



# WPP Sustainability Reporting Criteria 2021

## ESG Performance Measures



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## 1.0 – Introduction and general notes

WPP's purpose is to use the power of creativity to build better futures for our people, planet, clients and communities, and this protocol sets out the mechanisms that are in place to monitor progress against Sustainability performance measures. This document provides detail on WPP's definitions, scope and data preparation for transparency of annual sustainability reporting and for the purposes of external assurance activity. WPP defines 'Sustainability' as the management of the economic, social and environmental impacts resulting from the operation of WPP companies, collectively and individually.

WPP reports on the activity of its global operations against its sustainability strategy and targets for the full financial year 2021 (1st January to 31st December). Sustainability reporting and analysis is managed by the WPP Sustainability Team, with data reported by WPP Reporting Units for each Operating Company as defined for financial reporting. Companies are expected to devote sufficient time and resources to collect and report accurate and complete data. The implementation and supervision of this reporting protocol is the responsibility of local, regional and worldwide CFOs/Finance Directors/Controllers. All Reporting Units must submit data against each metric, unless otherwise specified below.

**Note** - All of the performance measures included have been subject to external assurance with the exception of the following:

- Total Scope 2 carbon emissions - market based (Tonnes CO<sub>2</sub>e)
- Total proportion of electricity purchased from renewable sources (%)

Independent limited assurance will be sought by WPP over our % renewables and Scope 2 market based GHG emissions reporting. The assurance report will be made available on our website.

### **1.0.1 - Scope for Reporting Units**

We align our organisational boundary for reporting to the accounting definition of a subsidiary, where WPP have control of the entity, either through majority ownership of the equity share capital or through other facts and circumstances that lead to the conclusion that WPP have power over the investee, exposure or rights to variable returns from its involvement with the investee and the ability to use its power over the investee to affect the amount of returns WPP is entitled to.

For entities meeting this organisational boundary definition, we collect utility data for all buildings that WPP occupy, regardless of the control that we have over those buildings. This operational boundary includes shared leased premises and therefore best represents our actual consumption and the impact that our business has on the environment.

### **1.0.2 - Definition of material changes**

Changes to data such as from business acquisitions/divestments/disposals or methodology updates, will only be considered as material, requiring past years' performance measures baselines and disclosures to be re-stated, if they result in a greater than 5% change to the original values.

For each performance measure, this may apply to both one-off and cumulative changes (e.g. a number of disposals over several years may require the revision of a measure).



### **1.0.3 - Reporting Unit acquisitions**

Acquisitions report data from the date of when the acquisition takes place. In rare instances where an acquisition takes place towards the end of the annual reporting period, and no reported data is available, extrapolation will be employed to provide data for end of year reporting. Details of extrapolation methods for each performance measure are shown in the relevant sections. Data will only be added to baseline values and intervening years if it has a material impact, in line with our restatement policy in 1.0.2 and 1.0.8.

### **1.0.4 - Reporting Unit Mergers**

If data is transferred to another Reporting Unit (e.g. following a merger) a new Reporting Unit is created by the WPP Finance team and reporting is moved to the new Reporting Unit. Data for the un-merged units remains stored in the data collection system for reference purposes.

### **1.0.5 - Reporting Unit Disposals**

Reporting ceases beyond last period of ownership. Data is provided until WPP is no longer the majority shareholder and will be accounted for that part of the year only. Data will only be removed from baseline values and intervening years if it has a material impact, in line with our restatement policy in 1.0.2 and 1.0.8. Data for disposed units remains stored in the data collection system for reference purposes.

### **1.0.6 - General exclusions**

Data is excluded for Reporting Units where WPP has a minority stake, (e.g. Associate Companies). This process is managed by WPP Finance within the Finance Reporting system as part of daily data consolidation. Manual checks are made by the WPP Sustainability Reporting team at the end of the reporting year to ensure no minority investment data has been included through the financial reporting system. Other reporting exclusions and data limitations in each instance are listed against each metric definition below as relevant.

### **1.0.7 - Data controls and Quality Checks**

Instructions for data entry are provided to the Reporting Units by the Sustainability Reporting team. On a quarterly basis, the Sustainability Reporting team extract data from the Finance Reporting system and review submitted values. Identified issues are flagged to the Reporting Units for review and correction prior to the final closure of quarterly submissions. Additional Data controls and quality checks specific to each performance measure are described in the relevant section as relevant.

### **1.0.8 - Restatement of data**

If a restatement is required due to material changes as per section 1.0.2, this will be completed for each specific performance measure at the next formal disclosure (annually) and will be amended in baseline values and for the intervening years. An associated explanation of the variance will be provided.



## 2.0 – Overview - GHG emissions and associated activity data

### **2.0.1 - Scope**

Reporting scope is as defined in Section 1.0.1. Additional notes on scope and reporting as follows:

- WPP prepares GHG emissions and associated activity data aligned to the [UK Streamlined Energy and Carbon Reporting \(SECR\)](#) regulations. WPP uses this standard globally to account for emissions from its operations that occupy shared leased premises in Scope 2 GHG disclosures.
- Wherever possible, WPP will utilise meter readings or bills for our specific energy usage in shared leased premises to calculate GHG Emissions.
- Where this is not possible, estimations are made based on the proportion of floor space occupied by WPP in the building, or other estimation methods as described in Section 2.0.5
- We apply the hierarchy of emission factors as indicated in the Greenhouse Gas Protocol Scope 2 Guidance for market based emissions reporting. See Section 3.2.3

### **2.0.2 - Process of Measurement and submission**

With the exception of company car data (Scope 1), all environmental data is reported at local site level by the relevant Reporting Unit. Wherever available, consumption data from the local service provider, (e.g. bills invoices meter readings), or reports from the Landlord detailing the Reporting Unit consumption for the applicable period is entered.

In shared premises where WPP and its agencies lease a portion of a building, Reporting Units are asked to estimate the WPP usage as defined in Section 2.0.5. In some instances, Reporting Units will provide consolidated reporting for a number of other Reporting Units in line with their Financial and Operational guidance.

Company car data for centrally contracted vehicles is provided by the central WPP procurement travel team and is collated every six months. Distance travelled in the period is based on the mileage outlined in the lease agreement, pro-rated to a 12-month period, and adjusted to account for leases that start or end part way through the calendar year; e.g. if a contract commences 1 March we would calculate emissions for 10 months usage rather than the full 12 months. The latest UK [DEFRA](#) emissions factors by fuel type and average car in kg/mile are applied globally and used to calculate total emissions.

### **2.0.3 - Factors used in the calculation of GHG emissions**

#### Scope 1

- **Heating oil + natural gas emissions** - Intergovernmental Panel on Climate Change (IPCC) - Guidelines for National Greenhouse Gas Inventories 2006 (Commercial/Institutional Combustion Category). CO<sub>2</sub>e calculated by WPP, (using FAR 100 year GWP multipliers), as not provided by IPCC.
- **Company car emissions** - UK DEFRA Conversion Factors 2021 - Passenger Vehicles



### Scope 2 – Grid Average

- **Heat and steam emissions** - UK DEFRA - GHG Conversion Factors 2021
- **UK electricity** - UK DEFRA - GHG Conversion Factors 2021
- **Non-UK electricity emissions (excluding Australia)** - International Energy Agency (IEA) - Emissions Factors 2021
- **Australia electricity emissions** - Australian National Greenhouse Accounts October 2020

Note – For market based Scope 2 reporting we apply the hierarchy of emission sources in the Greenhouse Gas Protocol Scope 2 Guidance, which outlines that residual mix emissions factors should be utilised where available, prior to the application of grid average factors. However, in the 2021 reporting year, all energy not covered by centrally procured Renewable Energy Certificates is outside of Europe and North America where there are currently no residual mix factors available, so therefore, grid average emissions factors have been applied.

### Scope 3 – Business Air Travel

- UK DEFRA - GHG Conversion Factors 2021 - Business Travel

### **2.0.5 - Estimations and Extrapolations**

There are circumstances where it is necessary for a Reporting Unit to estimate data; for example, the extrapolation of data from a previous reporting period where no electricity invoice has been received. An example is shown below:

- Based on WPP occupied floor area:

*Total shared premises electricity consumption = 100,000 kWh*

*Total premises floor space = 1000 square metres (m<sup>2</sup>)*

*Electricity consumption per m<sup>2</sup>:  $\frac{100,000 \text{ kWh}}{1000 \text{ m}^2} = 100 \text{ kWh per m}^2$*

*Floor space occupied by WPP Company = 500 m<sup>2</sup>*

*Therefore, WPP electricity consumption: 500 m<sup>2</sup> x 100 kWh per m<sup>2</sup> = **50,000***

**kWh**

- Where it is not possible, or appropriate, to estimate based on floor space utilisation, the above calculation is applied using proportion of headcount instead.
- Where it is not possible, or appropriate, to use floor space or headcount as above, the proportion of spend per Reporting Unit on a combined bill may be used to calculate the proportion of energy usage per Reporting Unit.
- Due to the diverse nature of the WPP Company, Reporting Units sometimes use methods of estimation other than described above. Where our data quality checks identify that this is the case, we highlight the valid methods which should be used and request that the submission be amended by the Reporting Unit.
- Instances of estimation and extrapolation are outlined in the finance reporting system by the Reporting Unit.
- Where data is estimated, internal checks are made during half yearly data validation cycles. If usage data becomes available in-year, this will replace estimated data points and be carried forward.



## **2.0.6 - Data Coverage**

### Electricity

Each year the WPP central sustainability team assess the completeness of electricity data submitted by Reporting Units and perform an adjustment by identifying Reporting Units where we would expect some electricity consumption, based on knowledge of operations and headcount, but no data has been submitted. In 2021, we estimate that 12% of our electricity use was not reported, due mainly to the use of shared office locations where data was not made available in a form that allowed us to capture it. In cases of missing data for electricity, where there have been no material changes to the Reporting Unit in the past year, estimates are used and applied in the following priority order:

1. Where half years' data is available in-year, for that Reporting Unit, this is extrapolated to provide a full year's data.
2. If option 1 not available, end of calendar year data from the prior year for that Reporting Unit is used
3. If option 2 not available, data is estimated for the Reporting Unit based on the following process:
  - a. Data from year-end submissions from all Reporting Units, (excluding any top-down estimations based on averages), is used to calculate a regional average annual consumption for the following sizes of Reporting Unit
    - i. Small location = less 100 people
    - ii. Medium location = 100 to 800 people
    - iii. Large location = more than 800 people
  - b. The regional averages are multiplied by the current number of people in the Reporting Unit to calculate the estimated annual consumption.

### Natural Gas

Each year the WPP central sustainability team assess the completeness of natural gas data submitted by Reporting Units and perform an adjustment if required. In 2021, a proportion of gas usage was not reported by our units in the United States, due mainly to the use of shared office locations where data was not made available in a form that allowed us to capture it. We have therefore adjusted the total emissions for natural gas to account for the 6% not reported, extrapolated using average consumption calculated from the United States units that have reported data this year.

## **3.0 - Performance Measures - GHG emissions**

### **3.1 - Subtotal - Scope 1 Carbon Emissions (Tonnes CO<sub>2</sub>e)**

#### **3.1.1 - Definition**

Scope 1 emissions denote WPP's direct emissions. Data will be provided by each Reporting Unit or by centralised WPP procurement where relevant, i.e. not all units will produce Scope 1 emissions. WPP's Scope 1 emissions constitute:

- **Fuels** (natural gas supplied through country energy grids, diesel, heating oil) on premises to provide heating, hot water and back-up electricity generation



- **Company cars** – centrally contracted leased or owned by WPP as part of an individual employee's remuneration package

Note – a proportion of company cars, (37% of WPP's total car balance), are locally contracted and not included in the definition above. Limited data is available for these vehicles and emissions are therefore extrapolated by WPP from the emissions calculated for the centrally contracted pool. Emissions for these vehicles are disclosed separately within WPP's Total Scope 1 emissions balance and are currently not subject to assurance. WPP is continuing to move from local to centralised contracts and we would therefore expect the proportion of local contracts to reduce in future years.

Refrigerant use is excluded from the emissions reporting scope but will be included in future years once a consistent approach to data collection has been implemented for this source.

### **3.1.2 - Process of Measurement**

#### Fuels

Data is sourced from bills invoices meter readings and landlords. If a Reporting Unit is in shared premises, data may be apportioned as highlighted in section 2.

Data is converted to tonnes of carbon dioxide equivalent using relevant IPCC emissions factors.

Category	Consumption / Financial Spend	Account	Units of Measurement
Fuels	Consumption	Natural Gas Consumption	kWh (Default) MWh / BTU / Therm / m <sup>3</sup> / ft <sup>3</sup>
		Diesel / Heating Oil Consumption	kWh (Default) MWh / BTU / Therm / Kg / Tonne (Metric) / Ton (Short/US) / m <sup>3</sup> / litre / Gallon (US)

#### Company cars

Company cars form part of remuneration packages for some WPP's senior managers and executives in some markets. WPP does not have a central fleet of Commercial vehicles.

There are two pools of Company cars in WPP as follows:

1. **Centrally contracted** – The WPP central procurement team centrally contracts and manages an estimated 63% of our company cars via three leasing agencies, who provide data for annual reporting. Annual mileage for each car is estimated as per Section 3.1.4. The latest UK DEFRA emissions factors by fuel type and average car in kg/mile are applied globally and used to calculate total emissions.
2. **Locally contracted** – Our Reporting Units contract the estimated 37% of cars in local regions. Limited data is available for these vehicles and emissions are therefore extrapolated from the emissions calculated for the centrally contracted



pool. (See section 3.1.4). These emissions are disclosed separately by WPP under 'Total Scope 1 emissions' but are not subject to assurance.

### **3.1.3 - Quality and Error Checks**

Company car data from the three centralised leasing agencies is periodically reviewed for completeness and accuracy by the WPP Procurement team using prior periods data as a reference.

### **3.1.4 - Estimates and Extrapolations**

1. **Fuels:** data is not estimated
2. **Centrally contracted cars** – Company car data for centrally contracted vehicles is provided by the central WPP procurement travel team and is collated every six months. Actual mileage is not available in the data from leasing agencies, so distance travelled is based on the mileage outlined in the lease agreement. In some instances, where available, actual car handover date is used rather than lease agreement date to estimate mileage. Mileage data is extracted from third-party leasing agencies systems and provided to WPP, pro-rated to a 12-month period, and adjusted to account for leases that start or end part way through the calendar year, e.g. if a contract commences 1 March we would calculate emissions for 10 months usage rather than the full 12 months. The latest UK DEFRA emissions factors by fuel type and average car in kg/mile are applied globally and used to calculate total emissions. Note - we do not distinguish between business and personal mileage undertaken in those vehicles and also do not include any business mileage performed in employee-owned vehicles in our emissions data.
3. **Locally contracted cars** – Emissions for these vehicles are extrapolated using the % of total cars, (37%), multiplied by total emissions from centrally contracted cars. It is assumed that the mix of vehicle types and mileages is consistent between centrally contracted and locally contracted cars. This element of Scope 1 emissions is not subject to assurance.

## **3.2 - Total Scope 2 carbon emissions – location based + market based (Tonnes CO<sub>2</sub>e)**

### **3.2.1 - Definition**

As defined by the GHG Protocol, Scope 2 emissions are 'Indirect' energy that has been generated outside of the premises (e.g., an electricity power station) but used on the premises. Data will be submitted by each Reporting Unit where relevant.

### **3.2.2 - Scope**

- Indirect energy supplies include electricity and heat / steam.

### **3.2.3 - Process of Measurement**

Data is reported in the unit kilowatt hours (kWh). Where data is not provided as kWh, it is converted to kWh by the Reporting Unit before it is entered into the centralised reporting system.

Data is reported in the following ways by Reporting Units:



- **Standard Electricity (National Grid)** – standard electricity (generated through a variety of means) supplied through a national distribution grid network on a conventional supply contract and where no renewable electricity is specifically selected.
- **Heat / Steam** - this is the supply of piped hot water / steam used for heating (usually instead of fuel combustion for these purposes)

Currently all renewable electricity is purchased by the WPP Sustainability team centrally. Once Reporting Units have submitted data at the end of year, the Sustainability team uses reported consumption of electricity to purchase in-market Energy Attributable Certificates to cover the required amount of renewable electricity in target markets.

We align to [RE100 guidance](#) quality criteria where appropriate – see Section 3.2.4.

Category	Consumption	Account (Name & Number)	Units of Measurement
Electricity	Consumption	Standard Electricity (National Grid) Consumption	kWh (Default)
		Renewable Electricity (Non-Grid) Consumption	
		Heat / Steam Consumption	

Total Scope 2 carbon emissions (location based) (Tonnes CO<sub>2</sub>e)

Country emissions factors are applied to data reported as kWh to convert to tonnes of carbon dioxide equivalent (tCO<sub>2</sub>e) and produce location based emissions. [IEA \(2021\)](#) emissions factors are applied to all countries' data except for the UK where [DEFRA 2021](#) emissions factors are applied and Australia where [Australian National Greenhouse Gas Account Factors 2021](#) are used.

Total Scope 2 carbon emissions (market based) (Tonnes CO<sub>2</sub>e)

The emissions factor for renewable electricity purchased either via local Renewable Electricity contracts / tariffs, or via energy attribute certificates, is applied to all appropriate Reporting Units and markets.

To calculate and report market based data, we apply the hierarchy of emission sources in the Greenhouse Gas Protocol Scope 2 Guidance, which outlines that residual mix emissions factors should be utilised where available, prior to the application of grid average factors.

In the 2021 reporting year, all energy not covered by centrally procured Renewable Energy Certificates is outside of Europe and North America where there are currently no residual mix factors available, so the grid average emissions factor has been applied. Therefore, usage from other Reporting Units has the relevant emissions factor for Standard Grid electricity applied.



### 3.2.4 - Application of RE100 Technical Criteria and GHG Protocol Scope 2 Guidance

The table below indicates whether each of the eight sourcing options in RE100 Technical Criteria (March 2021) are applicable to WPP and how the quality principles of the GHG Protocol Scope 2 guidance are applied to support WPPs reporting of Market based emissions.

No	Renewable electricity sourcing option	Application in the WPP Company
1	Self-generation from facilities owned by the company (on or offsite)	N/A
2 3	Procurement from on-site installations owned by a supplier  Direct line to an off-site generator with no grid transfers	<p>Reporting Units are encouraged to locally procure Renewable Electricity products from local providers where available. For submissions of renewable energy data, Reporting Units must provide evidence that the renewable electricity purchased complies with <a href="#">GHG Protocol Scope 2 Quality Criteria - Table 1</a>.</p> <p>If evidence provided is adequate, an emission factor of 0 is applied in Greenhouse Gas reporting to calculate market based emissions.</p> <p>If evidence is inadequate, the energy will be treated as Standard Grid electricity in Greenhouse gas reporting and the hierarchy of conversion factors per market based emissions is applied to it. In such cases, WPP may choose to apply an appropriately sourced Energy Attributable Certificate to the consumption volume if in a target market as per option (6) below.</p>
4	Direct procurement from offsite grid-connected generators e.g. Power Purchase Agreement (PPA)	N/A
5	"Green" electricity products from an energy supplier (e.g., Utility "green" power programs and products, "Green" Tariffs)	As per options 2 + 3
6	Unbundled Energy Attribute Certificate ("EAC" or "certificates") purchase	Decisions related to market coverage and the purchase of Energy Attribute Certificates (EACs) are applied by the WPP Central Sustainability Team to a Reporting Unit or market.



		<p>For the purposes of calculation and reporting where an EAC is applied to Standard Grid Electricity usage for a Reporting Unit or market, the energy classification is changed to Renewable Tariff and reported as such.</p> <p>Where EACs are purchased and applied, WPP Central Sustainability Team ensures with the supplier that they comply with <a href="#">GHG Protocol Scope 2 Quality Criteria – Table 1.</a></p>
7	Default delivered renewable electricity from the grid, supported by certificates	N/A
8	Default delivered renewable electricity from a grid that is 95% or more renewable and does not have an attribute tracking system	N/A

### 3.3 - Total proportion of electricity purchased from renewable sources (%)

#### **3.3.1 - Definition**

Renewable electricity reported as described in section 3.2 is compared to total electricity purchased to provide a percentage (%) purchased.

#### **3.3.2 - Scope**

WPP applies the GHG Protocol's Scope 2 Guidance document and RE100 guidance to define types of Renewable electricity sources.

#### **3.3.3 – Process of Measurement**

- Proportion of renewable electricity purchased = purchased electricity from renewable sources (kWh) during the calendar year expressed as a % of total electricity purchased in the calendar year



### 3.4 - Total air miles travelled (miles)

#### **3.4.1 - Definition**

Travel for the purposes of work-related activity by air travel only.

#### **3.4.2 - Scope**

All air travel miles booked, paid for or taken by employees for the purposes of work during the calendar year is reported.

#### **3.4.3 - Process of Data Capture and Measurement**

Air travel data is captured locally by each Reporting Unit. Air travel may be purchased and recorded through local procurement and centralised travel agencies, or by exception, by employees directly and expensed to the business.

Data is collated by the Reporting Unit every six months in distance travelled, (short, medium, long-haul flights – see below). Data is stored in local systems in line with local data protection legislation and transferred to the WPP central finance system for consolidated reporting.

Distance	Units of Measurement
Short Haul (Flights <488 miles / 785 km)	Miles (Default) Km
Medium Haul (Flights 488-2299 miles / 785-3700 km)	
Long Haul (Flights >2299 miles / 3700 km)	

#### **3.4.4 - Estimates and extrapolations**

Air travel bookings are made through a variety of third-party service providers and as a result information feeds used to collate flight data are not consistent across all reporting units and geographies. In 2021, the Covid-19 pandemic led to an increase in flight cancellations and re-bookings and some service providers in Latin America and the United States have been unable to identify and remove flights that have been cancelled or re-booked in the information that they provide to us. For these examples, we have chosen to report all flight data and cancellations and re-bookings have not been removed from the data. We will continue to work with service providers to expand their coverage and improve their information feed to us to increase the accuracy of our emissions reporting for air travel.

### 3.5 - Total air miles travelled per person (miles)

#### **3.5.1 - Definition**

Air Miles definition as per Section 3.5.1. A person or employee is defined as a Full Time Equivalent employee of the WPP Company or any of its majority owned Reporting Units. Full Time Equivalent employees do not include contractors.

#### **3.5.2 - Process of Measurement**



All air miles travelled by employees for the purposes of work are captured and reported as defined in Section 3.5.

- Total air miles travelled per person = Total air miles travelled / sum of all employees in Reporting Units in scope at year end.

### **3.6 - Scope 3 business air travel (Tonnes CO<sub>2</sub>e)**

#### **3.6.1 - Definition**

Total Scope 3 emissions resulting from business air travel

#### **3.6.2 - Scope**

All air miles travelled by employees for the purposes of work are captured and reported as defined in Section 3.5 and converted into tonnes CO<sub>2</sub>e using [DEFRA 2021](#) GHG Conversion Factors as follows:

- **WPP Short Haul** = UK DEFRA - GHG Conversion Factors 2021 - Business Travel - air - Domestic - Average passenger (with RF)
- **WPP Medium Haul** = UK DEFRA - GHG Conversion Factors 2021 - Business Travel - air - Short Haul - Average passenger (with RF)
- **WPP Long Haul** = UK DEFRA - GHG Conversion Factors 2021 - Business Travel - air - Long Haul - Average passenger (with RF)

#### **3.6.3 - Process of Data capture and Measurement**

Air Travel emissions (Tonnes CO<sub>2</sub>e) = sum of air miles travelled in each category, (Short / Medium / Long Haul), multiplied by the relevant DEFRA 2021 GHG conversion factor (UK DEFRA - GHG Conversion Factors 2021 - Business Travel – air) as above

### **3.7 - Reduction in business air travel emissions year on year (%)**

#### **3.6.1 - Definition**

Total Scope 3 emissions resulting from business air travel for current year compared to previous year expressed as a percentage

#### **3.6.3 - Process of Data capture and Measurement**

Data capture as per section 3.6. Calculated as total Scope 3 emissions resulting from business air travel (Tonnes CO<sub>2</sub>e) for 2021 compared to total Scope 3 emissions resulting from business air travel (Tonnes CO<sub>2</sub>e) for 2020, expressed as a percentage.



## 4.0 – Performance Measures - Employment Data

### 4.1 - Age diversity (%)

#### 4.1.1 - Definition

Each quarter, Reporting Units report the number of Full Time employees in each of the following age / gender categories, expressed as a % of the total number of their employees in each of the following categories. End of year totals are measured as at 31 December.

Employee Gender	Age Group
Female	Employees aged <20
	Employees aged 20-29
	Employees aged 30-39
	Employees aged 40-49
	Employees aged 50-59
	Employees aged 60+
Male	Employees aged <20
	Employees aged 20-29
	Employees aged 30-39
	Employees aged 40-49
	Employees aged 50-59
	Employees aged 60+
Other Gender / Gender Unspecified	Employees aged <20
	Employees aged 20-29
	Employees aged 30-39
	Employees aged 40-49
	Employees aged 50-59
	Employees aged 60+

A Full Time Equivalent (FTE) employee is defined as a permanent person or employee of the WPP Company or any of its majority owned Reporting Units, as captured locally by each reporting unit and entered into the centralised Finance system. FTE values for part-time employees are calculated as a proportion of contracted days below a standard five-day week i.e. an employee contracted to work three days per week would be represented as 0.6FTE. FTE employees do not include contractors.

#### 4.1.2 - Process of capture and measurement

Local processes within Reporting Units are used to capture this information, with country-specific regulatory compliance being the responsibility of the local Reporting Unit.

Age data is collected principally via employee self-declaration, typically via contractual documentation completed by new hires at the point of joining a WPP company. For example, in the UK, date of birth is captured as part of HRMC requirements, and identification for right to work documentation.



Data is then stored in local systems in line with local data protection legislation and entered into the WPP central finance systems each quarter for consolidated reporting.

Where data gaps are identified, additional employee surveys may be used to improve coverage and accuracy.

Note - There are currently instances where self-declaration is not the basis for data capture. Examples include, but are not limited to:

- Review of identification documentation, (such as Passport), together with disclosed date of birth for each individual.

As part of our business transformation WPP is currently deploying "[Workday](#)" in a phased manner across the Company. Workday will become the principal source of People data for Reporting Units and geographies where deployment is complete and is expected to improve the consistency of our People Performance measures going forward.

## 4.2 - Gender balance (%)

### 4.2.1 - Definition

Each quarter, Reporting Units report the number of male and female employees expressed as a % of the total number of their employees in each of the following categories. End of year totals are measured as at 31 December.

Employee Gender	Description *
Female	Board members or Executive Leaders - Chairman, CEO, CFO, general managers, regional heads, executive creative directors  Total workforce - the sum of Full Time Equivalent employees from all Reporting Units in scope of reporting
Male	Board members or Executive Leaders - Chairman, CEO, CFO, general managers, regional heads, executive creative directors  Total workforce - the sum of Full Time Equivalent employees from all Reporting Units in scope of reporting
Other Gender / Gender Unspecified	Board members or Executive Leaders - Chairman, CEO, CFO, general managers, regional heads, executive creative directors  Total workforce - the sum of Full Time Equivalent employees from all Reporting Units in scope of reporting

\* determined in market and is not consistent across the Company



A Full Time Equivalent (FTE) employee is defined as a permanent person or employee of WPP Company or any of its majority owned Reporting Units, as captured locally by each reporting unit and entered into the centralised Finance system. FTE values for part-time employees are calculated as a proportion of contracted days below a standard five-day week i.e. an employee contracted to work three days per week would be represented as 0.6FTE. FTE employees do not include contractors.

#### **4.2.2 - Process of capture and measurement**

Local processes within Reporting Units are used to capture this information, with country-specific regulatory compliance being the responsibility of the local Reporting Unit.

Gender data is collected principally via employee self-declaration, typically via contractual documentation completed by new hires at the point of joining a WPP company. For example, in the UK, gender is captured as part of HRMC requirements and identification for right to work documentation.

Data is then stored in local systems in line with local data protection legislation and entered into the WPP central finance systems each quarter for consolidated reporting.

There are currently instances where self-declaration is not the basis for data capture. Examples include, but are not limited to:

- Review of identification documentation (such as Passport) together with disclosed gender for each individual.

A review of the category "Other Gender / Gender Unspecified" as a percentage % of total headcount is carried out for each Reporting Unit, where headcount is greater than 5 FTE. In each case, if "Other Gender / Gender Unspecified" category is greater than 3% of the total headcount, then additional checks for data validity are carried out with the Reporting Unit.

Where data gaps are identified, additional employee surveys may be used to improve coverage and accuracy.

As part of our business transformation WPP is currently deploying "[Workday](#)" in a phased manner across the company. Workday will become the principle source of People data for Reporting Units and geographies where deployment is complete and is expected to improve the consistency of our People Performance measures going forward.



### 4.3 - Workforce ethnic diversity of UK operations (%)

#### 4.3.1 - Definition

Each quarter, Reporting Units report the Ethnicity of UK employees expressed as a % of the total number of their employees in each of the following categories. End of year totals are measured as at 31 December.

Country	Employee type *	Description
United Kingdom	Board Members / Executive Leaders	White
		Mixed / Multiple Ethnic Groups
		Asian
		Black
		Other Ethnic Group
		Unknown or Undisclosed
	Senior Managers	White
		Mixed / Multiple Ethnic Groups
		Asian
		Black
		Other Ethnic Group
		Unknown or Undisclosed
	Other Employees	White
		Mixed / Multiple Ethnic Groups
		Asian
		Black
		Other Ethnic Group
		Unknown or Undisclosed

\* determined in market and is not consistent across the company

A Full Time Equivalent (FTE) employee is defined as a permanent person or employee of the WPP Company or any of its majority owned Reporting Units, as captured locally by each reporting unit and entered into the centralised Finance system. FTE values for part-time employees are calculated as a proportion of contracted days below a standard five-day week i.e. an employee contracted to work three days per week would be represented as 0.6FTE. FTE employees do not include contractors.

Total Workforce is the sum of Full Time Equivalent employees from all Reporting Units in scope.

#### 4.3.2 - Process of capture and measurement

Local systems and processes within Reporting Units are used to capture this information, with country-specific regulatory compliance being the responsibility of the local Reporting Unit.

Ethnicity data is collected via employee self-declaration typically using contractual documentation completed by new hires at the point of joining a WPP company. For example, in the UK, ethnicity is captured as part of HRMC requirements, ED&I reporting and identification for right to work documentation. The "Unknown or Undisclosed"



category captures employees who did not disclose their ethnicity upon joining a WPP company.

Data is then stored in local systems in line with local data protection legislation and entered into the WPP central finance systems each quarter for consolidated reporting. Where data gaps are identified, additional employee surveys may be used to improve coverage and accuracy.

As part of our business transformation WPP is currently deploying "[Workday](#)" in a phased manner across the company. Workday will become the principal source of People data for Reporting Units and geographies where deployment is complete and is expected to improve the consistency of our People Performance measures going forward.



## 5.0 – Performance measure - Racial Equity Metrics

### 5.1 -Total investment in inclusion programmes in 2021 (\$USD)

#### **5.1.1 - Definition**

Our inclusion programmes cover WPPs practice or policy of providing equal access to opportunities and resources for people who might otherwise be excluded or marginalised, such as those who have physical or mental disabilities and members of other minority groups. The Racial Equity programme provides custom policies and practices to identify and address the unique histories, experiences and needs of people and groups based on racial and ethnic hierarchy, oppression, and inequality. Priority areas for contributions could include, but are not limited to, organisations that support the attraction, recruitment, and development of marginalised groups. "Marginalised group" is a term that means different things in different countries / geographies, and could include, but is not limited to, communities marginalised by gender, LGBTQ+ identity, disability, religious, and socio-economic status.

WPP has set a commitment to invest \$30m over three years in inclusion programmes: 2021 is the first year of reporting for this metric and the \$USD reported is how much has been invested in the reporting year on the defined inclusion programmes. Investment is defined as a cash cost or an attributed value.

#### **5.1.2 - Scope**

Measures to promote racial equity will differ based on geography and market. The definition of what constitutes racial/ethnic marginalisation is based on local relevance.

WPP's investment in inclusion programmes consists of three Pillars of spend as defined below:

#### Racial Equity Spend – Pillar 1

Data is captured locally by each Reporting Unit, stored in local currency and systems in line with local data protection legislation and then transferred to the WPP central finance systems each quarter for consolidated reporting. The central finance system provides automated local currency conversion to £GBP for all data but for the purpose of reporting on Racial Equity metrics and targets this is converted back to \$USD by the reporting team using finance approved exchange rates.

The central Racial Equity programme team review reported spend on a quarterly basis to test and validate that has been appropriately recorded.

Spend is reported for each of the areas listed in the table below:

Spend Area	Description
Staff training & Education	The investment in staff training for racial equity on a <b>year-to-date</b> basis.
Recruitment costs – External & Internal	The value of racial equity recruitment costs – internal and external on a <b>year-to-date</b> basis.



Staff welfare & career development	The investment in racial equity staff welfare and career development on a <b>year-to-date</b> basis.
Membership dues & subscriptions	The value of Membership dues and subscriptions for racial equity causes on a <b>year-to-date</b> basis.
Corporate membership subscriptions	The value of Corporate membership subscriptions for racial equity causes on a <b>year-to-date</b> basis.
Programmes	The investment in providing or attending programmes and events, that support and champion racial equity or racial diversity in the industry on a <b>year-to-date</b> basis.
Award shows	The investment in submitting to or attending award shows to support and champion racial equity in the industry on a <b>year-to-date</b> basis.
Staff costs (including FTE)	The investment of employee costs, including employer taxes, for roles dedicated to racial equity programs on a <b>year-to-date</b> basis.
Any other amounts	The investment of any other spend relating to racial equity which is not captured in other categories on a <b>year-to-date</b> basis.

### Racial Equity Spend detailed categories – Pillar 2

Data is captured locally by each Reporting Unit, stored in local systems in line with local data protection legislation and then transferred to the WPP central finance systems each quarter for consolidated reporting. The central finance system provides automated local currency conversion to £GBP for all data but for the purpose of reporting on Racial Equity metrics and targets this is converted back to \$USD by the reporting team using finance approved exchange rates.

The central Racial Equity programme team review reported spend on a quarterly basis to test and validate that has been appropriately recorded.

Charitable donations, pro-bono work, and free media space investments aligned to Racial Equity initiatives are reported for each of the areas listed in the table below. The value of pro-bono work and free media space is calculated based on local rate cards for the services provided.

Spend Area	Description
Arts	Art galleries or performing arts organisations (e.g., ballet & theatre)
Education	Schools or universities
Environment	Organisations raising awareness on environmental issues / working to protect wildlife
Health	Organisations supporting sick people / running disease awareness & prevention campaigns
Local Community	Charitable organisations relevant to the local area of a Reporting Unit
Human Rights	Organisations supporting human rights / humanitarian relief
Diversity, Equity & Inclusion	Organisations supporting diversity, equity & inclusion causes



### Racial Equity Spend detailed categories – Pillar 3

Pillar 3 differs from Pillars 1 and 2 in that the portfolio of initiatives is governed by the Racial Equity Programme team and therefore, Reporting Units make applications in advance for centrally held matching funds to support their proposed projects.

All applications must demonstrate an investment from another source or sources that at least matches the funding amount requested from WPP. This source can be time or resources such as additional funding, donated media value or other support in kind, invested or from external partners and other organisations (see table below showing spend areas). With this funding model we strive to better enable joint projects across our companies and to ensure a project's long-term sustainability as well as its replicability across markets.

Applications are independently assessed within the specificity of their cultural contexts, with at least two peers from and/or based in the market from which the application originates. In each funding round, peers will be nominated anew to offer more people from across the network the opportunity to actively contribute to this part of the process.

Shortlisted applicants, based on the highest aggregated scores per round, are subsequently invited to pitch their proposals to a Commissioning Council that includes senior leaders from across WPP, who represent different functions, such as finance, creative, and communications. Each round sees new leaders invited to sit alongside Mark Read on the Council. The Commissioning Council makes the final selections and approve budgets.

After receiving confirmation of a successful application, Project Owners will be asked to provide a release of funds schedule. This schedule will be shared with the central Finance Team for forecasting and reporting purposes. Spend data is then captured locally by each Reporting Unit, stored in local systems in line with local data protection legislation and then transferred to the WPP central finance systems each quarter for consolidated reporting. The central finance system provides automated local currency conversion to £GBP for all data but for the purpose of reporting on Racial Equity metrics and targets this is converted back to \$USD by the reporting team using finance approved exchange rates.

Spend Area	Description
Staff training & education course fees	The value of matched funding for staff training on racial equity on a year-to-date basis.
Recruitment costs-external and internal	The value of matched funding for racial equity recruitment costs – internal and external on a year-to-date basis.
Programmes	The value of matched funding for spend on providing or attending programmes and events, that support and champion racial equity or racial diversity in the industry on a year-to-date basis.
Staff costs (including FTE)	The value of matched funding for employee costs for roles dedicated to racial equity programs on a year-to-date basis.



Pro bono work	The value of matched funding for pro bono work supporting racial equity causes on a year-to-date basis
Free media space	The value of matched funding for free media space supporting racial equity causes on a year-to-date basis
Charitable donations	The value of matched funding for charitable donations supporting racial equity causes on a year-to-date basis
Value of discounted rent for minority-owned start-ups	The value of matched funding for discounted rent for minority-owned start-ups supporting racial equity causes on a year-to-date basis
In-kind contributions	The value of matched funding for in-kind contributions supporting racial equity causes on a year-to-date basis

End of document