

RESPONSIBLE BUSINESS

By establishing clear policies and procedures in areas such as data security, ethical conduct, supply chain management and human rights, and reporting transparently on our progress we can reduce risks to our business and to our clients.

We set clear ethical standards for our people and companies through our policy framework and training. The WPP Code of Business Conduct summarises our principles and key points of policy that apply to everyone at WPP.

Dialogue with our stakeholders, including our people, clients and investors, provides valuable feedback and insight into sustainability risks and opportunities for our Company and our clients.

OUR FOCUS AREAS

- Embedding ethical standards including clear policies, compliance processes and mandatory ethics training
- Using our Data Health Checker to review privacy risks and data security practices in our businesses

WHO'S IN CHARGE?

Paul Richardson, WPP's Group Finance Director, was the Board Director responsible for sustainability in 2018. Andrea Harris, Group Chief Counsel and Head of Sustainability, has operational responsibility for sustainability. She heads our central sustainability team that develops strategy and coordinates sustainability projects and data collection. Vicky Brown, Group Chief Privacy Officer, leads our work on privacy and partners with our companies and security and audit teams to promote privacy best practices. At Board level, the Nomination and Governance Committee has responsibility for sustainability.

HOW ARE WE DOING?

115,000+

people completed refreshed ethics training in 2018

DATA
PRIVACY AND
SECURITY
CHARTER

Data Privacy and Security Charter launched

RIGHT
TO
SPEAK

Right to Speak relaunched in 2018

TRANSPARENCY AND TRUST

By establishing clear policies and procedures in areas such as data security, ethical conduct, supply chain management and human rights, and reporting transparently on our progress we can reduce risks to our business and to our clients.

OUR CODE OF CONDUCT

We set clear ethical standards for our people and companies through our policy framework and training.

The WPP Code of Business Conduct summarises our principles and key points of policy that apply to everyone at WPP. It is supported by more detailed policies in areas such as anti-bribery and corruption, hospitality and gifts, facilitation payments and the use of third-party advisors as well as our Human Rights Policy Statement and Sustainability Policy.

Our online ethics training, How We Behave, is updated every two to three years, and our people are required to take the training on joining and on a regular basis, and repeat the training following each update. Topics covered include diversity, human rights, conflicts of interest and avoiding misleading work. In 2018, we added unconscious bias training, and updated our ethics and anti-bribery and corruption training. Over 115,000 employees have completed the training since this update.

Our online training on anti-bribery and corruption covers the Foreign Corrupt Practices Act and UK Bribery Act on issues such as hospitality and gifts, facilitation payments and the use of third-party advisors.

MANAGEMENT AND COMPLIANCE

Our Group Chief Counsel and Head of Sustainability oversees our approach to ethics and compliance. Senior managers in all our companies and our business and supplier partners are asked to sign a copy of the WPP Code of Business Conduct each year to confirm they will comply with its principles.

Breaches or alleged breaches of our Code are investigated by the WPP legal and internal audit teams. Our people can report concerns or suspected cases of misconduct in confidence through our third party-managed Right to Speak facility, overseen by our legal and compliance departments. Our people can access it via phone or email and report concerns in their local language. It is publicised through induction packs, the Company intranet, the WPP Policy Book and our ethics training. We relaunched Right to Speak following the appointment of the new CEO in 2018 to ensure all our people are aware of how they can raise concerns. There were 200 reports (2017: 106) made via Right to Speak during 2018, all of which were followed up, investigated where appropriate and reported to the Audit Committee.

ASSOCIATES, AFFILIATES AND ACQUISITIONS

We expect associate companies (those in which we hold a minority stake) and affiliate companies (preferred partners to whom we may refer business) to adopt ethical standards that are consistent with our own.

Our due diligence process for acquisitions and expansion into new markets includes a review of ethical risks including those relating to bribery and corruption, human rights or ethical issues associated with client work.

We identify any specific human rights risks associated with different countries of operation, using sources such as the Transparency International Corruption Index, Human Rights Watch country reports and government guidance.

Acquired businesses must adopt our policies and their people must undertake our ethics training within a month of joining the Company. This is included in the integration plan agreed before the acquisition is finalised and we monitor progress after acquisition.

115,000+
people completed refreshed
ethics training in 2018

PUBLIC POLICY

We are involved in public policy activity in two ways. Our public affairs businesses carry out work for clients, including direct lobbying of public officials and influencing public opinion. On occasion, we also engage in the public policy process on issues that affect WPP and our companies.

We believe that business can make a valuable contribution to the debate on regulation and government policy. However, to protect the public interest, it is important that business lobbying is conducted with honesty, integrity and transparency.

Our public affairs companies include: Burson Cohn & Wolfe and its affiliates (Prime Policy Group and Direct Impact); Penn Schoen Berland; Finsbury; Glover Park Group; Hill+Knowlton Strategies and its affiliates (OGR and Benenson Strategy Group). The majority of their work takes place in the US and the EU, although many clients are multinational businesses.

OUR STANDARDS

Our political activities are governed by our Code of Business Conduct and our Political Activities and Engagement Policy, both available on our website. These commit us to acting ethically in all aspects of our business and to maintaining the highest standards of honesty and integrity. Political activities should be conducted legally, ethically and transparently. All communication should be honest, factual and accurate. Our policies apply to all employees, Directors and entities.

Many of our companies are members of professional organisations and abide by their codes of conduct. Examples include the UK's Association of Professional Political Consultants (APPC), the self-regulatory body for UK public affairs practitioners, and the European Public Affairs Consultants' Association (EPACA) the representative trade body for public affairs consultancies working with EU institutions.

WPP companies comply with all applicable laws and regulations governing the disclosure of public affairs activities. In the US, this includes the Lobby Disclosure Act and the Foreign Agent Registration Act, which are designed to achieve transparency on client representation and require lobby firms to register the names of clients on whose behalf they contact legislators or executive branch personnel. A number of our companies are listed on the voluntary EU Transparency Register of lobbying activities.

It is WPP's practice that those of its US companies whose sole or primary business is lobbying have representatives of both major political parties among senior management.

We will not undertake work that is intended or designed to mislead. We do not knowingly represent "front groups" (organisations which purport to be independent NGOs but are controlled by another organisation for the purpose of misleading) and seek to ensure we are aware of who the underlying client is before taking on work.

Andrea Harris, Group Chief Counsel and Head of Sustainability, has responsibility for development and implementation of our political activity policy and public reporting procedures. Our Chief Talent Officer had overall responsibility for implementation of this policy within our public affairs companies. The CEO and CFO in each country or region are responsible for implementing our policy at the local level.

Any third parties conducting political activities on behalf of WPP or its companies must comply with our Political Activities and Engagement Policy. Third parties are required to complete the WPP ethics training or equivalent training within their own organisation.

POLITICAL CONTRIBUTIONS

WPP companies are not permitted to make direct cash donations. Other political donations can only be made with the prior written approval of a WPP executive director. Donations must be reported to WPP legal before they are made to confirm they comply with this policy and to obtain the necessary approvals.

POLITICAL ACTION COMMITTEES

In countries where it is consistent with applicable law, individuals working at WPP companies may make personal voluntary political contributions directly to candidates for office. Several of our businesses, including Burson Cohn & Wolfe/Prime Policy, Glover Park Group and Hill+Knowlton Strategies, also maintain political action committees (PACs) which accept voluntary donations from their people to support political candidates. In 2017 and 2018, these PACs made disbursements worth \$307,948 (data from fec.gov).

LOBBYING AND POLITICAL ADVOCACY

We occasionally contribute to the debate on public policy issues relevant to our business, sometimes operating through our public affairs companies.

We engage in partnerships and advocacy on sustainability issues, for example, through the Common Ground initiative in support of the UN Global Goals. Karen Blackett OBE, WPP UK Country Manager and Chairwoman of MediaCom UK & Ireland is serving as the UK Government's Race at Work Champion, supporting the Race at Work Charter.

Our companies also contribute to public debate in areas where they have expertise and a special interest – our digital and research companies, for example, are involved on privacy and data protection issues.

WPP companies must implement clear procedures for the employment of serving or former politicians. This includes, for example, a six-month "cooling-off" period for people joining WPP from public office or the public sector.

MEMBERSHIP OF TRADE ASSOCIATIONS

We are members of trade associations, industry groups and memberships organisations which undertake lobbying activity on behalf of their members. It is important that we select organisations whose priorities and values are aligned with our own and which have robust governance processes. WPP companies must nominate a senior manager with responsibility for managing and overseeing trade association relationships.

At a Company level our memberships in the US are the American Benefits Council, British American Business Inc and the Northeast Business Group on Health. In the UK they are the All Party Parliamentary Corporate Responsibility Group, Business Disability Forum, CBI, China Britain Business Council, Institute of Business Ethics, PARC, Trilateral Commission, and the World Economic Forum.

In our markets we are often members of the local advertising, PR, public affairs and market research industry association as well as national chambers of commerce and business councils.

PRIVACY AND DATA ETHICS

Data – including consumer data – can play an essential role in our work for clients. We have a responsibility to look after this data carefully, to collect data only when needed and with consent where required, and to store and transfer data securely.

Data security and privacy are increasingly high-profile topics for regulators, consumers and our clients.

We focus on building our people's awareness and knowledge so everyone understands and takes responsibility for data privacy and security. We have robust standards and governance processes in place to reduce risks and comply with regulation. We partner with clients, peers and industry organisations to promote best practice.

We reviewed, and where necessary updated, all our policies, processes and training to respond to the EU's General Data Protection Regulation (GDPR), which came into force in 2018, and we are reviewing on an ongoing basis pending global privacy laws such as those which will come into force in Brazil and California.

POLICIES AND GOVERNANCE

In 2018, we launched WPP's Data Privacy and Security Charter to help us communicate our approach to data to our people and our clients. This brings together our Data Code of Conduct, which sets out core principles for responsible data management, with our IT security, privacy and social media policies, and our security standards (which are based on ISO 27001). It also includes our acceptable use, data handling and retention, business continuity, incident response and subject access policies. Many of the policies have been rewritten to make them clearer and more accessible to a wide audience.

Our Group Chief Privacy Officer leads our work on privacy and partners with our companies and security and audit teams to promote privacy best practices. We appointed a Data Protection Officer in 2018 whose role is: to provide practical guidance and support to our agencies on data ethics; ensure that privacy risks are well understood across the business; help us prepare for new data and privacy regulation; and promote best practices.

Privacy leads in our companies oversee the implementation of our policies at a local level. They report progress to the Company via our Group Chief Counsel and Group Chief Privacy Officer. Each of our networks has appointed privacy leads to oversee data practices.

AUDIT AND DUE DILIGENCE

Our Group Chief Privacy Officer and Data Protection Officer are working with our internal audit team to review privacy risks and practices as part of our Company-wide audit programme.

Any supplier who collects, manages or stores employee, consumer or client data on behalf of WPP, our companies and our clients must have the right data security and privacy standards in place. We conduct due diligence on data suppliers and embed privacy requirements in our supplier contracts.

TRAINING AND ENGAGEMENT

Our Safer Data platform provides information, guidance and resources to help our people understand privacy risks and to apply our policies to their work. We have expanded its scope to include additional resources on data privacy and security including guidance on: recognising "phishing" and similar techniques; looking after data valuables; and communicating with clients on WPP's data security and privacy practices.

The platform also includes our GDPR toolkit, which contains guidance notes, model data protection contract clauses, template privacy impact assessment tools, policy templates and other resources, and we will be including additional resources to deal with privacy laws coming into force globally.

We updated our mandatory global online Privacy and Data Security Awareness training in 2018. The updated training has been completed by 111,747 employees. Our team also ran face-to-face training for around 50 of our operating companies covering GDPR compliance and privacy best practices.

We have developed a range of materials to help our companies communicate our approach to clients including during pitches and contract negotiations. Our Chief Privacy Officer also meets with clients to explain our approach and share insights and privacy best practices.

We partner with clients, industry organisations and peer companies on privacy issues. For example, we are working with the Internet Advertising Bureau (IAB) in Europe.

DATA HEALTH CHECKER

We use our Data Health Checker to review privacy risks and data security practices in our businesses. This provides us with insight into how data is used, stored and transferred and helps to identify any parts of the business who need further support on data practices. The results showed us that the majority of our companies have mitigation measures that match or exceed their level of privacy risk, with the average risk score being 2.16 out of 5, where 5 is the maximum score possible indicating maximum risk. Of those companies surveyed, 80% have a dedicated privacy lead.



THE HOPE PAGE

AGENCY
VMLY&R SYDNEY

CLIENT
UNICEF

VMLY&R Sydney created a website for UNICEF that allows you to contribute some of your computer's spare processing power to mine cryptocurrency. Any proceeds are automatically donated to UNICEF, creating an entirely new revenue stream for the global charity and funding life-saving aid for children in need.

RESULTS

210m
people reached
in first 48 hours

25,500
donors
April 2018

TOUCHING MASTERPIECES

AGENCY
GEOMETRY PRAGUE

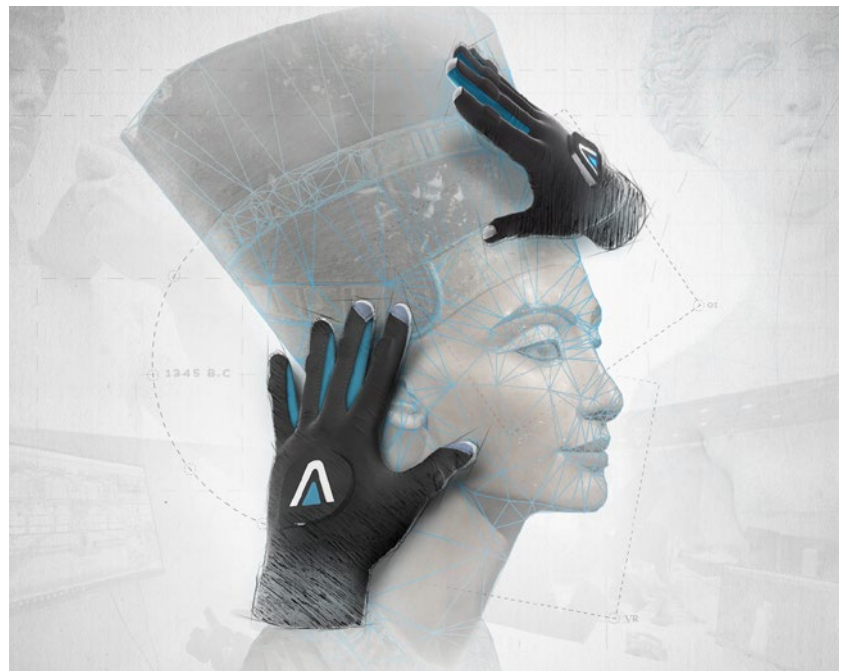
CLIENT
NEURODIGITAL

Geometry Prague, in partnership with NeuroDigital, the Leontinka Foundation and the National Gallery of Prague, launched a project empowering visually impaired individuals to enjoy art. Three art works were recreated in virtual reality, opening up a new age of digital accessibility. The campaign was launched at the National Gallery in Prague.

RESULTS

544m
impressions
March 2018-June 2018

170
countries reached
March 2018-June 2018



TAX POLICY

Tax revenues sustain national economies. We recognise our obligation to pay the amount of tax legally due in the territory in which the liability arises and comply with all legal requirements. At the same time, we have an obligation to maximise shareholder value, which includes controlling our overall liability to taxation.

The WPP Audit Committee, which is made up of Independent Non-Executive Directors, is responsible for overseeing our policies on tax and regularly reviews our tax strategy.

We disclose our UK Tax Strategy in our *Annual Report & Accounts* and key elements are summarised below.

TAX PAYMENTS IN 2018

The Company paid corporation and overseas taxes of £384 million in 2018 (2017: £424.7 million). Estimated employer social security-related taxes paid during 2018 were £718 million (2017: £674 million), and estimated employee social security-related taxes paid during 2018 were £435 million (2017: £398 million). Other taxes (primarily property taxes) paid during 2018 were £64 million (2017: £57 million).

We are starting to quantify the wider economic impacts of our business and the benefits associated with our activities including tax payments to governments.

See **quantifying our impacts, page 7**

TAX COMPLIANCE AND RELATIONSHIP WITH TAX AUTHORITIES

We seek to comply with our tax filing, tax reporting and tax payment obligations globally.

We look to maintain open and transparent relationships with the tax authorities in the jurisdictions in which we operate. This may take the form of discussing key developments in our business and the potential impacts of those developments. Equally, it may involve disclosing and seeking to resolve a known issue prior to the filing of the relevant tax return.

From time to time, our views (and those of our advisors) on the appropriate tax treatment in any given case may differ from those of the tax authorities. Where such circumstances arise, we will work constructively and proactively with the tax authorities in question with a view to achieving an early resolution to any matters arising.

TAX PLANNING

We will not engage in purely artificial transactions, the sole purpose of which is to reduce tax. However, we will consider undertaking a transaction in a way that gives rise to tax efficiencies providing this is aligned to our commercial objectives and complies with the associated tax legislation. We will not transact in this way if the underlying commercial objectives do not support the position, or if the arrangements impact upon our reputation, brand, corporate and social responsibilities, or future working relationships with tax authorities.

We recognise that we have a responsibility to pay an appropriate amount of tax in each of the key jurisdictions in which we operate. We also have a responsibility to our shareholders to structure our affairs in an efficient manner. Accordingly, we may utilise tax incentives or opportunities to transact efficiently from a tax perspective where these:

- are not considered to carry significant reputational risk or significant risk of damaging our relationship with the tax authorities in the jurisdictions in which we operate;
- are aligned with the intended policy objectives of the governments which introduced the incentives; and
- are aligned with our business or operational objectives.

External advice may be sought in relation to tax planning or areas of complexity or uncertainty to support our work in complying with our tax strategy. We will not promote or work with advisors to support tax planning unless the arrangements are consistent with our tax strategy.

TRANSPARENCY

We support initiatives to improve international transparency on taxation matters, including OECD measures on country-by-country reporting and automatic exchange of information.

We do not tolerate tax evasion, nor do we tolerate the facilitation of tax evasion by any person(s) acting on our behalf.

GOVERNANCE AND MANAGEMENT

We have established governance processes and policies to help us manage sustainability risks and opportunities consistently across the Company.

ROLES AND RESPONSIBILITIES

Paul Richardson, WPP's Group Finance Director, was the Board Director responsible for sustainability in 2018. Andrea Harris, Group Chief Counsel and Head of Sustainability, has operational responsibility for sustainability. She heads our central sustainability team that develops strategy and coordinates sustainability projects and data collection. It communicates on sustainability matters on behalf of the Company and works with Company functions (such as our talent, audit, legal, real estate, IT and procurement teams) and our operating companies to embed our standards.

At Board level, the Nomination and Governance Committee has responsibility for sustainability. We have established a Charity Committee to oversee our donations and pro bono work, see page 15.

EMBEDDING SUSTAINABILITY IN OUR COMPANIES

WPP sets sustainability policy, with every company responsible for implementation. We have a clear policy framework through our Code of Business Conduct, Sustainability Policy, Supplier Code of Conduct, Data Privacy and Security Charter, and Human Rights Policy Statement and other policies included in the WPP Policy Book. We track progress using our social and environmental key performance indicators.

Our internal sustainability advisors are working to ensure consistent implementation of our standards. Our companies have completed a self-assessment questionnaire and a summary of the findings has been communicated to each company's Chief Financial Officer and the relevant WPP Regional or Country Manager. During 2019 we will be running a series of on-site assessments, engagement and training sessions for our companies, to help them address any gaps and to implement best practice.

RISK MANAGEMENT

Environmental, social and governance (ESG) risks are integrated into the Company's assessment, management and monitoring of principal risks. This includes the Brand Check review process through which the Board receive an assessment of risks to each business at each Board meeting. Risks included in the Brand Check review include the possibility of winning or losing major business, succession and the addition or loss of a key executive; introduction of new legislation in an important market; sustainability, including risks relating to marketing ethics, privacy, diversity and employment; political instability; and changes in accounting or corporate governance practice.

ESG risks are also included in our programme of internal audits.

Our principal risks and uncertainties are set out in detail in the strategic report section of our [Annual Report & Accounts](#) and include risks relating to cyber and data security and our ability to recruit and retain talented people.

STAKEHOLDER ENGAGEMENT

Dialogue with our stakeholders, including our people, clients and investors, provides valuable feedback and insight into sustainability risks and opportunities, for our Company and our clients.

Most stakeholder engagement takes place in the course of doing business. We also carry out more formal research as part of our materiality process, see page 51. We work with clients on sustainability issues, see pages 11-14. Information on employee engagement is on page 25.

INVESTOR ENGAGEMENT

We engaged with investors, rating agencies and benchmarking organisations on sustainability during 2018 including Bloomberg Gender-Equality Index; CDP; Ecovadis; Ethibel; Euronext Vigeo Europe; FTSE Russell; Human Rights Campaign Foundation's 2018 Corporate Equality Index; ISS Data Verification; MSCI Research Inc; Sustainalytics; Thomson Reuters D&I index; Trucost; and Workforce Disclosure Initiative (WDI).

We are included in the FTSE4Good Index and participate in the CDP Climate benchmark, receiving a rating of A- in 2018 (2017: B).

WPP MATERIALITY ASSESSMENT



- Our client work
- Our people
- Environment
- Supply chain
- Social investment

¹ Including anti-bribery and corruption, client work ethics such as sensitive products and marketing to children, operating in sensitive countries, ethical standards among partners (JVs, affiliates, associates) and acquisitions.
² Including sustainable consumption.
³ Including environmental impacts of marketing campaigns.

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|-------------------------------------|--|--|--|
| 1 Health and safety | 9 Paper and resource use | 17 Supply chain environmental impacts ³ | 23 Community relations |
| 2 Marketing and compliance | 10 Supplier diversity | 18 Waste and recycling | 24 Water use |
| 3 Ethical standards ¹ | 11 Access to skills/support for skills | 19 Employee engagement | 25 Employee practices/human rights |
| 4 Diversity and inclusion | 12 Climate change | 20 Supply chain labour practices and human rights | 26 Social investment – pro bono, donations, volunteering |
| 5 Government relations and lobbying | 13 Employee wellbeing | 21 Training and development | |
| 6 Privacy and data security | 14 Fair treatment of suppliers | 22 Biodiversity | |
| 7 Tax policy | 15 Living wage | | |
| 8 Employee relations | 16 Marketing and sustainability ² | | |

OUR MATERIALITY PROCESS

We use a materiality process to ensure we focus our work and reporting on the issues of most importance and relevance to our business and our stakeholders.

Our first formal materiality assessment in 2014 included interviews with clients, investors, NGOs and sustainable business experts as well as senior executives in our Company functions and our operating companies. Further reviews were conducted in 2016 and 2017, and we plan to update our materiality assessment in light of our new corporate strategy.

Our materiality matrix shows the issues identified as important to our stakeholders (vertical axis) and our business (horizontal axis). Our reporting focuses on the issues identified as being of high or medium importance.

ABOUT OUR REPORTING

We have been reporting on our sustainability performance since 2002. We aim to take an integrated approach to managing sustainability risks and opportunities and to reflect this in our reporting. We integrate key performance information into our Annual Report & Accounts with further details, data and case studies provided in our Sustainability Report.

Sustainability data is for the calendar year 2018.

The majority of our data is collected quarterly through our Company financial reporting system. This covers all subsidiaries of the Company – over 130,000 direct employees. It does not include associate companies or joint ventures. Our per person carbon footprint figures are calculated using data for full-time equivalent employees (FTEs).

Some people data is collected through an HR Survey issued to our global HR Directors. This covers 85% of the Company.

Our carbon footprint, some environmental and some people data is verified by Bureau Veritas, an independent assurance provider. Its verification statement is published on page 57.

We also disclose information through various investor indices and benchmarks including CDP Climate Change.

GUIDELINES AND REPORTING FRAMEWORKS

WPP are members of the United Nations Global Compact (UNGC) and this Sustainability Report forms our fourth communication on progress. We provide an index which summarises our approach and progress on the UNGC's 10 principles, see pages 53-56.

Our report references selected Global Reporting Initiative's (GRI) Standards. See our GRI Standards context index (pages 53-56) for a list of disclosures and their location in our report.

We support the Taskforce on Climate-related Financial Disclosures and aim to develop our disclosures in line with its recommendations.



To read our TCFD disclosure and full carbon emissions statement see pages 173-174 of our Annual Report & Accounts