supply chain and cut carbon emissions by 2030, how is that going?

Mark Read: I think it's going well, what's exciting is that thirty-two of our top fifty clients have set their own targets to get to net zero in the next five or ten years, so it's clear that businesses are making their own contribution. At WPP we pledge within our own business to net zero by 2025. In our broader supply chain that includes, you know, media and production by 2030.

FL: When will you work on actual scope to through your own clients, this goes down, you know, down the supply chain and that's when we really start making a difference.

MR: Yeah, absolutely. We really have to get into what is the carbon footprint of a banner ad, when someone clicks on a search link, how does that happen? The good news is that our major media partners, the Googles, the Facebooks and indeed the Bloombergs of this world, are making their own commitments to net zero, so out media spend will naturally go that way. What's really interesting is actually what we're doing in production, we responsible for producing a lot of creative work around the world, we have fifteen-hundred shoots, and historically, we flew people to South Africa and these fantastic locations. But today we're doing that remotely, with a digital set, many people are watching virtually or via video links, they're not flying there.

FL: Is that because of COVID or because of the carbon footprint?

MR: COVID did accelerate it, what we've found is that ninety-seven percent of all footage shot is never used. It just sits there in a achieve. So, we're achieving it, applying AI to index it and thinking about how we can reuse it in more and more situations.

FL: How do you measure it? I always have a problem with actually how do you access the data to understand exactly what your scope is for your clients?

MR: That is the big question mark facing the industry overall, how do we know what exactly is going on. But when we dig into the detail of every element of a production and you know, the flight to get there, the traffic, the car journey and

the energy consumed by the shoot. We do a lot of detailed work to really drill down into that. But it's still not an exact science yet.

FL: Mark, should advertisers actually say no to advertising or help promoting companies that are big polluters.

MR: Well certainly we don't want to work with companies that are major polluters. Now we do work with energy companies, and you know, I think that the energy sector is on its way to its own transition. We can't get away with cancelling petrol in one go. I think that those companies, that are working on the transition, should be able to talk about what they're doing but in way that's fair and accurate and accurately represents the steps that their taking.

FL: But how do you make sure that they don't greenwash? I know it's not your job, but-

MR: Well, it is our job to be fair-

FL: Is it?

MR: Yeah, it is our job to make sure they don't greenwash, it's our job to make sure the communications they put out, to make sure the statements they make are fair and accurate and not a misrepresenting what they're doing. So, I think that we do take responsibility for that and so we should.

FL: You're always a good barometer of the world's economy, we're dealing with supply chain issues -huge supply chain issues, we're dealing with the energy crisis, with huge inflationary pressures - have you felt that on your clients?

MR: Well, you know, so far we haven't seen that pressure in our business, the advertising sector has rebounded faster than I think anyone could of have expected. We had sixteen percent revenue growth in the third quarter, so it's our strongest result in I think out history. So, we've seen a really strong rebound, we haven't yet seen the impact, I'd say we're cautious about it. But so far consumers are spending and client spending is following consumers.

FL: Is that across the board or do you see for example in the Asian economies, where there's zero COVID tolerance a lot more reluctance to start spending on advertising?

MR: I'd say around the world we're above the level of 2019 this year, so we've recovered from COVID. Asia Pacific is the once place where we haven't yet, in the third quarter. I think that this is driven by Australia, by China where we're seeing a few more clamp downs and lockdowns. So, you know, I'd say broadly speaking the world is in advance, but there are bits and pieces that are going backwards. I think the automotive sector, the chip shortages have depressed

automotive spend a little bit in the third quarter. But broadly across clients I think spending is still strong.

FL: What about Western Europe?

MR: Western Europe is good. France, Spain, Germany, Germany has been amazingly strong for us for the last two years.

FL: Do you see inflationary pressures, does that filter through some of the things that you do? Or in wages for example, do you have to pay people more?

MR: Absolutely there are inflationary pressures, and I think probably Governments like a little bit of that inflation, the value of debt depreciates a little bit, a bit less need for tax increases, some of the supply chain problems can get sorted out, you know, I don't think we want that to continue though. So, I think we'll see consumer companies try to push up prices a little bit, the retailers will resist it and consumer spending will shift. But I think that hopefully it should be transitory, interest rates should pop up a little bit, I don't think that's the end of the world if it effects the strength of the global economy. But I think that's how we see things.

FL: Going back to climate change, what do you think is the role of advertisers is? Is it consumer awareness? Or is it about actually cutting emissions and setting net zero targets? And scope one, two and three? Can you be a catalyst for change?

MR: We hope to be a catalyst for change. We are responsible at WPP for somewhere between one in three or one in four of the world's commercial messages. Imagine if we could put that to best use, in changing consumer behaviour, four out of five consumers want to change their behaviour but only one in five of them know how to do it. Now ninety-five percent of them hold companies responsible for taking action. I think it can't be down to consumers it has to be down to companies to make more sustainable lifestyles and sustainable consumption easier for consumers. And it has to be our job to make them change their behaviour.

FL: So, what's a billboard you would do for leaders to make sure that they have an agreement here at COP26?

MR: [Laughs] Well, I don't know – change or die – that's where are in many respects, I think.

FL: Are you hopeful that we will achieve something? I hear you know it's 50/50. People come here and say you know, we're talking and we have something on methane, we have something on deforestation, this is landmark, this is great and

then another saying why do we have thirty-thousand delegates talking and we won't get much substance at the end of it.

MR: We won't know until the end will we? I think there's a big deal of expectation and management, to press people to start with and to motivate people to push forward. I think that the few announcements we've seen so far are positive, but we won't know until the last twenty-four or forty-eight hours how things have really gone.

FL: How would you measure success?

MR: I think I measure success by, can the world really take the actions needed in a coordinated way. So how do we get there on carbon pricing? How do we push that further? Can we help the developed world make a difference? The rich world has to help the poor world to make this transition, because they can't be expected to fund it, we have to fund it because it matters to all of us.

FL: Mark, thanks so much for your time today. Mark Read the Chief Executive of WPP

MR: Thank you