

# INNOVATING TO LEAD



**ANNUAL REPORT  
& ACCOUNTS 2023**

# OUR VISION

To be the most creative  
company in the world

# OUR PURPOSE

We use the power of creativity to build  
better futures for our people, planet,  
clients and communities

## OUR STRATEGY

→ Pages 9 to 15



Lead through  
AI, data and  
technology



Accelerate  
growth through  
the power  
of creative  
transformation



Build  
world-class,  
market-leading  
brands



Execute  
efficiently to  
drive strong  
financial returns

**Underpinned by a disciplined approach to capital allocation**

### ABOUT THIS REPORT

#### AI COVER ART

Our cover artwork – reflecting the reshaping of the landscape by technology – was produced by our in-house creative technologists in collaboration with engineers at NVIDIA. The imagery is an evolution of the WPP brand identity, combining high-fidelity 3D models in NVIDIA Omniverse™ with generative AI using our proprietary AI production studio on WPP Open

#### SUSTAINABILITY

We highlight our approach to sustainability throughout this report. The sustainability section starting on page 53 details our reporting requirements, including our TCFD statement. The full 2023 Sustainability Report can be found at [wpp.com/sustainabilityreport2023](http://wpp.com/sustainabilityreport2023)

#### DIGITAL

A digital version of the Annual Report, providing a concise summary of its contents, can be found at [wpp.com/annualreport2023](http://wpp.com/annualreport2023)

### QR CODES

Scan our QR codes throughout the report to access further content online



This report provides an update on our strategic progress, financial performance and sustainability activities for the year ended 31 December 2023



To learn more see [wpp.com](http://wpp.com)



Indicates the selected metrics have been subject to independent limited assurance procedures by PricewaterhouseCoopers (PwC) for the year ending 31 December 2023. For PwC's 2023 Limited Assurance Report and the WPP Sustainability Reporting Criteria 2023 see [wpp.com/sustainabilityreport2023](http://wpp.com/sustainabilityreport2023)

# CONTENTS

<b>STRATEGIC REPORT</b>		<b>ABOUT WPP</b>	<b>16</b>	<b>WPP SUSTAINABILITY</b>	<b>53</b>
<b>INTRODUCTION</b>		Investment case	17	Our approach to sustainability	54
Business highlights	2	Where we operate	18	Sustainability and our strategy	56
Financial highlights	3	Our business model	20	Communities	58
Key events	4	Our agencies	22	Planet	60
Chief Executive's statement	6	Clients	24	Task Force on Climate-related Financial Disclosures	62
<b>WPP STRATEGY</b>	<b>9</b>	<b>WPP AT WORK</b>	<b>30</b>	Carbon emissions statement	69
Journey to today	10	Awards and recognition	31	Public policy	70
Market outlook	12	Creativity	32	Supply network	71
Innovating to Lead: the next five years	14	AI, data and technology	33	Our work in sustainability	72
		AI and data ethics, privacy and security	36	<b>WPP FINANCIAL PERFORMANCE</b>	<b>80</b>
		People	37	Chief Financial Officer's statement	81
		Our work	40	Key performance indicators	84
				Financial review	88
				Assessing and managing our risks	93
				Principal risks and uncertainties	98
<b>CORPORATE GOVERNANCE</b>		<b>FINANCIAL STATEMENTS</b>		<b>ADDITIONAL INFORMATION</b>	
Chairman's letter	108	Accounting policies	172	Shareholder information	228
Compliance with the UK Corporate Governance Code	111	Consolidated financial statements	178	Five-year summary	231
Our Board	112	Notes to the consolidated financial statements	183	Glossary	232
Our Executive Committee	115	Independent auditor's report	215	Where to find us	234
Division of responsibilities	117	Reconciliation to non-GAAP measures of performance	223		
How our Board engages with stakeholders	118				
Board activities	122				
Composition, succession and evaluation	123				
Nomination and Governance Committee report	125				
Audit Committee report	130				
Sustainability Committee report	137				
Compensation Committee report	139				
Statement of Directors' responsibilities	169				

# BUSINESS HIGHLIGHTS

Our purpose is to build better futures for our people, planet, clients and communities, and we continued to make progress towards those goals in 2023

## PEOPLE

Investing in our people's futures

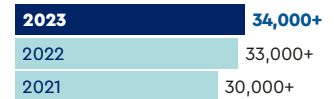
114,000

people employed in over 100 countries across the globe (2022: 115,000)

41%<sup>1</sup>

women in executive leadership roles<sup>1</sup> (2022: 40%)

## TECHNOLOGY PARTNERS' ACCREDITATIONS AND CERTIFICATIONS AWARDED TO OUR PEOPLE



## PLANET

An industry-leading commitment to reduce carbon emissions from our own operations to net zero by 2025, and across our supply chain by 2030

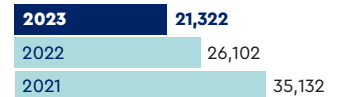
0.19 tCO<sub>2</sub>e

carbon emissions per person<sup>2</sup> from our owned operations (Scope 1 and 2) (2022: 0.23 tCO<sub>2</sub>e)<sup>3</sup>

88%<sup>4</sup>

electricity purchased from renewable sources (2022: 83%)

## MARKET-BASED SCOPE 1 AND 2 CARBON EMISSIONS<sup>4</sup> (tCO<sub>2</sub>e)



## CLIENTS

Delivering transformational results for our clients

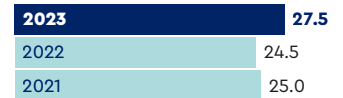
303

of the Fortune Global 500 are WPP clients, reflecting demand for our services among the world's leading companies (2022: 307)



ranked most effective communications company in the world (Effies 2023)

## CLIENT NET PROMOTER SCORE<sup>5</sup>



## COMMUNITIES

Helping to bring about change for the better in society

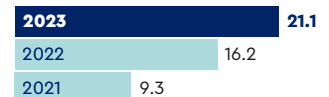
Leader

in the 2023 Bloomberg Gender-Equality Index

£36.1m

total social contribution, taking into account cash donations, pro bono work, in-kind contributions, free media space and racial equity initiatives (2022: £35.5m exc. racial equity initiatives)

## CUMULATIVE INVESTMENT IN RACIAL EQUITY INITIATIVES (\$m)



## KEY

<sup>1</sup> Indicates the selected metrics have been subject to independent limited assurance procedures by PricewaterhouseCoopers for the year ending 31 December 2023. For PwC's 2023 Limited Assurance Report and the WPP Sustainability Reporting Criteria 2023, see [wpp.com/sustainabilityreport2023](http://wpp.com/sustainabilityreport2023)

<sup>2</sup> Executive leadership roles are defined by WPP as the agency board and executive leadership population as reported through WPP's financial reporting system

<sup>3</sup> Full-time equivalent (FTE) employee

<sup>4</sup> 2022 energy metric restated in line with the procedures set out in the WPP Sustainability Reporting Criteria 2023. For details of the nature and impact of the restatement, see page 61

<sup>5</sup> See Carbon Emissions Statement on page 69

<sup>6</sup> See definitions in the Glossary on page 232

# FINANCIAL HIGHLIGHTS

Our performance in 2023 was resilient: we grew our revenue and improved our like-for-like headline operating margin, while maintaining an investment grade balance sheet and increasing dividends to shareholders

## CONTINUED REVENUE GROWTH

In 2023 reported revenue increased 2.9% and like-for-like revenue less pass-through costs grew 0.9%<sup>1</sup>

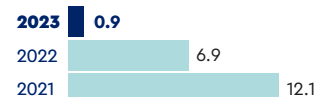
**£14.8bn**

revenue  
(2022: £14.4bn)

**£11.9bn**

revenue less  
pass-through costs<sup>2</sup>  
(2022: £11.8bn)

## LIKE-FOR-LIKE REVENUE LESS PASS-THROUGH COSTS GROWTH (%)



## DISCIPLINED COST CONTROL

Our headline operating margin of 14.8% was unchanged on a reported basis, but grew 0.2 percentage points on a like-for-like basis, due to disciplined cost control

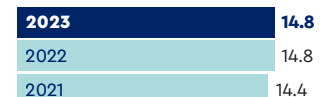
**14.8%**

headline operating margin<sup>3</sup>  
(2022: 14.8%)

**£475m**

transformation programme  
gross savings since 2019  
(2022: £375m)

## HEADLINE OPERATING MARGIN (%)



## MAINTAINING A STRONG BALANCE SHEET

Our balance sheet is rated investment grade by leading credit agencies. Our leverage ratio slightly exceeded our target range of 1.5-1.75x due to higher average net debt. Year-end net debt was unchanged at £2.5bn

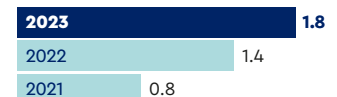
**S&P BBB  
Moody's  
Baa2**

investment grade ratings  
from credit agencies  
(2022: S&P BBB,  
Moody's, Baa2)

**1.8x**

leverage ratio of average  
adjusted net debt  
to headline EBITDA<sup>4</sup>  
(2022: 1.4x)

## AVERAGE ADJUSTED NET DEBT/HEADLINE EBITDA (x)



## REWARDING SHAREHOLDERS

In 2023, total dividends per share of 39.4p were in line with our target payout policy of around 40% of headline earnings per share (EPS), and unchanged from 2022

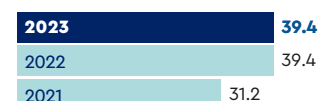
**39.4p**

dividends per share  
(2022: 39.4p)

**£423m**

total dividends to shareholders  
(2022: £365m)

## DIVIDENDS PER SHARE (p)



<sup>1</sup> Like-for-like growth as defined in the Glossary on page 232

<sup>2</sup> The Group uses alternative performance measures in explaining its results, which are described on pages 223 to 225

<sup>3</sup> Headline operating profit of £1,750m, as a percentage of revenue less pass-through costs of £11,860m. Reported profit before tax was £346m (2022: £1,160m)

<sup>4</sup> See definitions in the Glossary on page 232

# KEY EVENTS

We continued to invest in new skills, talent, strategic partnerships and targeted acquisitions, while winning new business and industry recognition

## JANUARY

- WPP recognised as Leader in the 2023 Bloomberg Gender-Equality Index



## MARCH

- WPP leads the World Advertising Research Center (WARC) Rankings



- A busy month for acquisitions with influencer marketing agencies Goat and Obviously, and German healthcare specialist 3K Communication, joining WPP



**obviously**

**3K** a Hill+Knowlton company

## MAY

- We partner with NVIDIA to build a generative AI-enabled content engine for digital advertising



- BCW appoints Corey duBrowa as Chief Executive Officer



## JUNE

- WPP tops the Global Effie Index



- Mindshare named Cannes Lions media network of the year 2023



- We invest in diversity-focused creative agency Majority



## FEBRUARY

- We announce new partnerships with commerce companies Stripe and BigCommerce



- New WPP campus opens in Guangzhou, China

## APRIL

- WPP acquires sonic branding agency, amp



- We are recognised by the Financial Times as a 2023 climate leader

## MAY

- 28 WPP leaders graduate from Oxford's Said Business School with a diploma in AI



- Wavemaker wins Reckitt Benckiser's media account in India
- Sustainalytics ranks WPP with the lowest-risk ESG rating amongst its peers

## JULY

- New WPP campus opens in Manchester



- Ogilvy wins Jameson's global creative account



**SEPTEMBER**

- Nestlé picks WPP as sole media partner in Europe



- Verizon names Ogilvy creative agency of record for its consumer business
- Andrew Scott, COO, is appointed to the WPP Board



- New WPP campus opens in Paris

**OCTOBER**

- Wunderman Thompson and VMLY&R unite to create global powerhouse, VML



- Shopify and WPP announce new commerce partnership



**NOVEMBER**

- Sprinklr and WPP announce new AI partnership



- FGS Global acquires Longview in Canada

**DECEMBER**

- VML named creative agency partner for Krispy Kreme

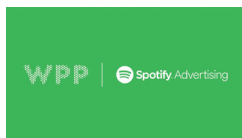


- TUI appoints EssenceMediacom as media agency for pan-European account

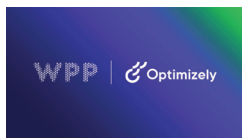


**AUGUST**

- Spotify and WPP announce first-of-its-kind global partnership



- We launch digital experiences partnership with Optimizely



**OCTOBER**

- Lindsay Pattison appointed WPP Chief People Officer



- PayPal hires GroupM as its global media agency of record



- Adweek names Ogilvy 2023 global agency of the year

**NOVEMBER**

- Jane Geraghty appointed WPP Chief Client Officer



- Official opening of our Brussels campus

**DECEMBER**

- GroupM publishes *This Year Next Year: 2023 Global End-of-Year Forecast*



- GroupM appointed global media partner to Allianz

# CHIEF EXECUTIVE'S STATEMENT



WPP has always been a company of innovators, driven by an instinct to create, to reinvent, to move forward and to lead

**It's what makes us the creative transformation company, and it's why the world's biggest marketers entrust us with their brands.**

It's also the inspiration for the next phase of our strategy, which we're calling 'Innovating to Lead'. At our Capital Markets Day in January 2024 we set out our plans to capture the opportunities of AI, data and technology, while realising the full potential of our offer to clients, building world-class agency brands and driving strong financial returns through efficient execution.

We are confident these plans – outlined in greater detail below and later in this report – will deliver accelerated and more profitable growth over the medium term.

## A RESILIENT PERFORMANCE

In 2023, our industry felt the impact of a tougher economic environment. Spending by clients in the consumer packaged goods sector – WPP's largest segment – grew well, but this was offset by a more cautious approach to marketing spend in other sectors, and notably lower spend from technology clients.

Against this challenging backdrop, our performance was resilient, with like-for-like growth in revenue less pass-through costs of 0.9%. Strong growth in the UK and India was set against weaker trading in the US, China and Germany. Thanks to disciplined cost control, we were able to grow our like-for-like headline operating margin in 2023, while continuing to invest in AI, data, technology and talent.

GroupM, our media investment business, grew well, and Ogilvy – supported by major new client assignments – also performed strongly. Our creative production business,

Hogarth, was another standout performer, benefiting from increasing demand for its technology- and AI-driven capabilities.

We continued to win new clients and grow our existing relationships, attracting net new business of \$4.5 billion in 2023, including new assignments with Allianz, Krispy Kreme, Mondelez, Nestlé, PayPal and Verizon. As I write this today, our pipeline for potential new business is larger than it was at the same point in 2023.

We expect 2024 to be a transitional period of modest growth as we cycle through the impact of some assignment losses last year and as technology companies continue to manage through a period of disruption, but we are optimistic about the strategic opportunities ahead of us.

## AI, DATA AND TECHNOLOGY

One of the primary reasons for that optimism is our leadership position in the application of AI, data and technology to marketing. Building on that strength is the first pillar of Innovating to Lead.

While we have been investing in AI for many years at WPP, the recent explosion of generative AI has rapidly increased its relevance to the marketing industry. For the first time, we can see how computers can do things we thought only people could do – take photos, write copy, create videos and more.

AI is already changing our industry. We have put it at the heart of our work today as well as our future strategy. We're working with all our top clients on AI-related projects and delivering exceptional AI-enabled work, examples of which you can see in this report.

This technology will be fundamental to the future of WPP, and being at the forefront of AI ensures we are taking full advantage of the substantial opportunities it presents.

As part of our technology strategy, we've been consolidating our position as leaders in the field with future-facing decisions including the acquisition of AI technology company Satalia in 2021; strategic partnerships with technology companies including Adobe, Google, IBM, Meta, Microsoft and NVIDIA; and organic



investment in client-facing technology, data capabilities and WPP Open, our AI-powered marketing operating system.

WPP Open is now used by more than 30,000 people across WPP each month to experiment, enhance our skills and build campaigns, and it's being widely deployed on client work. In 2023 it gave us the competitive edge in several major pitches, and it was adopted by some of our largest clients, including Nestlé and L'Oréal. Looking ahead, we expect to serve a growing number of clients through WPP Open as it plays an ever more central role in our offer.

Our plans include annual cash investment of around £250 million in proprietary technology to support our AI and data strategy and to keep us ahead of the pack.

### **CREATIVE TRANSFORMATION**

I firmly believe that AI will enhance, not replace, human creativity. Vision, inspiration and imagination matter more than ever – and not just in our creative agencies, but in our media, PR and design companies. The extraordinary power of bold ideas continues to drive transformative business results for the world's leading brands, and it remains at the heart of our proposition to clients.

Unlocking the full potential of creative transformation to accelerate growth is the second pillar of our strategy. None of our competitors can match our global scale, the breadth and depth of our integrated offer in creative, media, production and PR, or our capabilities in fast-growth areas such as commerce, influencer marketing and retail media. We intend to capitalise on this advantage to expand our share of a growing market.

There are few better demonstrations of the competitiveness of our offer or the strength of our client relationships than our agencies' performance at the Super Bowl – one of the world's greatest showcases for excellence in marketing.

2024's Big Game saw an unprecedented 12 TV spots from WPP agencies plus media activations for more than 25 brands. There was creative work for clients including Hellmann's, Dove, Pringles, L'Oréal's CeraVe, VW and Verizon, while

Adidas, The Coca-Cola Company, Duracell, Mars, Nestlé, Google, Danone and the U.S. Navy were among the media buys.

Much of this work is the fruit of enduring partnerships between agencies and brands. Dove and Ogilvy have enjoyed 66 years of unbroken partnership, during which time they have transformed a humble soap brand into a \$7.3 billion social movement. In 2023 we were incredibly proud to celebrate 80 years of collaboration with Ford, while WPP Open X sprinted to its two-year anniversary as The Coca-Cola Company's global marketing partner.

The creative work we've produced together with The Coca-Cola Company won eight awards at Cannes Lions in 2023, as part of another highly successful festival for WPP that saw our agencies collect a total of 165 Lions and Mindshare win Media Agency of the Year.

WPP took the award for the world's most effective communications company at the Effies, and Ogilvy won most effective network. WARC named WPP the top company in each of its three rankings – for creativity, media and effectiveness – while Ogilvy was network of the year for both creativity and effectiveness and EssenceMediacom was the winner in media.

Awards like these matter because they reflect our agencies' ability to create commercial success for our clients, they recognise the industry-leading talent we have at WPP, and they act as a magnet for brilliant people to join our Company.

### **MARKET-LEADING BRANDS**

The third pillar of our strategy is to continue to build world-class, market-leading agency brands that reduce complexity, maximise the benefits of our scale and enhance our offer to clients.

In 2023 we united Wunderman Thompson and VMLY&R to create VML, the world's largest creative agency, and in January 2024 we announced the combination of BCW and Hill & Knowlton to create Burson, a leading global strategic communications firm. GroupM – which in 2023 retained its clear global leadership position with media billings of \$63 billion – moved to the next

phase of its strategy to streamline and simplify its operational structure.

WPP will soon operate largely through six agency networks – VML, Ogilvy, AKQA, Hogarth, GroupM and Burson – that together account for close to 90% of WPP's revenue less pass-through costs.

These networks are helping us to expand client relationships and begin new ones. VML quickly notched its first win as a new agency in December 2023, securing Krispy Kreme's global creative business, while GroupM was chosen as the media and planning partner for Allianz as well as PayPal's global media agency.

Verizon named Ogilvy its creative agency of record for its consumer business, and we became Nestlé's sole media partner in Europe, serving 47 countries through a new digital-first model.

### **STRONG FINANCIAL RETURNS**

We have a significant opportunity to realise further scale advantages and savings, and executing efficiently to deliver strong financial returns is the fourth and final pillar of our strategy.

The creation of VML and Burson and the ongoing simplification of GroupM will deliver both growth opportunities and structural cost savings. We also see additional efficiency opportunities across our back-office functions and commercial delivery services, with the scope for further cost savings over the next three to five years.

The strategy we shared at the Capital Markets Day and which I have outlined here, underpinned by a disciplined approach to capital allocation, is expected to enhance our financial performance, by improving our growth, profitability and cash flow over the medium term.

You can read more on our financial performance in 2023 and our medium-term targets in the Chief Financial Officer's statement on page 81.

# CHIEF EXECUTIVE'S STATEMENT CONTINUED

## PEOPLE

At WPP we aim to attract, develop and retain the most talented, creative people in our industry.

We invest significantly in ensuring our people can benefit from the global, multi-disciplinary nature of WPP, learn from our expertise in AI, data and technology, and enjoy exciting and fulfilling careers within the Company. I'm particularly proud of our Future Readiness Academies, a global online learning programme designed to furnish our people with the skills of tomorrow. 12,500 employees have taken nearly 50,000 courses through the platform.

We also continue to invest in state-of-the-art campuses around the world, providing our people with inspiring, collaborative and flexible spaces that ignite creativity and bring together the best talent, technological capability and facilities under one roof. I was delighted to join many of our clients at the launch events of three new WPP campuses – in Manchester, Paris and Brussels – in 2023.

WPP's talented leadership team was strengthened further during 2023. We welcomed Joanne Wilson as our new Chief Financial Officer and Corey duBrowa as the new CEO of BCW (and now Burson). Former Landor CEO Jane Geraghty was appointed as our Chief Client Officer, succeeding Lindsay Pattison as she became Chief People Officer. Lindsay replaced Jennifer Remling as she departed after eight successful years to join Warner Bros. Discovery. Chief Operating Officer Andrew Scott joined the Board as an Executive Director.

We work hard to build a diverse workforce and an inclusive culture, one that reflects the societies in which we live. It's important to our clients, and it's important to me. Companies that want to be at the cutting edge of innovation and create moments that become part of popular culture need teams who represent a range of perspectives and communities.

In 2023, the proportion of our executive leaders<sup>1</sup> who are women was 41%<sup>2</sup> (2022: 40%). In the US, our largest market, the proportion of our senior and executive managers who are non-white was 22% (2022: 22%).

A record number of WPP leaders were named in Involvement's 2023 Heroes Women Role Model lists for championing women in business and nurturing a more inclusive workplace. In 2023 we once again featured in the Bloomberg Gender-Equality Index.

The support of the Board, and in particular the Chairman, has been central to the progress we've made in building a new culture at WPP, and in our wider strategy to transform the Company. As he prepares to hand over to a new Chair, I would like to thank Roberto for his wise counsel and encouragement to me and the whole executive team, and to recognise his role in ensuring the strength and resilience of today's WPP.

## A MORE SUSTAINABLE AND EQUITABLE FUTURE

In 2021, we announced our commitment to reduce carbon emissions from our own operations by 84% by 2025, and to halve carbon emissions across our supply chain by 2030. We include media buying in these targets – the first company in our industry to do so. At the end of 2023, we had achieved a 76% absolute reduction in tonnes of CO<sub>2</sub>e emissions (Scope 1 and 2) since our 2019 baseline, and a reduction of 18% year-on-year.

As part of these efforts, and to help clients meet their own sustainability goals, in February 2023 GroupM launched a new omnichannel media carbon calculator, enabling clients for the first time to factor channel-level emissions data into their media planning.

We aim to use our voice and resources to support social progress throughout our industry. One of the ways we do this is through our Racial Equity Programme, which funds innovative inclusion projects. 2023 saw the fourth round of funding, which provided backing to the Crias Project, a partnership between Ogilvy, DAVID and GR6 in Brazil that sets out to hire talented Black creatives from favelas to work on client projects, and the OG Creative Technology Academy, which identifies and supports high-potential African talent.

Clients have long been aware of the potential of our work to bring about positive change. Impactful campaigns in 2023 included EssenceMediacom's Pre-Loved Island for eBay, which combatted clothing waste by dressing contestants on ITV's Love Island – which has a huge impact on UK fashion trends – in stylish second-hand items.

DAVID and Corona helped Chinese smallholders grow their incomes by supporting high-quality lime cultivation, through the award-winning Corona Extra Lime initiative, and Ogilvy's #TurnYourBack campaign for Dove raised awareness of the harmful impact of toxic beauty content.

You can read about many more examples of work that makes a difference, and our wider approach to environmental, social and governance (ESG) matters, in our Sustainability Report and in the Sustainability and Corporate Governance sections of this report.

## THE OPPORTUNITIES AHEAD

One of the privileges of my role is that every day I get to see remarkable people coming together to deliver great work like this for our clients. And there has never been a more exciting time to be part of our industry, as the collision of human imagination and rapidly evolving technologies opens up a new world of creative possibilities.

I cannot help but be optimistic about the future, knowing we have such talented people and such forward-looking clients who share our passion for exploring the new opportunities ahead of us. As ever, my thanks goes to all of them.



**Mark Read**  
Chief Executive Officer  
21 March 2024

<sup>1</sup> Executive leadership roles are defined as the agency board and executive leadership population as reported through WPP's financial reporting system

<sup>2</sup> Indicates the selected metrics have been subject to independent limited assurance procedures by PricewaterhouseCoopers for the year ending 31 December 2023. For PwC's 2023 Limited Assurance Report and the WPP Sustainability Reporting Criteria 2023, see [wpp.com/sustainabilityreport2023](http://wpp.com/sustainabilityreport2023)

# WPP STRATEGY

Our strategy is expected to deliver accelerated and more profitable growth over the medium term

## In this section

Journey to today	10
Market outlook	12
Innovating to Lead: the next five years	14

# JOURNEY TO TODAY

Over the last five years we've transformed WPP. We're now radically simpler, with world-class talent, leading capabilities and improved financial performance

In 2018, WPP was a complex organisation that had under-invested in key areas such as talent, creativity and technology

Today WPP is a stronger company, with a modern, integrated offer and simplified structure, and well positioned for growth

## Simplified our structure

- Retired around 300 legacy brands
- Closed 840 smaller, inefficient offices
- Eliminated around 1,400 legal entities, arising from historic acquisitions
- 90+ disposals of non-core businesses, raising more than £3.8 billion

## Built a world-class leadership team

- Strengthened leadership through new hires and acquired companies
- Enhanced culture and working environment
- Invested in creative and technology talent for the future

6

key networks, representing close to 90% of WPP<sup>1</sup>



The world's largest creative agency<sup>2</sup>



A leading ideas and innovation agency



A leading global creative agency



The world's largest media investment business



BURSON

A top 2 global PR firm<sup>3</sup>



The world's largest production agency



Established a WPP Executive Committee of senior WPP and agency leaders

➔ See page 115



Hired new talent from leading companies or through acquisitions such as Satalia, our AI technology company



In 2023, 28 WPP leaders graduated from Oxford's Saïd Business School with a diploma in AI



<sup>1</sup> Share of revenue less pass-through costs  
<sup>2</sup> In October 2023 WPP announced the merger of Wunderman Thompson and VMLY&R to form VML, which was effective in January 2024  
<sup>3</sup> In January 2024 WPP announced the merger of BCW and Hill & Knowlton to create Burson, which is effective in July 2024

### Strengthened our AI, data and technology capability

- Organic investment in client-facing technology
- Targeted acquisitions to enhance our capability in AI, commerce, influencer marketing and marketing tech
- Developed key strategic partnerships

#### Organic investment in client-facing tech

<b>WPP Open</b> Our AI-powered marketing operating system	<b>Satalia</b> Our AI technology company	<b>choreograph</b> Our data product, service and technology company
--------------------------------------------------------------	---------------------------------------------	------------------------------------------------------------------------

#### Targeted technology-led M&A

<b>amp</b>	Sonic branding solutions
<b>corebz</b>	Digital commerce platform solutions
<b>dli</b>	Digital innovation and software engineering
<b>headstream</b>	Data-driven influencer solutions
<b>NEWCRAFT</b>	Ecommerce consultancy
<b>obviously</b>	Tech-led social influencer platforms
<b>Satalia</b>	Enterprise AI strategy and technologies

#### Key technology strategic partnerships

<b>Adobe</b>	<b>amazon</b>	<b>Google</b>
<b>IBM</b>	<b>Meta</b>	<b>Microsoft</b>
<b>NVIDIA</b>	<b>salesforce</b>	<b>TikTok</b>

### Significant progress in our transformation programme

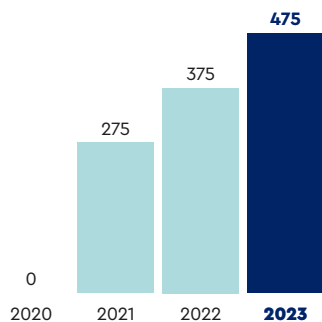
- Moved 52% of our people into modern, efficient, multi-agency campuses, up from 8% in 2018
- Merged agencies and adopted common platforms
- Eliminated multiple financial platforms, moving to fewer, more modern systems

#### Transformation plan

- Set out a plan to deliver £600 million of annual gross savings by 2025 against the 2019 cost base. At the end of 2023 we had delivered around £475 million of gross savings, which is ahead of the originally planned £450 million

➔ See pages 81 and 85

#### GROSS COST SAVINGS SINCE 2019 (£m)

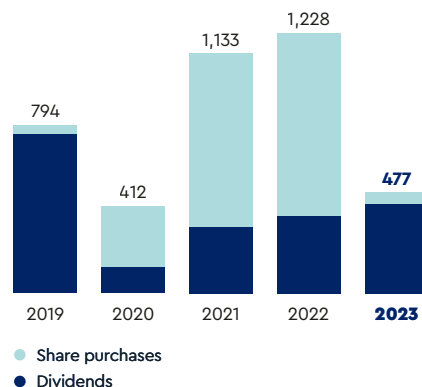


### Improved financial performance

- Delivered growth: 2.6% compound annual growth (2019-2023)
- Stabilised our headline operating profit margin
- Reduced adjusted net debt to £2.5 billion from £4.1 billion in 2018
- Returned a cumulative £4 billion to shareholders in the form of dividends and share buybacks

## £4bn returned to shareholders since 2018

#### DIVIDENDS AND SHARE PURCHASES (£m)



# MARKET OUTLOOK

We operate in a large and growing market segment

In 2023, advertisers continued to invest in delivering marketing messages to audiences, driving global growth in advertising revenue of 5.8% to \$889 billion<sup>1</sup>.

**IN 2023, TOTAL AD REVENUE INCREASED BY AN ESTIMATED**

**5.8%**

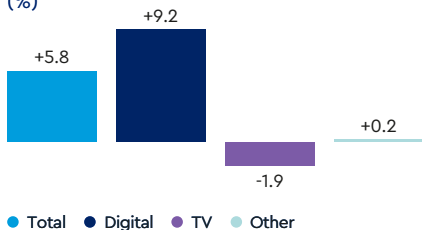
(2022: 6.2%)

total advertising spend comprises three main areas – digital, television and other sectors including out-of-home (OOH), print and audio

## DIGITAL

The largest single segment of advertising spend is on digital (internet-based) channels, representing 69% of the total. Within this are three sub-groups – search, retail media and other. Digital search, eg via Google or Bing (32% of the total) grew 7.8% in 2023. Retail media (retailers using their websites to sell advertising space) is the smallest segment (19% of digital), but is growing quickly, up an estimated 9.8% in 2023. The largest retail media platforms, by ecommerce gross merchandise value in 2022, were Alibaba, Amazon and JD.com. The remaining 49% of digital includes social and short-form media from companies including Meta, YouTube and TikTok.

**2023 GLOBAL AD MARKET GROWTH (%)**



**69%**

advertising revenue classified as digital

Total digital ad spend accelerated throughout 2023, growing an estimated 9.2%, excluding US political advertising. Digital ad spend is anticipated to remain the fastest-growing segment, expanding on average 7.4% on a compound annual basis through to 2028, driven by search, social and retail media channels, and is forecast to represent 76% of total global ad spend by 2028.

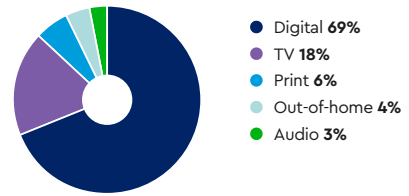
## TV

Television remains a significant channel for global ad revenue, representing 18% of the total in 2023, given its ability to satisfy advertisers' brand-reach goals. Within this, linear TV ad revenue fell an estimated 4.3% as advertisers moved to data-driven channels including connected TV streaming services, which are estimated to have grown 10% in 2023 as they provide more data to target audiences and more closely measure ad campaign results. Looking ahead, global total TV ad revenue is expected to grow a modest 1% on a compound annual basis through to 2028, driven mostly by connected TV, offsetting the declines in linear TV.

**5.6%**

expected global ad revenue compound annual growth rate 2023 to 2028

## 2023 MEDIA CHANNEL SHARE



## OTHER

Print, including both traditional and digital forms of newspapers and magazines (6% of the total), is expected to decline 4.6% in 2023 as audiences switch to digital versions and print becomes less commercially viable.

Out-of-home advertising (4% of total spend) is forecast to grow 10.3% in 2023, benefiting from the ongoing resurgence of travel and airport advertising. Within this, digital OOH (eg digital billboards) is forecast to grow 18.1% in 2023.

Audio ad revenue fell 2.9% in 2023. Within this, demand for streaming music and podcast services continued to grow strongly, offsetting the decline in terrestrial radio services.

Over the next five years to 2028, growth in other channels is forecast to be driven by OOH digital advertising, masking declines in print and audio channels.

## COUNTRIES

During 2023 the industry saw positive growth across all major markets. The US, the largest ad market, representing 39% of total spend, is estimated to have grown 5.7% in 2023 compared with 7.1% in 2022, led by digital channels.

**THE US IS THE LARGEST AD MARKET, ACCOUNTING FOR**

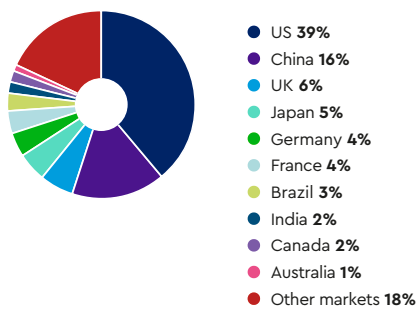
**39%**

**of total ad spend**

China, the second-largest market (16% of total spend), grew 6.1%, driven by digital and OOH spend, bouncing back from the 0.6% decline in 2022 due to Covid-related lockdowns. Growth in the UK, the third biggest market, remained strong at 4.4%, driven by digital advertising channels such as social media, albeit less than the 8.9% growth achieved in 2022.

Among other major markets, Brazil and India achieved double-digit growth of 10% and 11% respectively, led by social media in the former and retail media spend in the latter. In the more mature ad markets of Germany, France and Canada, ad spend growth continued between 3% and 4% – slightly down on 2022. In the 10th largest market, Australia, growth was flat year-on-year.

**2023 GLOBAL MEDIA MARKET SHARE BY COUNTRY**



<sup>1</sup> GroupM, *This Year Next Year: 2023 Global End-of-Year Forecast*, December 2023. Excludes US political advertising

**A FAST-CHANGING AND COMPLEX MARKET**

Our clients are facing an ever-more complex marketing environment that presents new opportunities to advertise, but also more fragmentation. This in turn requires more advice from agencies, which is expected to be a positive driver of future growth. This complexity is being driven by:

- AI influencing where and how clients invest their money
- Social and influencer channels shaping consumer behaviour
- The convergence of culture and entertainment; for example Super Bowl LVIII was viewed by 123 million people, the largest audience in the history of the Big Game
- Clients requiring more data and more insights from that data
- The rapid evolution of media channels providing advertisers new ways to reach consumers, such as retail media channels and TV streaming platforms introducing ad-supported tiers
- Significant geopolitical events and an increasingly polarised political environment

**ACCELERATING AI IMPACT**

**SOCIAL AND INFLUENCER-FIRST MARKETING**

**CONVERGENCE OF CULTURE & ENTERTAINMENT**

**CHANNEL PROLIFERATION**

**EXPLODING DATA LANDSCAPE**

**GROWING GEOPOLITICAL COMPLEXITY**

**POLARISED CONSUMERS**

# INNOVATING TO LEAD: THE NEXT FIVE YEARS

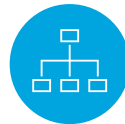
The next phase of our strategy aims to capture the opportunities offered by AI, maximise the potential of creative transformation and deliver faster growth, higher margins and improved cash generation



**Lead through  
AI, data and  
technology**



**Accelerate growth  
through the power  
of creative  
transformation**



**Build world-class,  
market-leading  
brands**



**Execute efficiently  
to drive strong  
financial returns**



Underpinned by a  
disciplined approach  
to capital allocation



**LEAD THROUGH AI, DATA AND TECHNOLOGY**

Capitalise on our AI leadership position, built on: the acquisition of Satalia in 2021; organic investment in AI, client-facing technology and data; and deep partnerships, including with Adobe, Google, IBM, Meta, Microsoft and NVIDIA



Our AI-powered marketing operating system



Our AI technology company

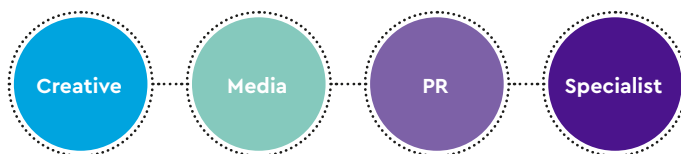


Our data product, service and technology company

**ACCELERATE GROWTH THROUGH THE POWER OF CREATIVE TRANSFORMATION**

Expand our client relationships by further leveraging WPP's global scale, integrated offer in creative (including production), media, PR and specialist communications, and capabilities in fast-growth areas such as commerce, influencer marketing and retail media to capture share in a growing market

Integrated offer



**BUILD WORLD-CLASS, MARKET-LEADING BRANDS**

Realise the opportunities from VML as the world's largest integrated creative agency and GroupM as the world's largest media investment business, and establish Burson as a leading global strategic communications agency



The world's largest media investment business



The world's largest creative agency



Top 2 global PR firm

**EXECUTE EFFICIENTLY TO DRIVE STRONG FINANCIAL RETURNS**

Deliver annual net cost savings of around £125 million by 2025 from the mergers of VMLY&R and Wunderman Thompson and BCW and Hill & Knowlton, and from the simplification of GroupM, and a further circa £175 million of gross savings, over the medium term, from efficiency opportunities across both back office functions and more efficient delivery of services to clients

**c.£125m**

targeted structural net cost savings by 2025

**c.£175m**

targeted gross efficiency savings over the medium term

Continued organic investment, a progressive dividend policy and a disciplined approach to M&A, supported by a strong balance sheet and an investment grade credit rating

# ABOUT WPP

We are the world's largest marketing services company. Find out how we use our global reach and scale, leading capabilities and strong financial position to benefit our clients and shareholders

**In this section**

Investment case	17
Where we operate	18
Our business model	20
Our agencies	22
Clients	24

# INVESTMENT CASE

Our exposure to growth markets, strong client relationships, leading capabilities and robust financial position enable us to accelerate growth, expand margins and improve cash generation to drive shareholder returns

## UNRIVALLED GLOBAL REACH AND SCALE

We have the industry's biggest global footprint, and the #1 creative agency, #1 production agency and #1 media investment business globally

**100+**  
countries in our  
global network

## ATTRACTIVE AND GROWING ADDRESSABLE MARKETS

Stronger-than-ever client demand for marketing services is driven by an increasingly complex ecosystem and new opportunities from technology-led services, such as AI

**5.6%**  
estimated average annual  
growth in global advertising  
revenue 2023-2028<sup>1</sup>

## DEEP RELATIONSHIPS WITH LEADING BUSINESSES

Our clients are some of the world's largest and most successful companies, including over 300 of the Fortune Global 500. These relationships are enduring, including multi-decade partnerships with many of our biggest clients

**27.5**  
client net promoter score  
(2022: 24.5)

## LEADING THROUGH AI, DATA AND TECHNOLOGY

We invest in AI expertise, data capability and cutting-edge technology through organic investment, targeted acquisitions and strategic partnerships with world-leading technology companies, to drive our growth

**£250m**  
annual investment in AI,  
data and technology

## FINANCIAL STRENGTH WITH INVESTMENT GRADE BALANCE SHEET

Our business is cyclical but our cost base is flexible, allowing maintenance of strong profitability and cash generation across the cycle. We combine this with a disciplined approach to capital allocation, enabling us to reinvest in the business, acquire new companies and talent, and reward shareholders

**1.8x**  
average adjusted net debt/  
headline EBITDA

## WORLD-LEADING TALENT, AMBITIOUS FOR THE FUTURE

We attract and retain world-leading creative and technological talent, enabling us to create transformative work for our clients

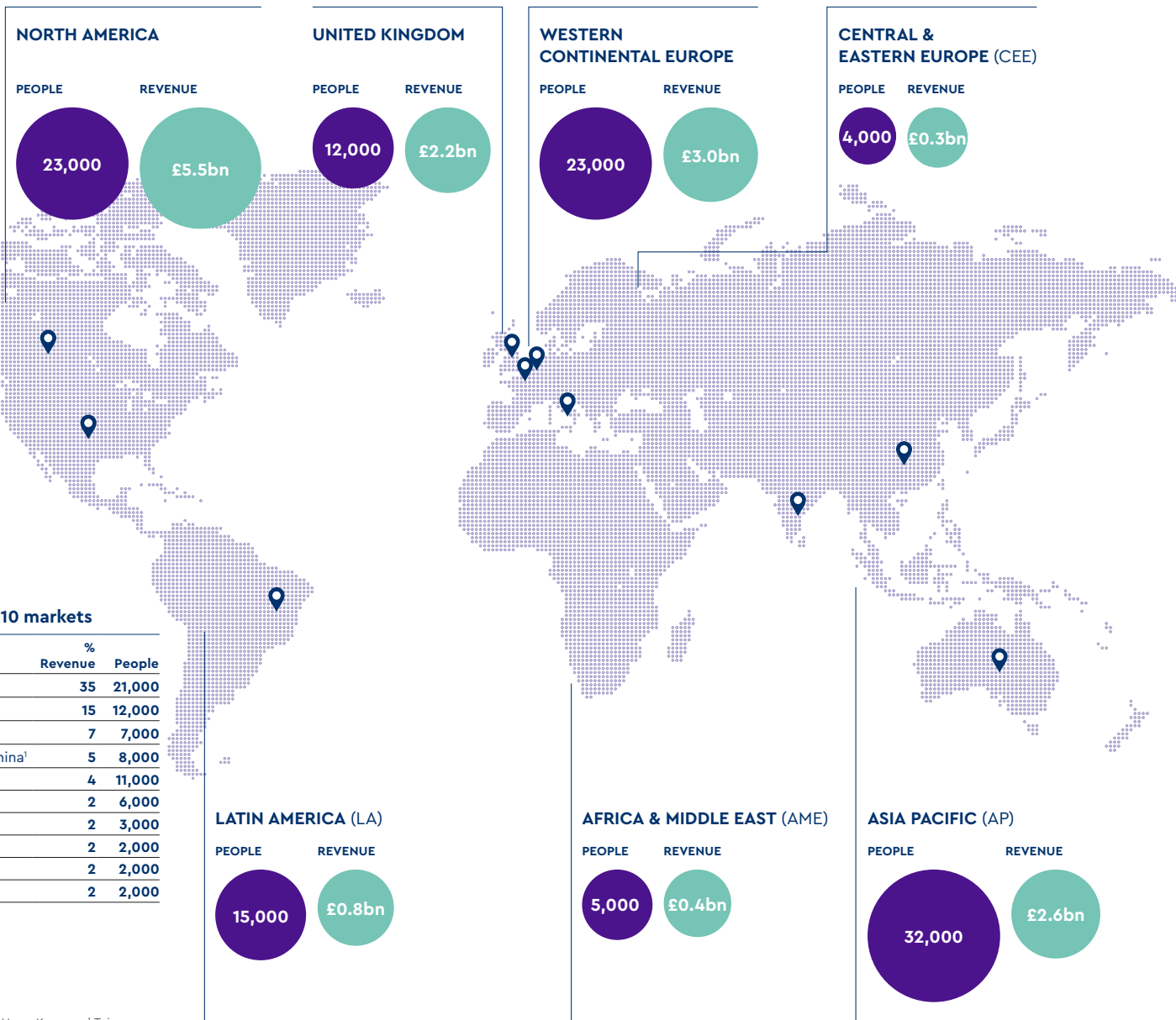
**114,000**  
talented people across  
the globe

<sup>1</sup> GroupM, This Year Next Year: 2023 Global End-of-Year Forecast, December 2023

# WHERE WE OPERATE COUNTRIES

WPP agencies operate in more than 100 countries, providing unrivalled global reach and scale

2023 REVENUE BY REGION



Our top 10 markets

	% Revenue	People
USA	35	21,000
UK	15	12,000
Germany	7	7,000
Greater China <sup>1</sup>	5	8,000
India	4	11,000
Brazil	2	6,000
Australia	2	3,000
Canada	2	2,000
France	2	2,000
Italy	2	2,000

<sup>1</sup> Including Hong Kong and Taiwan

# WHERE WE OPERATE

## CAMPUSES

WPP campuses bring our agencies together in inspiring, collaborative workspaces

### OUR CAMPUSES

Amsterdam	Frankfurt	London Sea Containers	Rome	<b>NEW IN 2023:</b>
Beijing	Gurugram	Madrid	Santiago	Atlanta
Bogotá	Hamburg	Mexico City	Shanghai	Austin
Brisbane	Helsinki	Milan	Singapore	Cincinnati
Brussels	Hong Kong	Montevideo	Tokyo	Dallas
Bucharest	Jakarta	Mumbai	Toronto	Guangzhou
Chicago	Kansas City	New York	Warsaw	Manchester
Detroit	Lisbon	Prague		Montreal
Düsseldorf	London Rose Court			Paris

41

campuses rising to 47 by 2025, accommodating 75,000 people

Every WPP campus is designed to:

- support flexible and hybrid working
- give clients access to integrated WPP talent
- unlock cost savings through consolidating less efficient buildings into more modern workspaces



**Atlanta:** hosts 400 people in Atlanta's historic Old Fourth Ward neighbourhood



**Paris:** accommodates 2,000 people in an inspiring space in Levallois-Perret



**Manchester:** home to 500 people in a modern environment within the city's iconic Media City

# OUR BUSINESS MODEL

WPP is the creative transformation company

## OUR OFFER

### WHAT WE DO

> We provide marketing communications services that help brands grow and transform their businesses

Our work spans the full marketing spectrum, from advertising campaigns, social media management and influencer marketing to commerce solutions, app development, CRM implementation and more

### WHAT SETS US APART

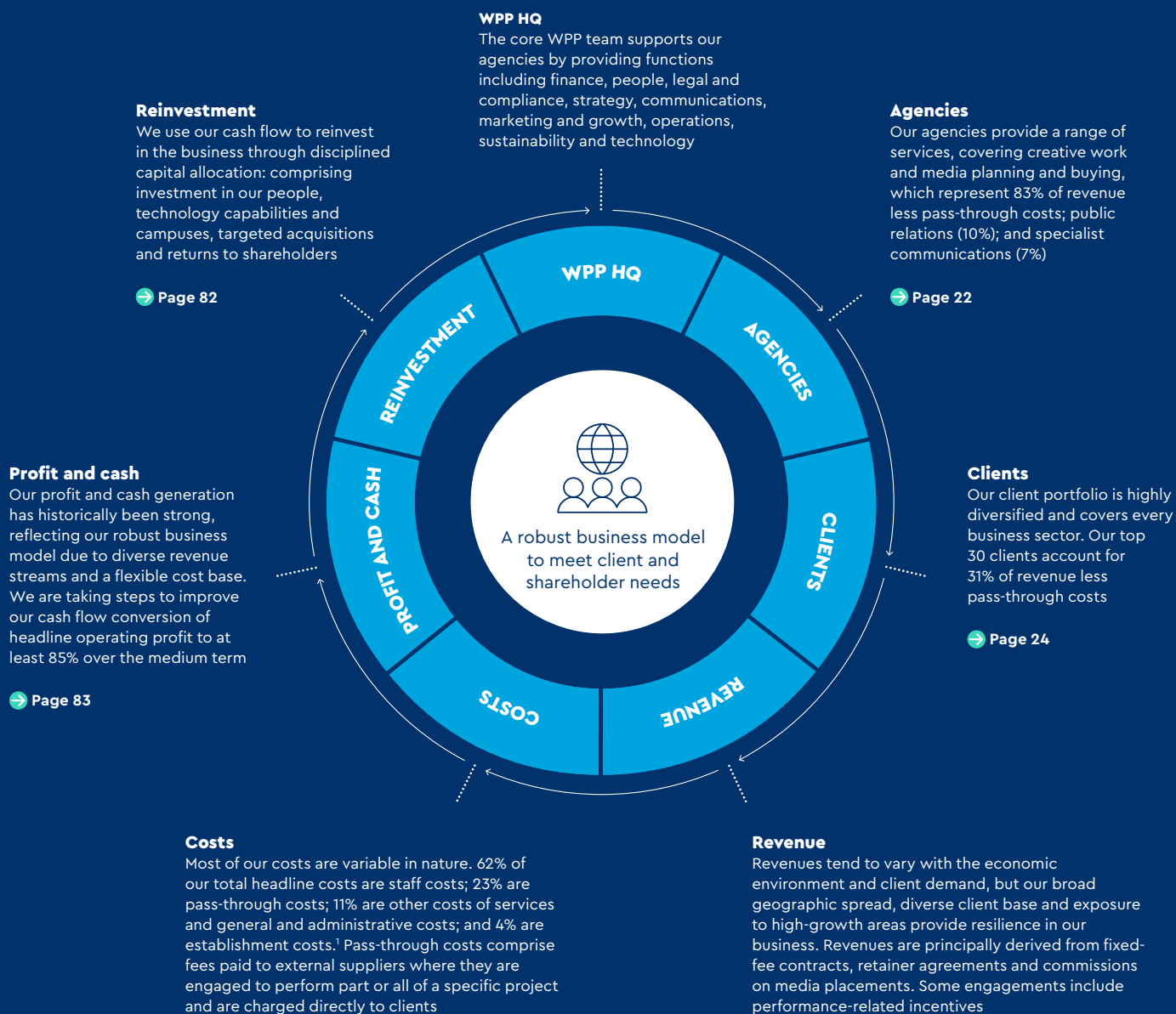
> We have market-leading agency brands, deep relationships with major clients, unrivalled global scale and reach, award-winning creative talent and leading technology, data and AI capability

We provide an end-to-end integrated approach connecting creative, media, PR and specialist services for all client needs

	CREATIVE	MEDIA	PR	SPECIALIST
OUR OFFER	> Create scalable ideas and experiences that bring to life brands and their relationships with customers	Connect brands to consumers across the full range of media channels and platforms	Manage reputation and communication with key stakeholders	Branding, design and other specialist services
OUR SERVICES INCLUDE	<ul style="list-style-type: none"> <li>- Brand experience</li> <li>- Commerce</li> <li>- Customer experience</li> <li>- Marketing strategy</li> <li>- Production</li> <li>- Technology implementation, eg CRM</li> </ul>	<ul style="list-style-type: none"> <li>- Commerce media</li> <li>- Consulting</li> <li>- Data analytics and insight</li> <li>- Media activation</li> <li>- Media planning and buying</li> <li>- Media strategy</li> </ul>	<ul style="list-style-type: none"> <li>- Media relations</li> <li>- Public affairs</li> <li>- Reputation, risk and crisis management</li> <li>- Social media management</li> <li>- Strategic advice</li> </ul>	<ul style="list-style-type: none"> <li>- Brand consulting</li> <li>- Brand identity</li> <li>- Corporate and brand publications</li> <li>- Events management</li> <li>- Product launches</li> <li>- Sonic branding</li> </ul>
OUR OFFER IN ACTION	 <p><b>THE LV APP</b> AKQA provided Louis Vuitton, one of the world's leading fashion houses, with a new precision-designed digital touchpoint to become the go-to destination for its clients</p> <p>→ Page 52</p>	 <p><b>EBAY: PRE-LOVED ISLAND</b> EssenceMediacom together with eBay refocused the narrative on ITV's Love Island from new to pre-loved clothes</p> <p>→ Page 50</p>	 <p><b>FITCHIX</b> VML, BCW and Mindshare collaborated with Airbag to create chicken-friendly fitness trackers for Honest Eggs Co.'s verifiably free range eggs</p> <p>→ Page 46</p>	 <p><b>{ACCESS}ORIES</b> Landor created adaptive add-ons that can be applied to any electric or manual toothbrush to help the millions of people living with dexterity challenges</p> <p>→ Page 79</p>

# OUR OPERATING MODEL

WPP supports its agencies, enabling them to leverage the best talent and capabilities. This drives revenue while keeping costs down, funding further investment for the benefit of our clients and shareholders



<sup>1</sup> See definitions in the Glossary on page 232

# OUR AGENCIES

WPP is home to a range of exceptional creative, media, public relations and specialist agencies<sup>1</sup>

## GLOBAL INTEGRATED AGENCIES

Our creative agencies bring brands and products to life through advertising campaigns, experiences, ecommerce strategies and platforms, technology services such as CRM implementation, and more. Our media agencies connect brands with consumers – planning, buying and activating the distribution of creative content across the full range of media channels including digital display, search, social, TV, print and billboards



28,000<sup>2</sup>



15,000



6,000



HOGARTH

6,000



41,000

(including the GroupM agencies below)<sup>3</sup>

MINDSHARE

8,000

Wavemaker<sup>®</sup>

6,000

essence~~media~~com

10,000

mSix & Partners

600

## PUBLIC RELATIONS AGENCIES

Our PR firms help clients communicate with their stakeholders, build reputation and manage risk



3,500<sup>4</sup>



3,000<sup>4</sup>



1,300

## SPECIALIST AGENCIES

Our specialist agencies provide tailored services including branding and design



800



1,000



1,000

KEY Employees

<sup>1</sup> The agencies on this page account for around 94% of WPP employees

<sup>2</sup> In October 2023 WPP announced the merger of Wunderman Thompson and VMLY&R to form VML, which was effective in January 2024

<sup>3</sup> Includes employees in GroupM and its agencies: Mindshare, EssenceMedia.com, Wavemaker, mSix&Partners, and other agencies not listed here

<sup>4</sup> In January 2024 WPP announced the merger of BCW and Hill & Knowlton to create Burson, which is effective in July 2024



## Making WPP easier to manage and simpler to navigate

**We continue to make strong progress on streamlining our business, reducing structural complexity and merging and combining agencies. This creates a simpler WPP, making it easier to manage and easier for our clients to access the best of our expertise.**

### SIMPLIFYING OUR OFFER

Over the last five years we have made great progress in removing unnecessary complexity to transform the way we work: we have reduced the number of individual brands within WPP by over 300, eliminated 1,400 legal entities, decommissioned multiple enterprise resource planning systems, closed 840 small, inefficient offices, and disposed of more than 90 business units, raising more than £3.8 billion.

During 2023 we continued these initiatives. In September we announced the merger of Wunderman Thompson and VMLY&R to form VML, the industry's largest creative company with 28,000 people across more than 64 markets. VML unites two of the most awarded creative agencies in the world, each with world-class commerce, customer experience and marketing technology capabilities.

We also announced the further integration of GroupM, the world's largest media investment business, with plans to develop common media products, a single technology platform, streamlined operations and shared back-office functions across finance, IT and HR. These common services will support the client-facing agency brands – Wavemaker, EssenceMediacom, Mindshare and mSix&Partners.

As part of this simplification, all GroupM's media activation processes, tools and delivery teams will be consolidated under GroupM Nexus, our 11,500-strong media

performance organisation, and certain individual brands will be retired including Xasis, Finecast<sup>1</sup> and Sightline.

In January 2024 we announced the merger of two of our largest communications agencies, Hill & Knowlton and BCW, to form Burson, an industry-leading, full-service communications agency focused on building and protecting reputation.

We will now operate largely through six agency networks: VML, Ogilvy, AKQA, Hogarth, GroupM and Burson, which represent close to 90% of our revenue less pass-through costs.

### GROUPM: THE WORLD #1 IN MEDIA

**\$63bn**  
global media billings<sup>2</sup>

These networks are helping us attract new clients and expand existing relationships. In December 2023 VML secured its first win as a new agency, with Krispy Kreme's global creative business, and GroupM was chosen as global media partner for Allianz.

### STRENGTHENING OUR CAPABILITIES

During 2023 we continued to bolster our agencies' capabilities through targeted acquisitions in specific high-growth areas, investing net £280 million. This included buying several companies: Goat, a London-based, data-driven influencer marketing agency, joined GroupM; Obviously, a New York-based, technology-led influencer marketing agency, joined VMLY&R (now VML); 3K Communication, a Frankfurt-based healthcare PR agency, joined Hill & Knowlton; and amp, one of the world's leading sonic branding companies, joined Landor.

We also invested in Majority, a diversity-focused US creative agency.

### INTEGRATED AGENCY SOLUTIONS

During 2023, we continued to progress our campus programme, bringing agencies together to facilitate collaboration and give clients access to the breadth and depth of WPP talent. We added eight new campuses during the year, taking the total to 41, accommodating around half of our people.

We continued to build on our integrated agency model, combining our various agencies and capabilities into a single, custom-made entity and point of contact in a simple partnership format as required by clients.

In 2023, Nestlé announced WPP OpenMind as its sole media agency in Europe. OpenMind is a bespoke internal team of agencies that brings together digital-first talent with advanced data and analytics to drive innovation, connected through a unified operating system that will act as a catalyst for Nestlé's growth across Europe. For Colgate, our dedicated WPP@CP team provides every element of the marketing mix, including experience, commerce, technology and data. And for The Coca-Cola Company, our bespoke WPP Open X team now serves its iconic brands through a worldwide network of WPP agencies.

<sup>1</sup> Finecast (which is now part of the connected TV solutions offering inside GroupM Nexus) is committed to transparent reporting of campaign delivery to its users. For example, in the UK (its largest and most established market), it delivers at least 85% of video ad impressions on television broadcaster inventory on a campaign basis, with no more than 50% of impressions to any one broadcaster in aggregate. This commitment was subject to independent testing and verification by PwC under the international assurance standard ISRS 4400 (Revised)

<sup>2</sup> Source: COMvergence 2022

# DELIVERING FOR OUR CLIENTS

We provide services to clients through integrated creative, media, PR and specialist agencies

## DIVERSIFIED CLIENT PORTFOLIO

We serve a diversified client portfolio across the globe and all industry sectors, including our biggest segments: consumer packaged goods, technology & digital, healthcare & pharma, automotive and retail

**100+**  
markets served across the globe

## DEEP CLIENT RELATIONSHIPS



**Top 10**  
clients with decades-long relationships, accounting for 19% of WPP<sup>1</sup>

## BESPOKE CLIENT LEADERS

Our top 100 clients are served by dedicated Global Client Leaders, providing the breadth and depth of WPP capability both locally and globally

**34**  
Global Client Leaders dedicated to our top 50 clients

## RECOMMENDED BY CLIENTS

Maintained a high score of 8 out of 10 for Likelihood to Recommend (LTR) from clients in 2023

Our client net promoter score improved to 27.5 from 24.5 in 2022

**8/10**  
LTR score from clients (2022: 8/10)

## NEW BUSINESS WINS



**\$4.5bn**  
net new billings (2022: \$5.9bn)

<sup>1</sup> percentage of revenue less pass-through costs

# CLIENTS

## Creative innovation leads to dynamic growth for clients

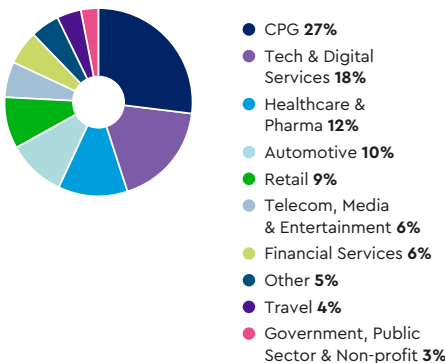
**Our global reach, in-country expertise and diversified portfolio come together to create extraordinary impact for our clients.**

The world's biggest, most demanding companies trust WPP as their partner. In 2023, our business with our top 10 clients grew by 7%.<sup>1</sup> Key to this is our integrated offer and simpler structure, helping us better service our clients and seamlessly collaborate across WPP as a whole.

### GLOBAL REACH AND SCALE

More than any of our competitors, we have the ability to deliver for clients around the world. In markets like India, where we have 11,000 people, or Brazil, where we have 6,000, we have the depth and breadth of strategic, creative and media expertise that global brands and organisations need. We are the world leader in media, managing more than \$60 billion in billings annually.

### CLIENT SECTOR DISTRIBUTION OF REVENUE LESS PASS-THROUGH COSTS (2023)



We work with some of the biggest brands in the world, including three of the top four most valuable companies (Microsoft, Apple and Google). On average, we work across 36 markets with each of our top 10 clients.

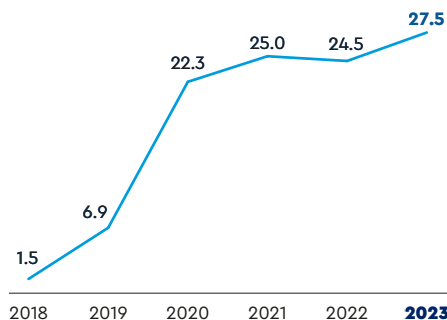
### DIVERSIFIED PORTFOLIO

Our ability to meet client needs across the spectrum of media, creative, PR and specialist skills, as well as serving all key industries from tech to retail to consumer packaged goods (CPG), means we can act as a one-stop-shop for clients. For example, for The Coca-Cola Company we deliver all aspects of their marketing needs, including PR, social media and commerce (see page 28 for more).

### DEEP CLIENT RELATIONSHIPS

We have long-standing and enduring relationships with many of our top clients. We first partnered with Unilever in 1902, and today we work with them across 39 markets. Ogilvy and Unilever's Dove first worked together 66 years ago. Since then, they have transformed a humble soap brand into a \$7.3 billion social movement focused on the creative idea 'Real Beauty'.

### IMPROVEMENT IN CLIENT NPS



# 27%

**consumer packaged goods clients, our biggest sector, account for 27% of revenue less pass-through costs**

Over the 80 years we've worked with Ford, our role has evolved from advertising slogan writer to major creative partner, applying the best of WPP to deliver engaging customer experiences, strategic media planning, buying and performance marketing capabilities, commerce services and even supply chain transformation.

Since the beginnings of the partnership between EssenceMediacom and Google in 2007, the companies have together pioneered new ways of working, launched new products, and grown new markets. The relationship has pushed the envelope of what data and creativity can do together.

### BESPOKE SERVICE

Across WPP, many clients use multiple agencies (90% of the top 50 use seven or more). So, over the last eight years we have developed a dedicated client practice with the mission of accelerating WPP's impact for clients by bringing them the best of WPP.

Our top 50 clients (representing 38% of WPP<sup>1</sup>) are supported by our Global Client Teams, each fronted by a Leader focused solely on growth for our clients, the quality of work and talent of the team. Each team is custom-built around meeting a client's specific needs and challenges, by providing easy access to the right people and capabilities. Our Country Leaders, who cover the majority of our larger markets, coordinate client services geographically. For our multinational clients Country Leaders work with both Global Client Leaders and local agencies to provide services across WPP.

<sup>1</sup> Revenue less pass-through costs

# CLIENTS CONTINUED

We're building further bespoke services for clients through WPP Open, our AI-powered marketing operating system that brings together all of WPP's service offerings, technology and data. Over the past year, we've been deploying WPP Open to some of our largest global clients, including L'Oréal and Nestlé, helping them standardise and automate their marketing operations.

## SATISFIED CLIENTS

One of our proudest achievements is seeing our client net promoter score (NPS) grow significantly across our client base since we began tracking in 2018 – a testament to the work we've been doing to solidify our client relationships, and a platform for our ongoing growth.

We also maintained a high score of 8.0 out of 10 for Likelihood to Recommend (LTR) from clients in 2023.

The work we do for clients earns important recognition. Unilever picked up multiple awards at Cannes Lions this year: Dove's #TurnYourBack campaign by DAVID, Ogilvy and Mindshare won a Grand Prix, and Dove's The Cost of Beauty by Ogilvy and Mindshare won a Gold Lion.

## TRAINING AND INVESTMENT

We continue to invest in, train and support our Global Client Leaders, developing their leadership skills and ensuring they are ahead of the curve in new technological developments. In 2023, we sponsored a cohort of 28 leaders through a postgraduate Diploma in AI for Business at Oxford University's Saïd Business School.

We also invested in developing a Creative Excellence Framework that not only elevates internal excellence across our agencies, but

also helps our clients define and establish the right talent, behaviours, processes and tools within their own organisations to ensure world-class creativity can really flourish.

## NEW BUSINESS WINS

Our unique offer continues to drive partnerships with new clients. In 2023 we won \$4.5 billion of new business billings, including key accounts with Adobe, Allianz, Estée Lauder, Ford, Hyatt, Krispy Kreme, Lenovo, Lloyds Banking Group, Maruti Suzuki, Mondelēz, Nestlé, Pernod Ricard, SC Johnson and Verizon.

## CLIENT-LED AI

We have been at the forefront of embracing AI to drive sustained growth for our clients for several years. Since 2021 we have been using AI with L'Oréal to develop faster and more effective ecommerce, leading to double-digit improvements in ROI. We also jointly developed an AI Lab in Paris to test the development of L'Oréal brand-compliant digital content.

We are leveraging partnerships with leading players including Adobe, Google, IBM, Meta, Microsoft and NVIDIA to co-create future marketing models with our global clients. This includes developing a content engine harnessing NVIDIA Omniverse™ and AI to enable our creative teams to produce high-quality commercial content faster, meaning clients can target consumers in highly personalised and engaging ways.

To further strengthen our AI offer to clients, in 2021 we acquired Satalia, a leading AI technology company. Satalia acts as a hub of AI expertise for all WPP agencies.



**WE HAVE INCREDIBLE PEOPLE AT WPP DOING EXTRAORDINARY WORK. I'M LOOKING FORWARD TO UNLOCKING MORE OF OUR CAPABILITIES TO DRIVE GROWTH FOR OUR CLIENTS"**

**Jane Geraghty**  
Chief Client Officer, WPP

## CREATIVE TECHNOLOGY POWERING CLIENT WORK

The potent combination of creativity and technology is at the heart of the services we provide to our clients. From advertising and PR campaigns to commerce transformation, digital-to-live experiences, cutting-edge data solutions and dynamic influencer marketing, creative technology helps us deliver growth for clients.

## COMMERCE

- A new global partnership with Shopify pairs our network of over 13,500 commerce experts with Shopify's platform, bringing the best of its direct-to-consumer and conversion expertise to help ambitious brands scale faster and reach more customers

## TECHNOLOGY

- Together with Sprinklr, a leading software customer experience company, we are creating integrated AI solutions to help our global clients offer more personalised and consistent experiences to customers

## INFLUENCER MARKETING

- Acquisitions including Goat, a data-driven influencer marketing agency, and Obviously, a technology-led influencer marketing agency, are delivering unique insights and expertise to our global clients

# CLIENTS: SUSTAINABILITY

## We work for and with clients to bring about change

**Our clients are navigating a complex sustainability landscape as investors, consumers and employees alike increasingly look to brands to drive meaningful change.**

At the same time, consumer research by Kantar found that while 97% of people say they want to live a more sustainable life, only 13% are actively changing their behaviours to do so. Closing this gap could open up new business opportunities of nearly \$1 trillion for companies in the consumer packaged goods sector alone.<sup>1</sup>

### BRAND-LED SUSTAINABILITY

We help clients deliver sustainability work that is creative, credible and actionable – whether through strategic expertise, low-carbon production and media distribution, products and services that are sustainable or inclusive by design, or work that drives consumer behaviour towards a sustainable future.

In 2023, award-winning work from DAVID (part of Ogilvy) with Corona helped create a new source of income for farmers in China through increased lime cultivation (see page 42). As a result, Corona sales rose 29%, while farmers' incomes rose 21%. The campaign won a Titanium award at Cannes Lions 2023.

Landor's brand-led sustainability model resulted in {access}ories, a new standard for accessible design, using innovation in technology and manufacturing to make oral health accessible to all. This one-of-a-kind solution, whose business potential is estimated at \$620 million,<sup>2</sup> has been recognised by *Dezeen*, *Fast Company* and *Design Week*, and named one of the Best Inventions of 2023 by *TIME Magazine*.

### WORK WITH INTEGRITY

We are committed to the highest standards of honesty and integrity in our work, and will not undertake assignments that are intended or designed to mislead or deceive. We work hard to maintain strong compliance in areas including ethics, human rights, privacy and data security. These are covered in our Code of Business Conduct and mandatory online ethics training. Our agencies are required to comply with copy-checking and clearance processes with our legal teams before publication of their work. In 2024 we will harness the latest in AI and technology to help clients navigate rapidly evolving regulations and consumer expectations through the development of an AI compliance tool.

WPP's Green Claims Guide contains principles and practical tips for making effective green claims that are not misleading in any way. In 2023 we launched a client version of the guide and ran targeted training for employees in Europe, North America and Asia Pacific, and for clients in potentially higher-risk and higher-emissions sectors, including automotive, energy and financial services.

### ACCEPTING NEW ASSIGNMENTS

We have a process in place to review new assignments and clients. Each of our agencies has a global risk committee, chaired by its respective CEO, to ensure that leadership has a full understanding of the risks across businesses and markets (see Risk Governance Framework on page 93).

WPP agencies are required to follow our Assignment Acceptance Policy and Framework when taking on new business. This applies to all client sectors and provides guidance on how to conduct additional due diligence in relation to clients and any work they are asked to undertake. It requires various categories of work to be considered by our agencies' risk committees, or escalated to WPP for review.

### AD NET ZERO AWARDS

We were proud to win six awards, including both Grands Prix, at the 2023 *Campaign Ad Net Zero Awards*, which recognise creative work and organisations driving behaviour change for a sustainable future. The Grands Prix were won by EssenceMediacom's Pre-Loved Island for eBay, and Grey Colombia's Life Extending Stickers for Makro; both were recognised for their innovative approach and behaviour-changing results.

### SUSTAINABLE INNOVATION

We continue to innovate to support clients as they work towards their own sustainability commitments and respond to evolving consumer and stakeholder expectations. For example, GroupM's new omnichannel media carbon calculator enables clients, for the first time, to factor channel-level carbon emissions data into their media planning. In 2023, we measured the footprint of around 2,800 campaigns. Our client coalition of leading advertisers, worth \$10 billion in global advertising investment, is driving support for greater transparency and standardisation of emissions measurement.

➔ See more in the Clients section of our 2023 Sustainability Report

<sup>1</sup> Kantar, *Who Cares, Who Does*, 2023

<sup>2</sup> Source: Landor analytics

# WPP + THE COCA-COLA COMPANY TRANSFORMING A MARKETING ICON

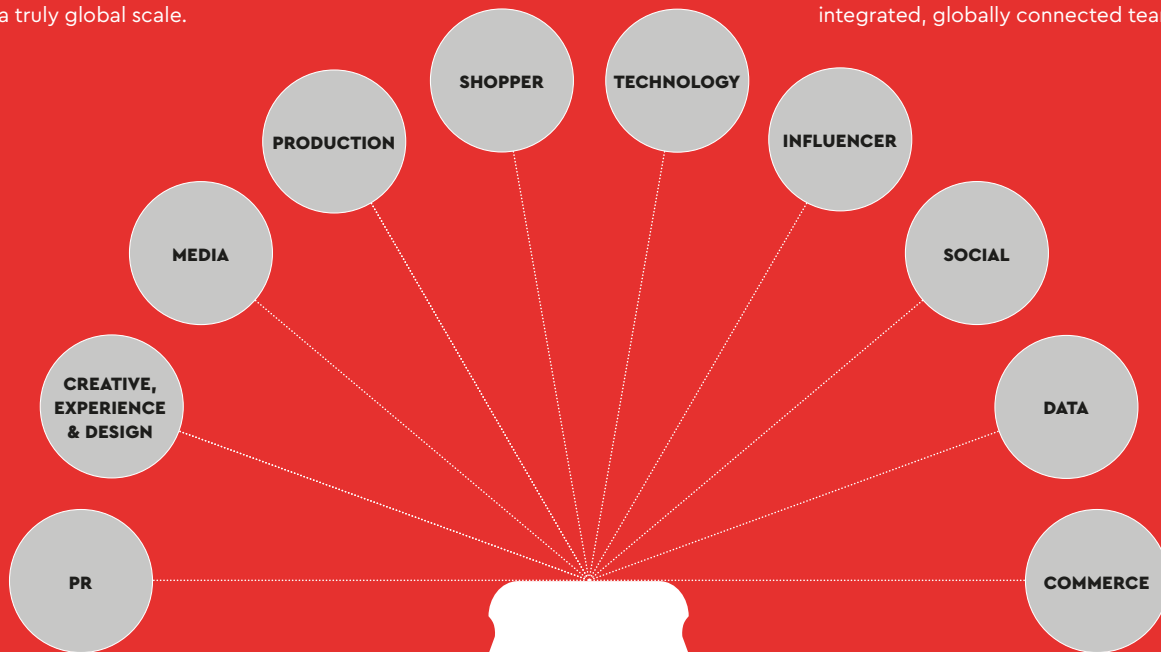
Our brief from The Coca-Cola Company is simple: to transform its marketing and be a catalyst for growth. So, we created WPP Open X, the bespoke global agency model integrated at its core and unprecedented in its scale. We have over 5,000 people from our agencies worldwide working across 200 master brands in more than 200 countries and territories. Entering the third year of our global partnership, our innovative model is bringing together all our marketing services across WPP, from creative and production to media, experience, social, PR, influencer, shopper, design, data and technology. We're transforming The Coca-Cola Company's marketing at a truly global scale.

**We have established new ways of working in an always-on world and shown how we can optimise in real-time and in locally relevant ways.** We have reimaged how The Coca-Cola Company approaches data and technology, embraces AI and engages across music, sports, gaming and other passion-driven occasions for brands including Coca-Cola, Fanta and Sprite.

**We are generating powerful ideas that are reaching the next generation of consumers from all around the world.** Tapping into passions and occasions, we have worked

with The Coca-Cola Company to create engagement platforms such as Coca-Cola Foodmarks – creating the first-ever food 'landmarks' across the globe inspired by cultural moments, movies and must-visit destinations.

**We are creating modern marketing teams and integrating in entirely new ways and across agencies, geographies and capabilities.** Through Studio X, the creative execution arm of WPP Open X, we are working with greater speed and agility and delivering best-in-class creative, media, data, social and production as one integrated, globally connected team.



**THE COCA-COLA COMPANY  
CREATIVE AWARDS 2023**

**8 AWARDS**  
CANNES LIONS

**2 SILVER & 2 BRONZE**  
EFFIES

**1 SILVER**  
CLIO

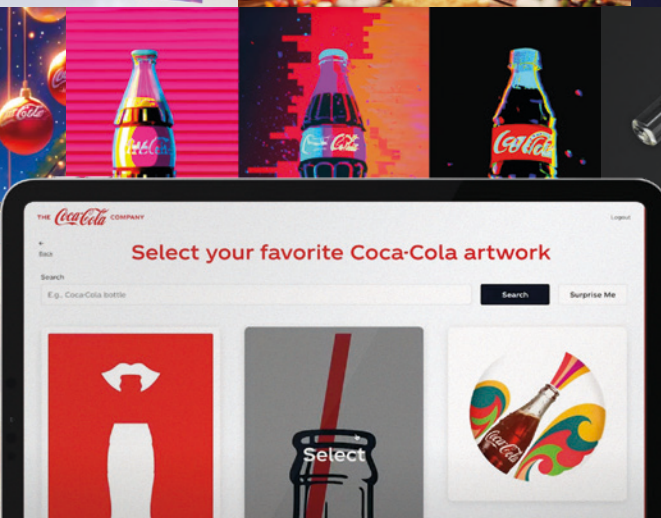
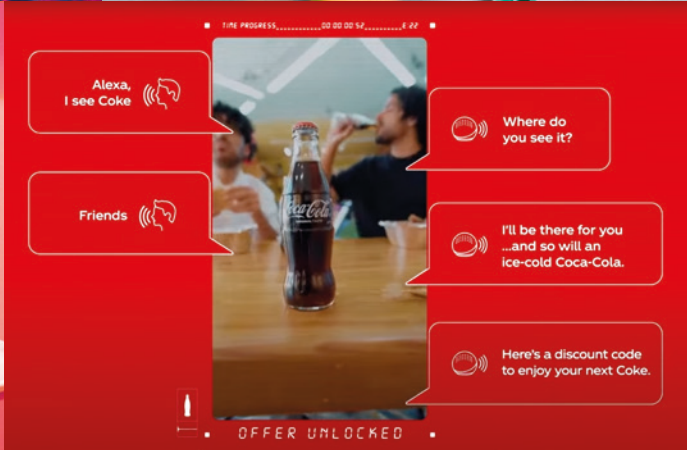
STRATEGIC  
PARTNERSHIP  
WITH

THE  
**Coca-Cola**  
COMPANY

**200**  
brands

**200**  
countries

**9**  
regions



# WPP AT WORK

Our work showcases the very best of human creativity, enhanced by AI, data and technology

**In this section**

Awards and recognition	31
Creativity	32
AI, data and technology	33
AI and data ethics, privacy and security	36
People	37
Our work	40



# AWARDS AND RECOGNITION



**#1 Creative 100,  
#1 Effective 100, #1 Media 100**  
WARC 2023

**Most Effective Communications  
Company in the World**  
Effie Awards 2023

**Most Awarded Company  
World Creative Rankings**  
The Drum Awards 2023

**CREATIVE**



**GLOBAL AGENCY OF THE YEAR**  
*The Drum Awards*  
2023



**#1 CREATIVE & #1 EFFECTIVE  
GLOBAL AGENCY NETWORK**  
WARC 2023



**81 AGENCY OF THE  
YEAR AWARDS**  
since 1999



**HOGARTH**

**BEST COMMERCIAL CATEGORY**  
*New York Emmy Awards*  
2023

**MEDIA**



**#1 MEDIA NETWORK  
& #1 MEDIA AGENCY**  
WARC 2023



**#1 MEDIA NETWORK:  
BUSINESS WINS & RETENTIONS**  
COMvergence 2023



**MEDIA NETWORK  
OF THE YEAR**  
Cannes Lions 2023



**BEST SOCIAL STRATEGY**  
*Campaign Media Awards*  
2023

**PR**



**7 AWARDS, INCLUDING 1 GOLD**  
*Cannes Lions*  
2023



**LARGE REGIONAL CONSULTANCY  
OF THE YEAR**  
PRovoke SABRE Awards, EMEA, 2023



**RANKED TOP IN CRISIS & RISK MANAGEMENT,  
LITIGATION AND PUBLIC AFFAIRS**  
*Chambers and Partners* 2023

**SPECIALIST AGENCIES**



**5 PENCILS**  
*D&AD Awards*  
2023



**SILVER LION FOR  
INNOVATION**  
*Cannes Lions*  
2023



**MOST INNOVATIVE HEALTH & WELLNESS  
ADVERTISING AGENCY – USA**  
*AI Business Excellence Awards* 2023

# CREATIVITY

## The most powerful force in our industry

**Creativity is at the heart of everything we do. From the first work for Unilever in 1902 to an unprecedented number of commercials at the 2024 Super Bowl, our creative drive remains the same: harness the incredible power of ideas to connect brands with people and culture to grow our clients' businesses.**

Today, we bring our transformative creativity to life in many different ways: from classic brand campaigns to customer experience, commerce, influencer marketing and much more. We invest in companies that see what's possible in these fast-evolving disciplines. For example, our 2023 acquisition of amp takes sonic branding to the next level, while the addition of Goat and Obviously will help us lead in influencer marketing.

### BEYOND ADVERTISING

Much of our work breaks new ground, redefining what is understood by the term 'advertising'. Lu from Magalu, brand icon for Brazil's largest retailer, is the world's biggest virtual influencer. Creatively re-imagined by Ogilvy, Lu crossed over into real life when she created content for some of the world's biggest brands, including Adidas, MAC and Ray-Ban. She has over 30 million followers on social media.

Also in Brazil, VMLY&R worked with Telefonica Vivo and Motorola to revise the famous City of God film, bringing together the original director, cast and writers in a sequel where the main character is now a photojournalist using Motorola's newest camera. With over one million hours of viewing and record sales, the film was commissioned as a new series by HBO Max.

In 2023, EssenceMediacom and TUI launched The World Cook, a competitive international cooking series streamed on Amazon Prime and fronted by celebrities Fred Sirieix and Emma Willis, which resulted in a 10% increase in purchase intent.

And Hogarth and Makerhouse's production work for Ford supported the expansion of the all-electric Mach-E BlueCruise into 21 markets. By using virtual production, the agencies were able to increase delivery of assets without the time, expense or carbon cost of traditional production methods.

### POWERED BY TECHNOLOGY

We believe that AI will fuel a new era of creativity. Our partnerships with leading companies driving technology trends worldwide give our clients a unique creative advantage. For example, utilising NVIDIA's AI engine, we connect an ecosystem of design, manufacturing and creative tools to help our artists and designers simply and effectively integrate 3D content creation with generative AI. The system is already revolutionising the production of high-quality commercial content for clients.

We built the Ford Configurator for Ford, a powerful AI database containing millions of pieces of content, allowing for comprehensive creative personalisation and customer engagement. Meanwhile, our use of Google's generative AI means we can fast-track the creative process by rapidly testing the effectiveness of campaigns and concepts that help build better connections between our clients and their customers.

### SUPERBOWL LVIII

There's no bigger platform on the world stage for creative brilliance than the Super Bowl. 2024's Big Game was the



**AT WPP, CREATIVITY DRIVES INNOVATION, INSPIRES PEOPLE AND LEADS TO TRANSFORMATIVE GROWTH"**

**Rob Reilly**  
Chief Creative Officer, WPP



most-watched event on US TV since the moon landing, with 123 million people viewing across all platforms.

We broke records of our own with an unprecedented number of spots and other activations. From TV commercials and media buys to multi-media campaigns, PR strategies and more, the creativity and innovation of our people, agencies and clients were on display for millions to enjoy.

### GLOBAL RECOGNITION

Our ability to deliver creative transformation on a global scale was underlined in 2023 as we celebrated a Cannes Lions Grand Prix win on every continent. Our agencies won a total of 165 Lions: one Titanium, five Grands Prix, 24 Gold, 57 Silver and 78 Bronze.

We were also proud to be named the most awarded company in *The Drum's* World Creative Rankings in 2023, while VML and Ogilvy were among the top three most awarded agency networks.

<sup>1</sup> In a Forbes article, work from WPP agencies made up four of the top five most effective Super Bowl commercials

# AI, DATA AND TECHNOLOGY

Our AI, data and technology strategy has five pillars

## DATA

- collect and use data responsibly and innovatively
- leverage WPP-owned data plus client and contextual data to improve performance for clients
- safeguard client information, brand safety, copyright and ethics



## PLATFORM

- invest in and expand WPP Open, bringing together all service offerings, technology (both proprietary and from our partners) and data in one AI-driven marketing operating system



## AI

- capitalise on leadership in AI, investing in long-term growth
- focus on key acquisitions and partnerships



## PARTNERSHIPS

- build ground-breaking partnerships with the world's leading tech companies



## SKILLS

- empower our people to lead technological innovation

~50k

Future Readiness Academies lessons in 2023

# AI, DATA AND TECHNOLOGY

## The backbone of our success

**At the core of WPP's offer are exceptional technological capabilities and partnerships with the world's most influential tech players, a combination that helps us meet the needs of modern marketers.**

We have been investing in AI capability for almost a decade. We have done so because it is fundamental to our future, and the future of our industry. We believe AI has the power to transform creativity, elevating our people's ideas and abilities in ways never seen before.

### LEADING THE FIELD

In 2023 we capitalised on our sector lead through new partnerships with innovators including NVIDIA and Google. Alongside these relationships, continuous investment in client-facing technology such as WPP Open and our data product, service and technology company, Choreograph, helps us drive results for some of the world's biggest brands.

By delivering on the five pillars of our technology strategy – platform, AI, data, skills and partnerships – we achieve exceptional outcomes for our clients, powered by knowledge, talent and cutting-edge technology.

### WPP OPEN

Our AI-powered marketing operating system, WPP Open, shares the latest innovations across all of WPP. WPP Open is completely adaptive and built around client needs, meaning we can unify the best technology from every agency and every partner in a single system, and deliver it in a way that is uniquely optimised for the client.

WPP Open was key to Nestlé's decision in 2023 to appoint WPP as its sole European media partner. WPP OpenMind – built for Nestlé on the WPP Open platform – will coordinate Europe-wide marketing communications for hundreds of brands, including KitKat and Nescafé.

### INVESTMENTS IN AI

We have long believed in the extraordinary potential of AI. Back in 2014, our AI technology company Satalia built an AI-powered system for Tesco to optimise online food shopping delivery routes. An ongoing annual investment of £250 million in data and technology to support our AI strategy is included in our 2024 financial plans.



In 2023 we launched WPP Open 2.0 and introduced WPP Brains, bespoke AI models trained in specific competencies to help provide highly targeted solutions for clients.



**AI WILL BE FUNDAMENTAL TO WPP'S FUTURE SUCCESS, AND WE ARE COMMITTED TO EMBRACING IT TO DRIVE LONG-TERM GROWTH AND VALUE"**

**Stephan Pretorius**  
Chief Technology Officer, WPP

We have four specialised WPP Brains:

- **WPP Brand Brain:** brand guidelines and tone of voice
- **WPP Audience Brain:** specific audience groups, mindsets and demographic data
- **WPP Performance Brain:** business and channel performance data
- **WPP Channel Brain:** performance and variation of channels

➔ See page 39 to find out how our people are using WPP Open to access the full range of AI capabilities

### DOING DATA DIFFERENTLY


Data is a critical element of modern marketing, and is set to become even more important as its symbiotic relationship with AI develops. We already know data can help drive great creativity, elevating campaigns with rich insights on human behaviour. Over the next few years, however, the data landscape is set to evolve rapidly as the end of third-party cookies, changing data privacy laws and increased regulation come into force.

**WPP-OWNED DATA**

**16bn+**

**data points across 63,000 brands**

Choreograph takes a purposeful approach to data. Utilising WPP-owned data points and combining them with public data, contextual data (for example based on location), client data and data from our partnerships with Amazon, Google, Spotify and many others, Choreograph offers instant and actionable insights that responsibly inform brand campaigns for media planning, content and activation.



.....

Data products and technologies

.....

Data consulting services

.....

**1,200 people**

.....

**16 billion+** owned data points across 63,000 brands

.....

**300 million** profiles in the US with 10,000 unique attributes

.....

Ready for the post-cookie world

.....

**SKILLS DEVELOPMENT**

We dedicate considerable time and resources to providing our people – and emerging talent – with the tools and skills to excel in AI. In 2023, WPP people earned more than 34,000 accreditations and certifications from leading technology partners including Adobe, Google, Meta, Microsoft and TikTok.

New online learning programmes as part of our Future Readiness Academies included a Demystifying Data & AI Academy, developed by WPP experts in partnership with Circus Street and the Open Data Institute.

We also set up and run Creative Tech Apprenticeships and a Creative Data School, aimed at educating and inspiring future champions of AI. Since its launch, the School has provided technical training to over 6,000 young people across the UK.

In 2023, we sponsored a cohort of senior WPP leaders through a postgraduate Diploma in AI for Business at Oxford University's Saïd Business School.

**OPTIMISED PARTNER PORTFOLIO**

Much of our success in delivering AI innovations is a result of collaboration with leading companies driving technology trends worldwide.

We have strategic partnerships with 34 of the world's leading technology companies, helping us provide cutting-edge solutions to clients.

**ANNUAL INVESTMENT**

**£250m**

**in technology, data and AI**

Each partnership has a joint business plan covering product development, preferential access to data and technology, training programmes and joint go-to-market approaches.

These partnerships help us lead the industry on the issues that matter to our clients. For example, in November 2023, in partnership with Google Chrome, GroupM announced the launch of the first and largest post-cookie technology readiness programme. This global initiative brings together GroupM clients to accelerate their understanding of Google Privacy Sandbox APIs and their use in advertising. Clients can assess and improve their post-third-party cookie deprecation readiness in a real-life environment, using their own products and audiences.

We also partnered with NVIDIA to build a generative AI-enabled content engine for digital advertising. This allows our artists and designers to integrate 3D content creation with generative AI, enabling clients to reach consumers in highly personalised and engaging ways.

**TECHNOLOGY PARTNERS**

**34**

**including Adobe, Amazon, Google, IBM, Meta, Microsoft, NVIDIA, Salesforce and TikTok**

And we collaborated with Sprinklr, a leading company in enterprise software designed to improve customer experiences, on a new offering, CX Live AI. This first-of-its-kind offering will connect Sprinklr's AI+ platform with WPP's own AI resources, helping our teams create optimised content that reaches the right audiences.

# AI AND DATA ETHICS, PRIVACY AND SECURITY

## A strong approach to governance, privacy and security

**A transparent and accountable approach to data, privacy and AI is important for clients, consumers and WPP. We go beyond the legal minimum to maintain the highest ethical standards.**

### OUR APPROACH TO DATA

We have well-established and robust governance in place for data privacy and risk management. The end of third-party cookies, evolving data privacy laws and increased regulation mean adaptation and agility are a key tenet of our approach.

Advertising should respect privacy while delivering exceptional value for consumers and advertisers. That's why Choreograph, our data product, service and technology company, was specifically designed to help clients get more out of their data while taking an ethical approach.

In 2023 GroupM, in partnership with Google Chrome, launched the first global post-cookie readiness programme, helping

create technologies to reduce tracking and protect people's online privacy.

### USING AI SAFELY

We are dedicated to employing systems that align with fundamental principles in the responsible development and use of AI. All AI models and platforms used by WPP are reviewed by a multidisciplinary team to assess them from a legal, ethical and technical perspective. We have been training WPP people since 2019 to ensure they use AI responsibly and effectively, taking into account the use of personal data, privacy and intellectual property (IP) laws, and confidentiality.

In 2023 we launched our AI Toolkit, offering guidance to all WPP agencies on topics including IP and deep fakes. We updated our acceptable use and data ethics policies to supplement the toolkit.

We also published our Generative AI Principles, acknowledging our responsibility

to understand, monitor and evaluate this evolving technology on an ongoing basis.

### AI GOVERNANCE

We established an AI Governance Committee to oversee the application, adoption and risks associated with AI across WPP. This Committee includes the CEO, CTO and Chief Privacy Officer and other senior stakeholders in the business with responsibility for the safe and responsible use of AI within the Company. The Committee has carried out a risk assessment, which can be found on page 99.

### WORKING WITH INDUSTRY

WPP welcomes government guidance and regulatory frameworks that set guardrails for responsible stewardship of AI, data and technology, while recognising the need to highlight the possibilities they offer. Through active engagement with industry bodies including the Advertising Association in the UK and the Network Advertising Initiative in the US, we are able to monitor and influence the changing regulatory landscape.

### PRIVACY AND SECURITY

We have strong systems in place to ensure privacy and security for ourselves, our clients and our suppliers.

- The Risk Subcommittee regularly reviews and monitors our data ethics, privacy and security risk, as well as our approach to regulatory and legal compliance
- Our Chief Privacy Officer leads our work on privacy, supported by our Data Protection Officer. Alongside the WPP privacy team, they provide practical support to our agencies, promote best practices and ensure that privacy risks are well understood

- The WPP Data Privacy and Security Charter (reviewed and updated throughout the year) sets out core principles for responsible data management through our Data Code of Conduct, our technology, privacy and social media policies, and our security standards
- Safer Data training, which includes content on data protection, security and privacy, must be completed by all new and current employees, as well as consultants. Throughout the year, agency and subject matter-specific training is provided across WPP.

- This has included sessions focused on new regulations such as the Digital Personal Data Protection Act in India
- Our privacy teams establish direct relationships with their client counterparts to ensure engagement and alignment, as well as organising training across WPP and client teams
- Our annual Data Health Checker provides insight into how data is used, stored and transferred and helps us to identify any parts of the business that need further support. In 2023, the average risk score was 1.6 (2022: 1.6), where five indicates maximum risk

# PEOPLE

## Our lifeblood

**Put simply, our people are the key to our success. That's why we have bold objectives to attract, engage and develop the best in the industry, with a strong emphasis on diversity, equity and inclusion.**

### UNLOCK LONG-TERM CAREERS

We're committed to unlocking opportunities for our people both in their own agencies and across the global network, so they can pursue exciting careers within WPP and benefit from our global scale and diverse capabilities.

We offer a number of ways for people to learn, develop and thrive:

- Throughout 2023, WPP employees were able to earn more than 34,000 accreditations and certifications (2022: 33,000+) from leading technology partners including Adobe, Google, Meta, Microsoft and TikTok
- We continued to invest in on-demand online learning, expanding our Future Readiness Academies to include a Demystifying Data & AI Academy, developed by WPP experts in partnership with Circus Street and the Open Data Institute. To date, 12,500 employees around the world have completed nearly 50,000 lessons
- We piloted a new AI-driven platform, Career Pathways, offering users personalised guidance, recommending career journeys and development activities unique to them. We piloted it in Wunderman Thompson North America, where 2,500 people signed up in the first three months

- We rolled out new tools and technology to facilitate regular 'career conversations' throughout the organisation, enabling our people to articulate their career aspirations, goals and challenges, while managers offer guidance, feedback and support. These serve as a catalyst for building a resilient and thriving workforce, promoting a culture of continuous learning and development

### BUILD STRONG SUCCESSION

We continue to invest in our leadership through global programmes including Maestro, an immersive programme to help senior leaders hone their skills. We also run Walk the Talk, which has helped more than 3,000 of our female leaders to develop their confidence and accelerate their careers.

We ensure our leaders have opportunities across the network and across disciplines, providing experiences that build the professional skills and personal qualities needed to become excellent leaders.

In 2023, 80 senior leaders completed an extensive assessment and development programme, yielding data-driven insights into motivation for future roles, individual and team strengths and areas for development. The findings informed the framework for succession planning for senior executives and other key roles.

### ATTRACT AND RETAIN TALENT

We are committed to attracting and retaining the brightest and best in our industry. In 2023 we appointed Jane Geraghty as Chief Client Officer. Jane was previously CEO at Landor, and brings with her 30 years of international marketing, brand and commerce experience.



## AS OUR MOST VALUABLE ASSET, INVESTING IN OUR PEOPLE IS KEY TO OUR SUCCESS"

**Lindsay Pattison**  
Chief People Officer, WPP

Lindsay Pattison, previously Chief Client Officer, was appointed Chief People Officer and Andrew Scott, Chief Operating Officer, was appointed an Executive Director of the Board. Corey duBrowa, formerly Vice President of Global Communications and Public Affairs at Google and Alphabet, was announced as CEO of BCW (now Burson) in May.

### COMMON PLATFORMS FOR OUR PEOPLE

We have made significant progress over the past year on our core HR systems, with a consistent global design that works across agencies and for all employees. This will enable us to report globally and work more efficiently. We are also introducing intuitive self-service tools and cutting-edge people management software that leverages AI to match employee skills to client needs and career progression aspirations.

We're inviting all our people to join WPP Open, our AI-powered marketing operating system that provides access to a set of best-in-class solutions and enables greater collaboration across agencies for our clients' benefit. See page 39 for more on this.

# PEOPLE CONTINUED

## LEARNING AND DEVELOPMENT

**£27.9m**

invested in 2023 (2022: £31.3 million)

### SUPPORT DIVERSE TALENT

An important objective is to create a workplace that is reflective of the diverse communities in which we live and work. We believe diversity, in all forms, fuels creativity and business performance.

We are committed to ensuring equitable opportunity across WPP and, within that, the aim of reaching gender parity at all levels of our business.

In 2023, 53% of our senior managers were women, and 22% of senior and executive managers in the US, our largest market, were non-white.

During the year we were proud to invest in Majority, a US-based creative agency with award-winning marketing capabilities that promotes multicultural talent.

To diversify our talent pipeline, we removed barriers such as the need for college degrees from some roles, and we continue to invest in partnerships to ensure we're hiring from a diverse talent pool. We helped to expand One School in the UK, encouraging Black creatives into the industry, and continue to support Visible Start, which provides midlife women with the skills they need to (re)enter the advertising world. We also launched our nine-month Creative Tech Apprenticeship programme in the UK, providing an opportunity to the next generation of creatives to learn how to code, build game engines, and explore virtual production, future machines and generative AI.

### 2024 DIVERSITY LEADER

We were proud to be placed 158 out of 850 in the *Financial Times* 2024 Diversity Leaders ranking. This is particularly significant as 70% of scores come from employee surveys.

### PROMOTE INCLUSION

In order to promote inclusion we launched Inclusion as a Skill, a global programme for everyone to learn and practise the skills needed to grow as inclusive leaders, and set up global, company-wide Employee Community Groups to provide support for our people with a shared identity or experience, spanning groups including LGBTQ+, parents and caregivers, neurodiversity and disability.

We invest in programmes that provide these groups with tools to support their career growth, personal development and wellbeing, for example Summit, for mid-level Black women in Brazil. And we signed up as founding member to Neurodiversity in Business, to improve the wellbeing of neurodivergent people within our Company, our industry and beyond.

We also continue to develop our benefits programmes to make them more inclusive, including enhanced fertility, surrogacy and adoption cover in the US and improvements to LGBTQ+ partner and spouse cover in China, India, Philippines, Singapore and Thailand.

**22%**

of senior and executive managers in the US, our largest market, are non-white

## INDUSTRY RECOGNITION

WPP was named once again in the Bloomberg Gender-Equality Index, and a record-breaking 22 WPP leaders were included in Involve's 2023 Heroes Women Role Model lists. Eleven WPP leaders were recognised in the 2023 Empower Role Model Lists, celebrating leaders championing inclusion for people of colour within global businesses.

The&Partnership and its client, skincare brand E45, won Channel 4's 2023 Diversity in Advertising Award, reflecting the team's commitment to authentically representing LGBTQ+ communities in TV advertising.

### OUTSTANDING DISABILITY NETWORK OF THE YEAR

Wavemaker's Enable community won Outstanding Disability Network of the Year at the 2023 European Diversity Awards, in recognition of its mission to create an equitable working environment for everyone, irrespective of their neurological, psychological or physical differences.

## EMPLOYEE ENGAGEMENT

A record 83,241 employees took part in our annual All In staff engagement survey (an increase of 14% on 2022) and our listening team ensured every agency had support to analyse and act on its own results.

The results revealed that people care most about career growth, feeling valued and supported by managers, and contributing to the overall company vision. They also showed our people would like to see a renewed commitment to their mental health and wellbeing.

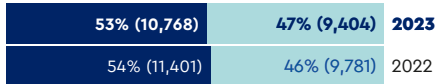


**GENDER DIVERSITY**

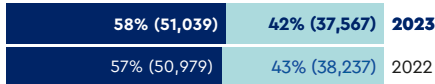
Board and executive<sup>1</sup>



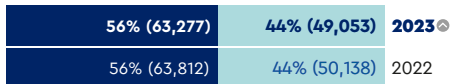
Senior managers



All other employees



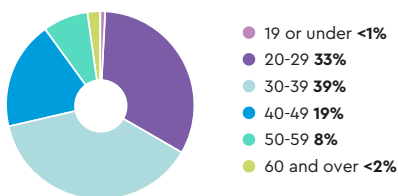
Total employees



● Female ● Male

Gender diversity figures exclude a small proportion where gender is unknown or undisclosed. In 2023, this accounted for less than 1% of total headcount

**AGE DIVERSITY**



Age diversity figure excludes a small proportion where age is unknown or undisclosed. In 2023, this accounted for less than 1% of headcount

That's why we published a new global mental health policy outlining the steps we will take if anyone has a mental health concern, to make sure we listen without judgement, and do our best to support each and every individual. We also offered all employees access to a free one-year Headspace app membership.

We continue to invest in our Mental Health Allies programme in the UK, US and Singapore, which encourages open conversations about mental health in the workplace and guides people to support.

Our Employee Assistance Programme offers all employees and eligible family members 24/7 access to free confidential counselling and support, as well as resources on managing stress, dealing with loss and referrals to local financial or legal help.

**FLEXIBLE WORKING**

Over the past few years, due to extraordinary events, we've learned to be much more flexible in where we do our jobs. We've found it can help us deliver great outcomes for ourselves and our business. At the same time, our success continues to rely on collaboration, culture and talent development, which thrive when we spend time together in person.

We have therefore adopted a hybrid approach, with people based largely in one of our 41 campuses around the world, alongside a continued element of remote working.

**LOOKING AHEAD TO AN AI-ENHANCED FUTURE**

Our AI-powered marketing operating system, WPP Open, is already being used by more than 30,000 people across WPP.

Within WPP Open is a variety of studios, offering our people a range of AI-powered capabilities – workflows, tools and prompt engineering – across creative, production, media, commerce, experience and PR.

WPP Brains are bespoke models trained on individual brands' tone of voice and brand elements. They help our people produce brand-specific, accurate, differentiated content at every step of the creative journey.

The organic adoption of WPP Open across the organisation is a strong indicator that our people's curiosity and creativity, coupled with the potential of AI, will continue to drive extraordinary work for clients in the future.

➔ See more in the People section of our 2023 Sustainability Report

<sup>1</sup> Executive leadership roles are defined as the agency board and executive leadership population as reported through WPP's financial reporting system

⦿ Indicates the selected metrics have been subject to independent limited assurance procedures by PricewaterhouseCoopers for the year ending 31 December 2023. For PwC's 2023 Limited Assurance Report and the WPP Sustainability Reporting Criteria 2023, see [wpp.com/sustainabilityreport2023](http://wpp.com/sustainabilityreport2023)

# OUR WORK

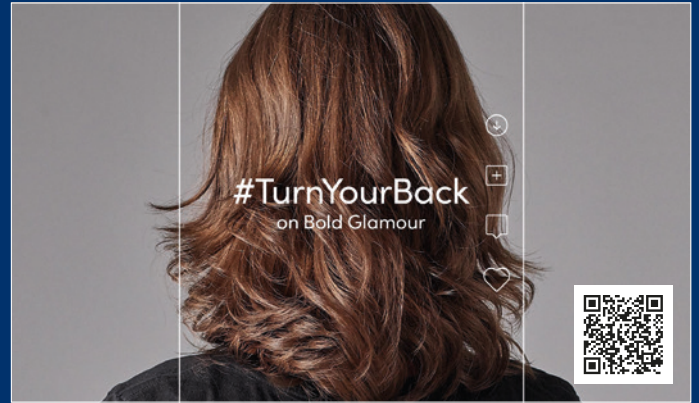
Our integrated offer across creative, media, production and PR delivers exceptional results for our clients

The next 12 pages showcase some of our award-winning campaigns from 2023



**AB INBEV: CORONA EXTRA LIME**  
Creating a beer that bears fruit for Chinese farmers

42



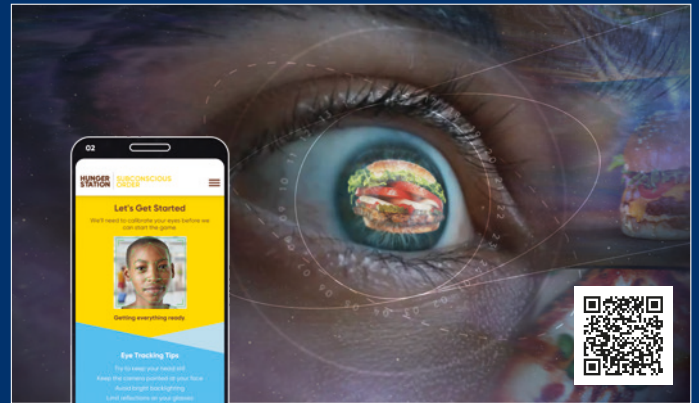
**DOVE: TURN YOUR BACK**  
Challenging toxic beauty standards online

44



**HONEST EGGS: FITCHIX**  
Changing the egg industry one step at a time

46



**HUNGERSTATION: SUBCONSCIOUS ORDER**  
Using AI to tap into our subconscious desires

48



**EBAY: PRE-LOVED ISLAND**  
An innovative partnership to promote second-hand fashion

50



**LOUIS VUITTON: LV APP**  
A digital touchpoint crafted to elevate the client experience

52

# CORONA EXTRA LIME

A beer that bears fruit

**OFFER**  
**COMMUNICATIONS**  
**PR**

**AGENCY**  
**DAVID, COLOMBIA**

**CLIENT**  
**AB INBEV**

## THE QUESTION

The best way to enjoy Corona is with lime. While China drinks the most beer in the world, not many local farmers were growing limes. So, Corona should just import limes, right?

## THE ANSWER

There was a better answer. Instead of importing, Corona and Ogilvy's DAVID thought – why not start a new business? So Corona partnered with local governments and industry leaders to provide local farmers with the knowledge and tools they needed to grow lots of high-quality limes. It's the biggest commitment the company has ever made in a single market.

After a thousand days of learning, growing and making, Corona Extra Lime – made exclusively with Chinese-grown limes – hit the shelves. Corona's lime supply problem was solved, while local farmers had a new economic opportunity.

## THE IMPACT

Corona beer sales were boosted by 29%, while farmers' incomes rose 21%. Profits are being reinvested in farming, and Corona's commitment in 2024 is to increase farmers' incomes by 30%.

**2m**  
 limes sold in first year

**1bn+**  
 impressions

**\$11m+**  
 earned media

**Awards**  
 Titanium  
 Cannes Lions 2023



Scan the QR code





# TURN YOUR BACK

Challenging toxic beauty standards online

**OFFER**  
PR  
INFLUENCER

**AGENCY**  
OGILVY, DAVID & MINDSHARE, UK

**CLIENT**  
DOVE (UNILEVER)

## THE QUESTION

In March 2023, a new AI-based filter, Bold Glamour, shocked the world. The filter presented an 'ideal' of beauty, and looked very real. Almost too real. Dove has always fought against damaging and unrealistic expectations of beauty. Along with Ogilvy and DAVID, Dove wanted to encourage people to #TurnYourBack on the Bold Glamour filter as part of its #NoDigitalDistortion mission.

## THE ANSWER

An influencer-led campaign kicked off with creators sharing their feelings on the filter and the damage it can do to people's perceptions and expectations of beauty. As word spread, thousands of women around the world started to turn their backs on toxic beauty. The campaign made it to the Oscars, where entertainment host Nischelle Turner and actor Gabrielle Union bravely used the forum to show their support. What started on social media quickly became a global 360° campaign.

## THE IMPACT

Over one billion impressions, and 54 million views in the first 72 hours.

94%

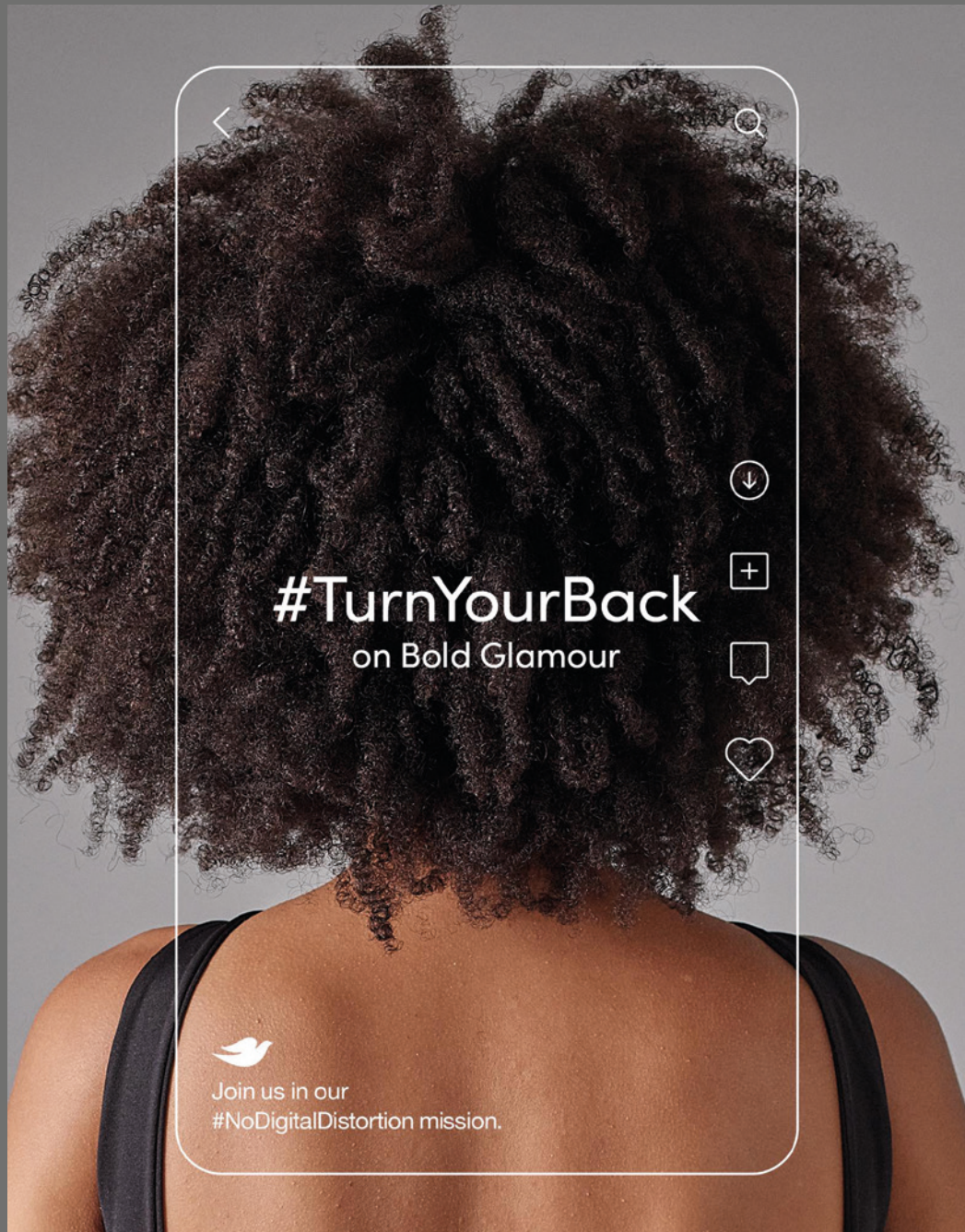
positive sentiment in key markets

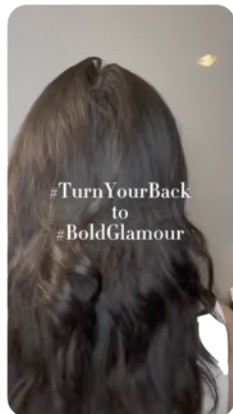
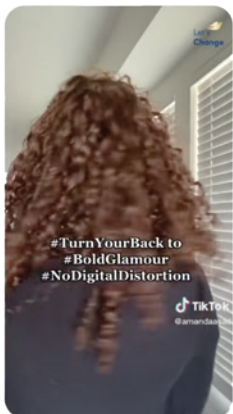
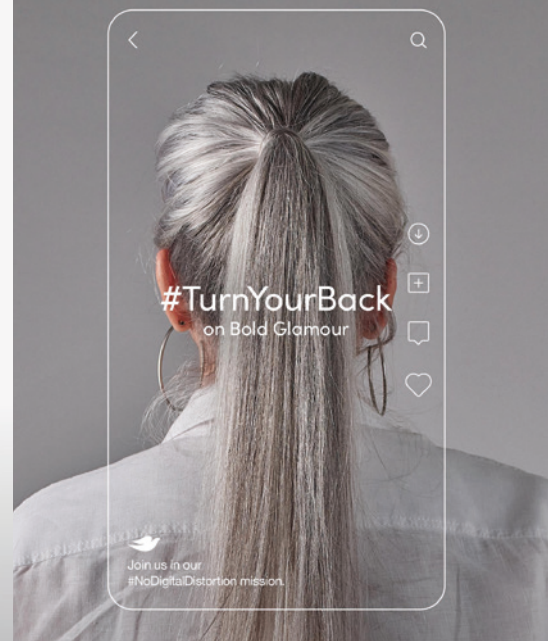
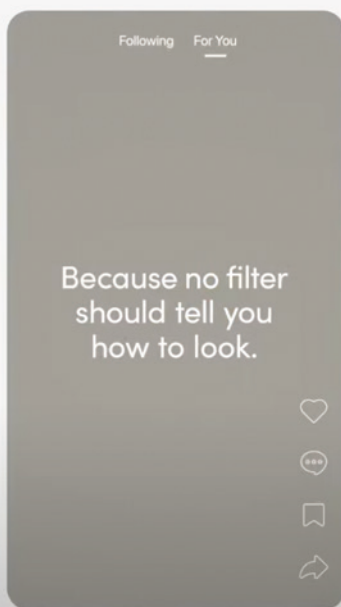
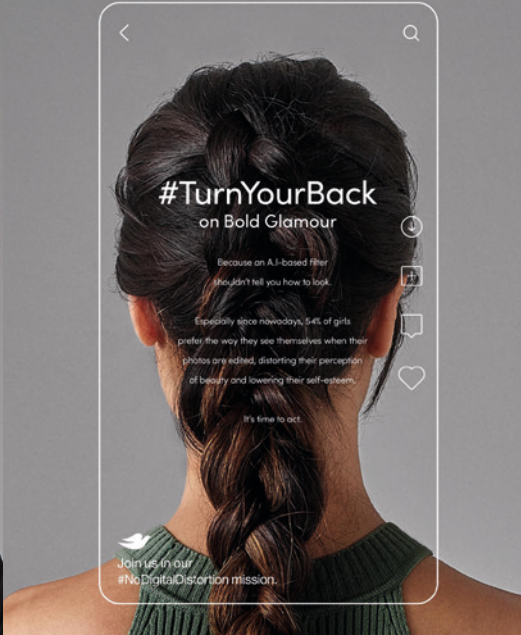
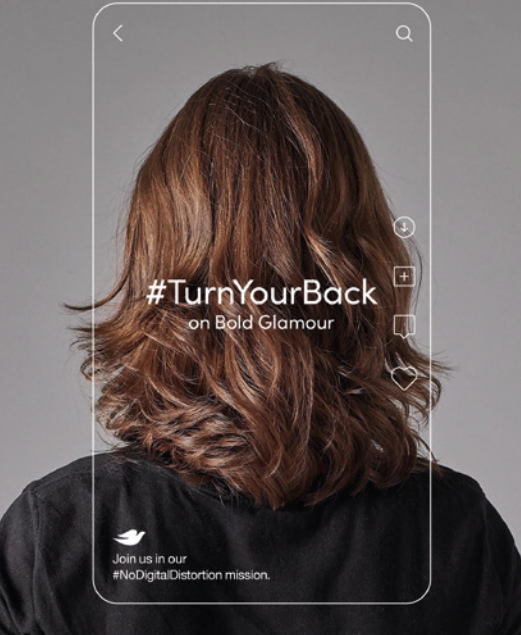
Awards

Grand Prix Cannes Lions 2023



Scan the QR code





comments

- Milly**  
 LOVE this campaign and everything it stands for!!! 🥰🥰🥰  
 1s ago 3
- Ale**  
 No filter is better than my unique self! Thank you Dove!  
 1s ago 4
- Cecile**  
 This filter is definitely harmful, especially to impressionable teenage girls! I remember how easily I felt insecure about my looks growing up. 🥰🥰  
 2s ago 9

# FITCHIX

Changing the egg industry  
one step at a time

**OFFER**  
**BRAND EXPERIENCE**  
**CUSTOMER EXPERIENCE**

**AGENCY**  
**VMLY&R (VML), BCW (BURSON) &**  
**MINDSHARE, AUSTRALIA**

**CLIENT**  
**HONEST EGGS CO.**

**THE QUESTION**

Australians eat 6.6 billion eggs a year, almost half marked 'free range'. Consumers believe this is an ethical choice. But 'free range' just means the birds are not caged. Honest Eggs Co. treats its animals fairly, with fewer than 30 chickens per hectare of farmland. Its quality product stands apart from the competition. But how to show consumers that?

**THE ANSWER**

FitChix. Fitbits for chickens. VMLY&R collaborated with Airbag to create chicken-friendly fitness trackers that wouldn't impose on the day-to-day life of the birds. The resulting step counts were printed on the company's eggs, showing how healthy and free their birds are.

To create awareness and drive traffic to stores, VMLY&R, BCW and Mindshare ran an integrated campaign across social, outdoor and earned media. They also made the device open source so every honest egg farmer in the world could use it.

**THE IMPACT**

Happy chickens. And purchase orders from existing stockists increased 40% in the first three weeks.

**222**  
new stockist  
applications

**25%**  
sales revenue  
increase

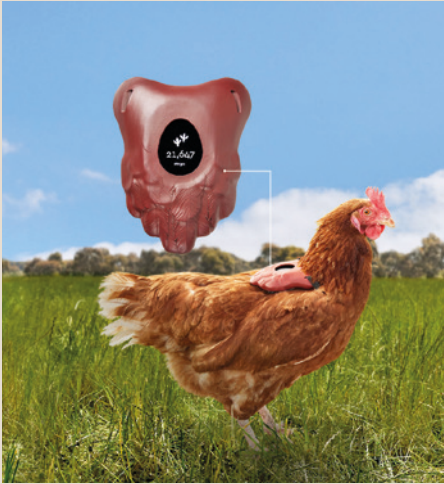
**493%**  
increase in online  
conversions

**Awards**  
Gold  
Cannes Lions 2023



Scan the  
QR code





# HUNGERSTATION

Your subconscious knows better

**OFFER**  
AI  
DIGITAL  
PR

**AGENCY**  
WUNDERMAN THOMPSON (VML),  
SAUDI ARABIA

**CLIENT**  
HUNGERSTATION

## THE QUESTION

They say the eyes eat before the brain can taste. But we waste on average 132 hours a year scrolling through countless online menus. The result? Too much choice. What if Wunderman Thompson and HungerStation, Saudi Arabia's leading food delivery app, could help people find exactly what they're looking for?

## THE ANSWER

Introducing the Subconscious Order: a new feature on the HungerStation app that recognises when a person has been hopelessly scrolling and provides an innovative tool to help them decide what they really crave.

As a variety of delicious cuisines is displayed, a front-facing camera meticulously tracks the eye's interest using advanced algorithms. Smart AI then narrows down the options and presents a data report of what the subconscious mind is craving, providing the user with a list of relevant HungerStation restaurants to order from.

## THE IMPACT

In the first two weeks after launch, HungerStation gained 78,000 new customers.

**2.5m**  
media impressions

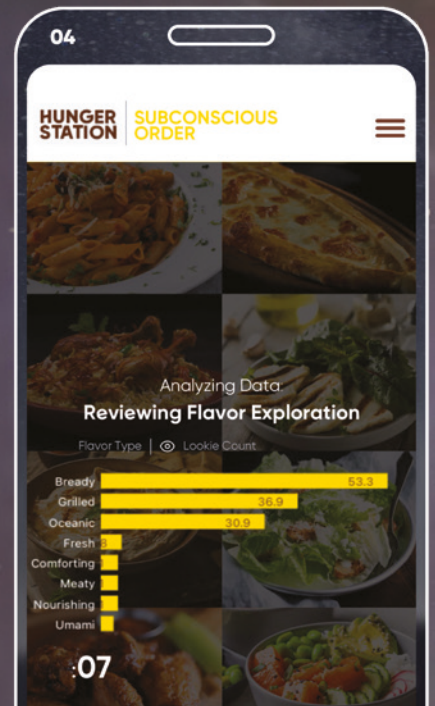
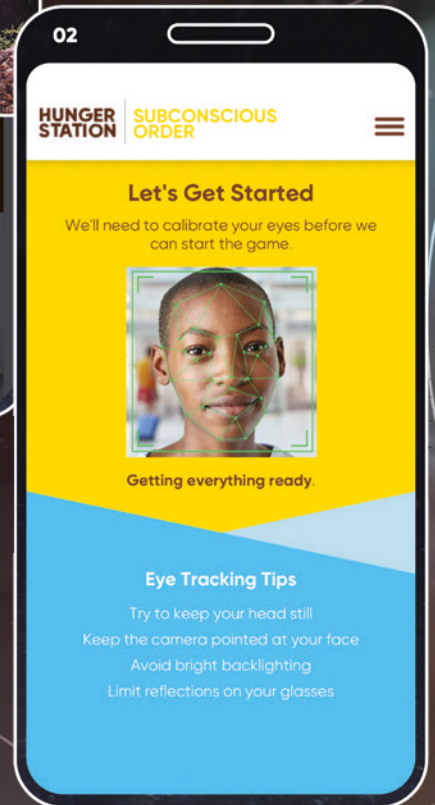
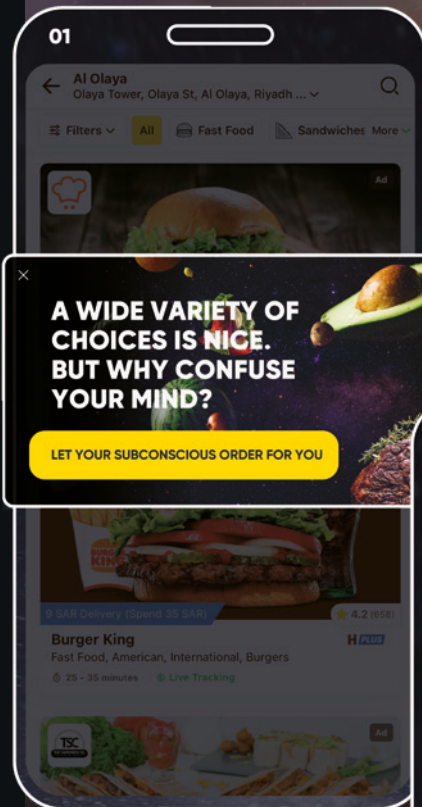
**630k**  
portal visits

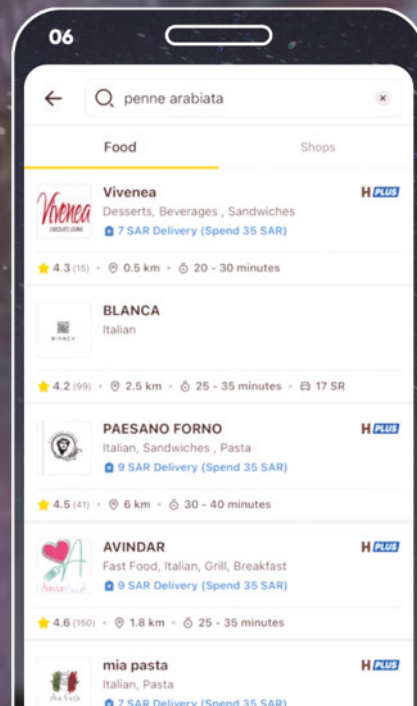
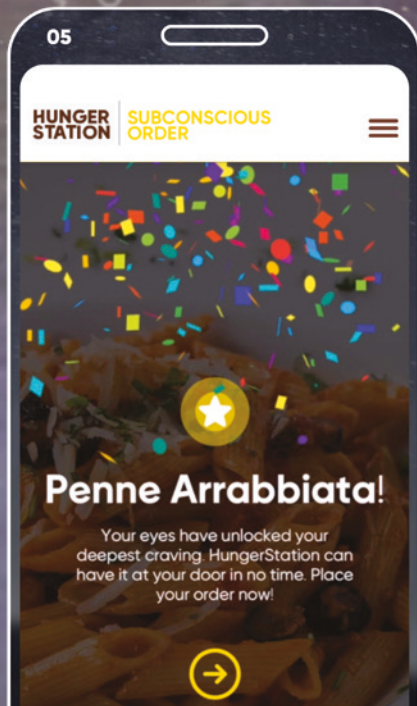
**6k**  
new customers  
per day

**Awards**  
Grand Prix  
Cannes Lions 2023



Scan the QR code





# PRE-LOVED ISLAND

A new campaign to make second-hand clothes desirable

**OFFER**  
**BRAND EXPERIENCE COMMUNICATIONS**

**AGENCY**  
**ESSENCEMEDIACOM, UK**

**CLIENT**  
**EBAY**

**THE QUESTION**

Many clothes are cheap; often worn only a few times, then binned. eBay, which has been selling pre-loved clothes since 1995, offers the perfect antidote to clothing waste. How could EssenceMediacom ignite a second-hand revolution, showing that used clothes could be on-trend and desirable?

**THE ANSWER**

ITV's Love Island. One of the UK's biggest and most talked-about fashion influencers, this show makes and breaks fashion trends amongst the Gen Z and Millennial audience eBay wanted to target. The items islanders were wearing were selling out in minutes.

Using product placement throughout the show, islanders were dressed in stylish pre-loved clothes, with viewers able to bid on shoppable edits of the looks seen on screen.

Co-branded TV and video ads and X (Twitter) content celebrated the looks and embedded pre-loved fashion into the conversation of the moment.

**THE IMPACT**

Over 1,700 pieces of positive press coverage, and a significant increase in searches for 'pre-loved fashion' on eBay.

1.7k

pieces of positive press coverage



Scan the QR code





# THE LV APP

Enter the world of Louis Vuitton

**OFFER**  
**DIGITAL**

**AGENCY**  
**AKQA, PARIS**

**CLIENT**  
**LOUIS VUITTON**

## THE QUESTION

Louis Vuitton, one of the world's leading fashion houses, wanted to create a digital touchpoint crafted to elevate the client relationship and experience. How would AKQA fulfil the brief?

## THE ANSWER

With the re-imagining of the LV App. A precision-designed digital touchpoint showcasing exclusive experiences. The app strategically establishes itself as the primary platform for personalised interactions, distinct from the website, immersing users in the LV universe.

Through UX, UI and navigation restructuring, the LV App was transformed with three main pillars: personalisation, immersion and exclusivity. A dedicated personalised section showcases exclusive previews of collections, app-only products and personalised services from a client advisor, helping to kick-start the user journey.

New services, including repairs, customisations and appointment bookings, add to the LV story and create added value.

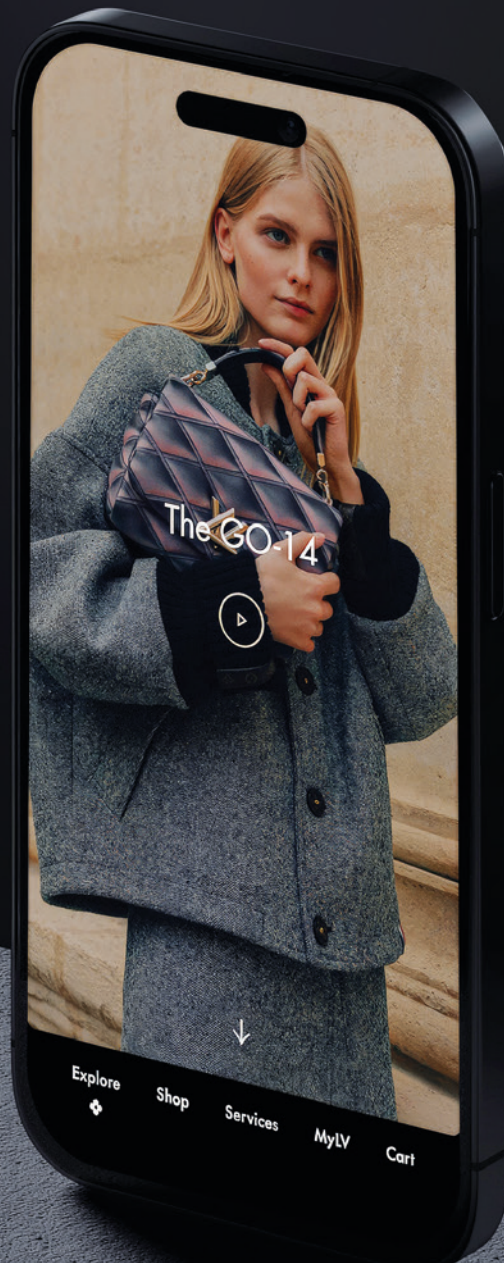
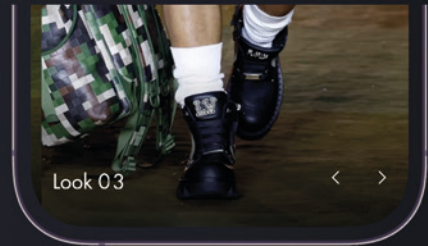
## THE IMPACT

The LV App has become the go-to destination for Louis Vuitton clients, leading to a 40% increase in engagement.

**40%**  
increase in  
engagement



Scan the  
QR code



# WPP SUSTAINABILITY

We use our creativity combined with our global reach and scale to drive sustainability within our own business, our clients' businesses and across our industry

## In this section

Our approach to sustainability	54
Sustainability and our strategy	56
Communities	58
Planet	60
Task Force on Climate-related Financial Disclosures (TCFD) statement	62
Carbon emissions statement	69
Public policy	70
Supply network	71
Our work in sustainability	72

# OUR APPROACH TO SUSTAINABILITY

Our governance processes and policies help us manage sustainability risks and opportunities consistently across the Company

## SUSTAINABILITY GOVERNANCE MODEL<sup>1</sup>

### THE BOARD

- Responsible for the overall long-term success of WPP and for setting the purpose, values and culture and strategic direction, including on sustainability
- Approves our Sustainability Policy and Environment Policy and, where relevant, considers the identification and mitigation of sustainability issues, including climate change, when overseeing major decisions (set out in WPP Matters Reserved for the Board, available on wpp.com)

### BOARD COMMITTEES

#### SUSTAINABILITY COMMITTEE

- Supports the Board in its oversight of corporate responsibility, sustainability, environmental, social and governance (ESG) and related reputational matters
- Understands WPP's sustainability-related risks and opportunities
- Reviews and monitors the management and implementation of our sustainability strategy and Net Zero Transition Plan
- Reviews policy statements on environmental and social matters
- Meets at least four times a year, receiving in-depth progress reviews from management at each meeting, and provides an update to the Board following each meeting

→ Page 137

#### AUDIT COMMITTEE

- Monitors the integrity of WPP's ESG disclosures, including the relationship with our ESG assurance provider
- Provides oversight of internal controls and risk management, including our ESG controls

→ Page 130

### EXECUTIVE COMMITTEES

→ Page 115

#### EXECUTIVE COMMITTEE

- Assists the CEO in discharging his responsibilities
- Collectively responsible for implementing strategy, including sustainability strategy, ensuring consistent execution and embedding the Company's culture and values

#### DISCLOSURE COMMITTEE

- Reports to the Audit Committee
- Responsible for overseeing the accuracy and timeliness of Group disclosures, including sustainability and ESG, and reviewing controls and procedures in relation to the public disclosure of financial information

#### RISK COMMITTEE

- Assists the Board and Audit Committee by reviewing, monitoring and advising on compliance with laws, regulations, internal procedures, and industry standards, the design and implementation of WPP's compliance framework, compliance policies and procedures and risks that present themselves throughout WPP, including material sustainability and ESG issues

### GROUP FUNCTIONS AND AGENCIES

- The Chief Sustainability Officer has overall operational responsibility for sustainability
- Our agencies are required to comply with our Sustainability Policy, and report performance to WPP on an annual basis
- We set a clear policy framework through our Code of Business Conduct, Sustainability Policy, Supplier Code of Conduct and other policies included in the WPP Policy Book
- Our sustainability team works to ensure consistent implementation of our standards and supports the business to identify sustainability-related risks and opportunities, informing the business through targeted briefings, programme meetings and status updates
- Our sustainability team monitors key performance metrics and collates status updates from the business, which are reported to the Chief Sustainability Officer, the relevant Executive committees and Board committees, and the wider business
- In 2023, this included training on ESG reporting and controls, our Green Claims Guide, and employee capability building on our net zero strategy
- Progress against sustainability metrics and targets is communicated to the business on an annual basis

<sup>1</sup> References to sustainability and ESG are inclusive of the climate change issues identified as relevant to WPP in the TCFD statement (pages 62 to 68)



## OUR MATERIALITY PROCESS

We continually assess changing stakeholder priorities through ongoing dialogue in the course of doing business. We also use a materiality process to ensure our sustainability strategy, investments and reporting focus on the issues of greatest importance and relevance to our business and our stakeholders.

In 2024, we will conduct a double materiality assessment in line with the requirements of the EU Corporate Sustainability Reporting Directive and informed by our most recent impact materiality assessment, completed in January 2023 (see our 2023 Sustainability Report).

## STAKEHOLDER ENGAGEMENT

Dialogue with our stakeholders, including our people, clients and shareholders, 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 work with clients on sustainability issues (see page 27). Information on employee engagement including our All In employee survey is on page 38. During the year, WPP and agencies including GroupM, Hill & Knowlton and Wunderman Thompson rolled out training to equip our people with knowledge on climate change and give them the practical tools with which to respond. This remains a priority in 2024.

## INVESTOR ENGAGEMENT

We believe the more we behave in line with our purpose, the better our business will perform, thereby maximising shareholder returns.

We regularly engage with investors on ESG topics, and in 2023 we engaged with rating agencies and benchmarking organisations on sustainability, including: Bloomberg Gender-Equality Index; Ecovadis; Ethibel; Equileap; Vigeo Eiris; FTSE Russell; ISS; Moody's; MSCI Research Inc.; Tortoise Responsibility 100; Sedex; and Sustainalytics.

We are included in the FTSE4Good Index and participate in CDP's climate change questionnaire. In 2023, our score was B (2022: A-) reflecting changes in CDP's scoring criteria, which are designed to ensure companies continually improve their climate ambitions.

In 2021, we linked the margin of our \$2.5 billion revolving credit facility to specific sustainability measures. We refinanced the facility in February 2024 and are working to update the sustainability measures linked to the facility as we continue to embed carbon-reduction targets and broader sustainability commitments into our financing arrangements.


## INSTITUTE OF BUSINESS ETHICS

WPP is a member of the Institute of Business Ethics (IBE) and considers it an important partner and support for the approach that the Company takes to business integrity, sustainability and ethics. As set out more fully in the Risk Governance Framework on page 93 and Business Integrity Programme on page 94, we want to champion and facilitate a culture where our people feel that acting with transparency, honesty and integrity is an expected metric for success, and this is also the IBE's ethos.

The IBE shares knowledge and good practice as well as advice on the development and embedding of relevant policies through networking events, regular publications and training sessions, research and benchmarking reports.


The IBE is a registered charity funded by corporate and individual donations.

## ABOUT OUR REPORTING

Sustainability data included in this Annual Report is for the calendar year 2023 and covers all subsidiaries of the Company. The selected ESG performance metrics marked with the symbol  throughout this report have been subject to independent limited assurance procedures by PricewaterhouseCoopers LLP (PwC) for the year ending 31 December 2023 in accordance with International Standard on Assurance Engagements 3000 (revised) and, in respect of greenhouse gas emissions data, International Standard on Assurance Engagements 3410, issued by the International Auditing and Assurance Standards Board.

A copy of PwC's report and our reporting criteria are available at [wpp.com/sustainabilityreport2023](http://wpp.com/sustainabilityreport2023). The majority of our data is collected locally, and a common challenge is reconciling inconsistencies in calculations and data capture. This prevented us from obtaining independent limited assurance over certain metrics including waste, and health and safety data.

We are reviewing our reporting in line with emerging ESG regulations and standards, including the EU's Corporate Sustainability Reporting Directive and the International Sustainability Standards Board's Sustainability Standards. The outputs of our Double Materiality Assessment, which will be conducted in 2024, will shape the future format and content of our disclosures.

 For further information on data quality, see page 61

## NON-FINANCIAL AND SUSTAINABILITY INFORMATION STATEMENT

This section provides information required by regulation in relation to:

- Environmental matters (pages 60 and 61) and TCFD statement including climate-related risks and opportunities (pages 62 to 68)
- Social matters (pages 58 and 59)
- Human rights (page 71)

In addition, other related information can be found as follows:

- Our people (pages 37 to 39)
- Corruption and bribery (pages 94 and 95)
- Business model (from page 20)
- Principal risks and how they are managed (from page 98)
- Non-financial key performance indicators (from page 84)

 For more information, see our 2023 Sustainability Report

# SUSTAINABILITY AND OUR STRATEGY

Our sustainability strategy sets out how we use the power of creativity to build better futures for our people, planet, clients and communities

Our sustainability commitments support our corporate strategy and help us navigate a dynamic social and economic landscape, responding to evolving stakeholder expectations and shaping our contribution to the world around us

They add focus and meaning for our people, who want to work for a company that shares their values, and our clients, who look to us to help them find and scale solutions to achieve their own goals and deliver positive impact

## WPP IS THE CREATIVE TRANSFORMATION COMPANY

WHY

### PEOPLE

Become the employer of choice for all



To foster exceptional and diverse talent and equip our people with the knowledge and capability to creatively tackle some of society's biggest challenges

### PLANET

Maximise our positive impact on the planet



To decouple our emissions from growth and lead the industry to decarbonise

### CLIENTS

Enable our clients on their sustainability journeys



To support progress towards a sustainable and inclusive economy where our clients thrive

### COMMUNITIES

Use the power of our creativity and voice to support healthy, vibrant communities



To build a resilient global society where consumers and communities alike are included and empowered

<sup>1</sup> Executive leadership roles are defined as the agency board and executive leadership population as reported through WPP's financial reporting system

<sup>2</sup> 2022 energy metric restated in line with the procedures set out in the WPP Sustainability Reporting Criteria 2023. For details of the nature and impact of the restatement, see page 61

⊕ Indicates the selected metrics have been subject to independent limited assurance procedures by PricewaterhouseCoopers for the year ending 31 December 2023. For PwC's 2023 Limited Assurance report and the WPP Sustainability Reporting Criteria 2023, see [wpp.com/sustainabilityreport2023](http://wpp.com/sustainabilityreport2023)

**We aim to build better futures for our people, planet, clients and communities through the four pillars of our sustainability strategy**

HOW

PROGRESS

FIND OUT MORE

**PEOPLE**

- Build a culture where everyone is treated with dignity and respect
- Ensure an inclusive working environment with fair representation
- Grow sustainability skills and knowledge across our industry

- **53%** of senior managers are women (2022: 54%)
- **22%** of senior and executive managers in the US, our largest market, are non-white (2022: 22%)
- **14%** increase in employee participation in our annual All In staff survey
- **Inclusion as a Skill** training rolled out to all employees worldwide

**41%**  
of executive leaders across WPP are women<sup>1</sup> (2022: 40%)

See pages 37 to 39  
See the People section of our 2023 Sustainability Report

**PLANET**

- Develop common carbon metrics across our industry
- Build campuses that make a positive contribution to local communities
- Reach net zero across our supply chain by 2030

- **0.19** tCO<sub>2</sub>e emissions per person from direct operations (Scope 1 and 2), a 17% reduction year-on-year and 77% since our 2019 baseline (2022: 0.23 tCO<sub>2</sub>e<sup>2</sup>)
- **88%** of electricity sourced from renewable sources (2022: 83%)
- GroupM's coalition of leading advertisers – representing \$10 billion in global advertising investment – to accelerate decarbonisation of the world's media supply

**76%**  
absolute reduction in tCO<sub>2</sub>e emissions (Scope 1 and 2) since 2019 and 18% year-on-year

See pages 60 and 61  
See the Planet section of our 2023 Sustainability Report

**CLIENTS**

- Ensure fairness and high privacy and data ethics standards in our work
- Ensure our client work is inclusive and accessible
- Support our clients as they deliver their emissions reduction and wider sustainability goals

- **82%** of top 50 clients have set or committed to set science-based carbon reduction targets (2022: 78%)
- Client version of our Green Claims Guide launched with targeted training for clients in potentially higher-risk and higher-emissions sectors

**8.0**  
score out of 10 from our clients for our ability to support their sustainability goals and 8.3 for their DEI goals

See page 27  
See the Clients section of our 2023 Sustainability Report

**COMMUNITIES**

- Buy responsibly and build a diverse supplier network
- Advance equity and inclusion through our work, external partnerships and initiatives
- Work with partners, social enterprises and clients to drive sustainability

- **\$21.1m** invested in inclusion programmes since 2020 as part of our commitment to invest \$30 million in racial equity
- **£205,000** donated to disaster relief through employee donations matched by WPP

**£36.1m**  
total social contribution, including cash donations, pro bono work, in-kind contributions, free media space and racial equity initiatives (2022: £35.5 million exc racial equity initiatives)

See pages 58 and 59  
See the Communities section of our 2023 Sustainability Report

# COMMUNITIES

We use our scale, skills and voice to support healthy and vibrant communities

**We are committed to inspiring widespread change through powerful communications and investment in communities.**

**A VOICE FOR CHANGE**

We believe that good communications can help bring about the shift in attitudes and behaviour needed to tackle extreme poverty, inequality and climate change, and contribute towards the UN Sustainable Development Goals.

We help amplify the impact of charities and non-governmental organisations by providing marketing and creative services, often on a pro bono basis.

This work is mutually rewarding and often worth more than an equivalent cash donation, helping to improve fundraising efforts, recruit new members, change behaviour or achieve campaign goals. It also gives WPP people the chance to work on fulfilling, impactful and sometimes award-winning campaigns that build their skills and raise the profile of our agencies.

**LIFE-CHANGING CLIENT WORK**

We are proud to deploy our creativity to rethink the status quo. In 2023, campaigns included Ogilvy's Heaven Fish, which turned the 'miracle' of fish falling from the sky into a source of income for residents of Yoro, Honduras.

In Kenya, Scanad and fashion brand ZEVA launched Stain Not Shame, a campaign that prompted the government to make period shaming a punishable offence. And in Argentina, Grey's The Postponed Day brought cancer charities together to delay their usual publicity around Breast Cancer Awareness Day. The campaign highlighted the fact that 40% of women postpone their annual breast check-ups, creatively raising awareness and inspiring action.

**ADVANCING RACIAL EQUITY**

In June 2020, as part of a set of commitments and actions to help combat racial injustice and support Black and ethnically marginalised talent, we set up our Racial Equity Fund, committing to invest \$30 million over three years in inclusion programmes and to support external organisations.

**\$21.1m**

**invested in inclusion programmes as part of our commitment to invest \$30 million over three years**

We designed the programme to deliver immediate impact while also establishing the foundation for meaningful and sustainable change. We invested across three pillars: internal equity and inclusion; creative use of media value and pro bono work to support non-profit organisations and charities with anti-racist objectives; and funding for 'bold, audacious and creative' initiatives that will create measurable impact in advancing racial equity around the world (see example, right).

To date, we have invested \$21.1 million and committed a further \$1.9 million to projects kicking off from 2024. We will continue to invest to reach our \$30 million commitment.

➔ See more at [wpp.com/racialequityprogramme](https://wpp.com/racialequityprogramme)



**SOMA+ AKQA**

One of the projects supported by our Racial Equity Fund was SOMA+ AKQA, which expanded the professional knowledge of Black, Indigenous and low-income students in Brazil across three main pillars: education, internship and transformation.

In 2023, SOMA+ students collaborated with rapper Criolo on the video for 'Pretos Ganhando Dinheiro Incomoda Demais' (Blacks Making Money is Too Inconvenient), part of the 'Tree of Riqueza', a campaign that aims to give a new meaning to Black prosperity in a series of five cinematic music videos.



**IT IS THROUGH THESE DIVERSE POINTS OF VIEW, EXPERIENCES AND TRAINING THAT WE AMPLIFY VOICES AND ENHANCE THE POWER OF THESE PROJECTS"**

Luiza Bomfim  
SOMA+ participant

### ACTION IN LOCAL COMMUNITIES

We encourage our people to use their creativity and expertise to contribute to issues they are passionate about. We have a long tradition of pro bono work covering a range of issues from the arts to conservation, health and human rights. Our established Foundations and active network of Green Teams around the world provide a platform for people to act.

In India, our multi-award-winning WPP India Foundation is transforming the lives and livelihoods of young people and their families through a targeted programme of interventions. In Australia, our REFLECT RAP (reconciliation and action plan) outlines our commitment to a more diverse, equitable and inclusive future – with reconciliation at its heart. The plan increases awareness of Aboriginal and Torres Strait Islander cultures, histories and leadership across all sectors of Australian society.

### EMPLOYEE GIVING AND VOLUNTEERING

WPP employees around the world donated generously in 2023 to emergency relief appeals set up to support those affected by the devastating earthquakes in Turkey and Syria and then in Morocco, which we matched. In October, in response to the terrible events in Israel and Gaza, employees once again gave generously; with match funding we raised a total of £60,000 in partnership with the British Red Cross. We will continue to run employee match funding appeals for disaster relief.

The VML Foundation is an employee-funded and led giving programme that supports and celebrates the causes important to VML's employees. Every year, VML closes more than 80 offices around the world for a day so that employees can donate their time and talents to dozens of non-profit and community

# \$3m

**in 2023 the VML Foundation proudly surpassed \$3 million in charitable giving on behalf of employees**

organisations. In 2023, causes ranged from reading and recording bedtime stories in China to planting and cleaning up the Río de Los Remedios forest in Mexico City. The Foundation also proudly surpassed the \$3 million mark in collective charitable giving on behalf of employees since it began.

And in France, our We Care We Act employee volunteering programme matches the talent, skills and interests of our people with requests for volunteer support, enabling positive action in the community. Our people completed 60 individual missions supporting local NGOs in 2023, as well as multiple agency-wide volunteering initiatives.

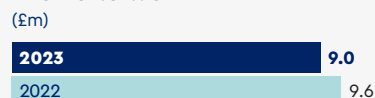
### INVESTING IN FUTURE CREATIVES

We believe that AI is fundamental to the future of our industry (and of many others). To inspire young people and build their confidence in data and AI, in 2023 we launched the Creative Data School in partnership with leading non-profit and educational organisations. Delivered both online and in schools, the course has already taught essential technical skills to over 6,000 young people across the UK.

Following the programme, eligible candidates were invited to apply for work experience and internships within the WPP network.

### WHAT WE GAVE IN 2023

#### PRO BONO WORK



#### CASH DONATIONS



#### TOTAL SOCIAL INVESTMENT



WPP media agencies negotiated free media space worth £19.5 million on behalf of pro bono clients (2022: £20.8 million).

# £36.1m

**total social contribution**  
(2022: £35.5 million)<sup>1</sup>

Our total social contribution, taking into account cash donations, pro bono work, in kind contributions, free media space, and investments in inclusion initiatives through Pillar 3 of our Racial Equity Programme, was £36.1 million (2022: £35.5 million).<sup>1</sup>

➔ See more in the Communities section of our 2023 Sustainability Report

<sup>1</sup> 2022 figure excludes investments in Racial Equity initiatives

# PLANET

## Delivering progress against our sustainability goals to protect our planet

We are committed to transitioning to net zero emissions across our own business, supporting our clients' carbon reduction efforts and accelerating progress across our industry.

### OUR CLIMATE STRATEGY

In 2021, we set near-term science-based targets to reduce our greenhouse gas emissions in line with limiting global warming to 1.5°C above pre-industrial levels, and the aims of the Paris Climate Agreement.

### OUR EMISSIONS TARGETS

# 84%

absolute Scope 1 and 2 emissions reduction by 2025<sup>1</sup>

# 50%

absolute Scope 3 emissions reduction by 2030<sup>1</sup>

These targets, which are verified by the Science-Based Targets initiative, include emissions from media buying (more than half our total footprint) – an industry first.

Our targets are ambitious, and require commitment across all WPP agencies and functions. From production to procurement to buildings, our aim is to integrate carbon reduction into our core commercial strategy, and to continue to drive progress through wider transformation programmes. We will publish our first formal Transition Plan in 2024, an important milestone as we progress to net zero.

### REDUCING SCOPE 1 AND 2 EMISSIONS

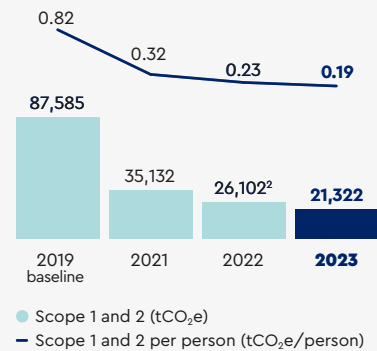
We continue to make good progress towards our Scope 1 and 2 targets, largely driven by an increase in electricity purchased from renewable sources, as well as improved energy efficiency in our buildings as we move people into fewer, more efficient buildings through our campus strategy.

- Our Scope 1 emissions for 2023 were 11,354 tCO<sub>2</sub>e (2022: 14,105 tCO<sub>2</sub>e), of which a subtotal of 8,532 tCO<sub>2</sub>e (75% of our total Scope 1 emissions footprint) has been subject to independent limited assurance procedures by PwC
- Company cars account for 62% of our Scope 1 emissions. We continue to shift company cars to electric and hybrid vehicles where infrastructure makes it feasible to do so. In 2023, 46% of centrally leased company cars were electric or hybrid (2022: 30%). The Scope 1 emissions not subject to assurance procedures relate to locally contracted company cars, for which emissions have been estimated
- Scope 2 market-based emissions fell by 17% to 9,968 tCO<sub>2</sub>e. Scope 2 location-based emissions were 55,720 tCO<sub>2</sub>e, a 3% increase from 2022 reflecting a rise in energy consumption as office occupancy rates increased<sup>2</sup>
- Our carbon intensity per £1 million revenue was 1.44 tCO<sub>2</sub>e, a 21% reduction since 2022 (2022: 1.81 tCO<sub>2</sub>e)<sup>2</sup>
- Our Scope 1 and 2 market-based emissions for 2023 were 0.19 tCO<sub>2</sub>e/person, a 17% reduction from 2022<sup>2</sup> and 77% reduction from our 2019 baseline

# 88%

electricity purchased from renewable sources (2022: 83%) and on track to meet our target to source 100% by 2025

### MARKET-BASED SCOPE 1 AND 2 EMISSIONS PROGRESS (tCO<sub>2</sub>e EMISSIONS)



### REDUCING SCOPE 3 EMISSIONS

Our supply chain makes up the overwhelming majority (98%) of our total emissions. We know that the complex nature of our supply chain makes our target to halve emissions by 2030 ambitious, but nevertheless it is one we are determined to reach.

### MEDIA

WPP is the only advertising holding company to include emissions from media placement (more than half our supply chain emissions)<sup>1</sup> within our science-based emissions reduction targets. In 2023, GroupM launched a new omnichannel media carbon calculator for clients, enabling them for the first time to factor channel-level carbon emissions data into their media planning.

<sup>1</sup> Data from 2019 baseline

<sup>2</sup> 2022 energy metric restated in line with the procedures set out in the WPP Sustainability Reporting Criteria 2023. For details of the nature and impact of the restatement, see page 61

These metrics have been subject to independent limited assurance procedures by PricewaterhouseCoopers for the year ending 31 December 2023. For PwC's 2023 Limited Assurance Report and the WPP Sustainability Reporting Criteria 2023, see [wpp.com/sustainabilityreport2023](http://wpp.com/sustainabilityreport2023)

We used the tool to measure the footprint of around 2,800 campaigns. Our client coalition of leading advertisers, worth \$10 billion in global advertising investment, is driving support for greater transparency and standardisation of emissions measurement.

#### PRODUCTION

The emissions generated by the production of films and other content we create on behalf of clients are responsible for 14% of our supply chain carbon footprint.<sup>1</sup> Hogarth continues to invest in generative AI, 3D and virtual production technologies. In many circumstances we estimate these technologies will help lower the carbon footprint of production, through both reduced travel and more efficient ways of generating content. By consolidating WPP's production capabilities through Hogarth, we can strengthen our overall capabilities and boost skills development for our people.

#### TECHNOLOGY

The technology we use – from data centres to emails – generates 6% of our Scope 3 footprint.<sup>1</sup> Decommissioning older, less efficient hardware and migrating our IT infrastructure to the cloud will reduce energy use and emissions. By working more closely with our technology providers to understand the emissions of the products and services we use, we are beginning to better track emissions reduction from IT.

#### PROCUREMENT

In 2023, we analysed our indirect suppliers' carbon footprint, identifying those 'carbon strategic suppliers' we can engage with to help bring down emissions (see page 71).

Business air travel accounts for around 3% of our baseline carbon footprint. In 2023, our total Scope 3 emissions from business air travel were 75,687 tCO<sub>2</sub>e, including 59,793 tCO<sub>2</sub>e from centrally contracted

flights (79% of the total), which have been subject to independent limited assurance procedures by PwC. The business air travel emissions not subject to assurance procedures come from flights booked outside our centralised systems.

Potential gaps were identified in the data provided by one of our three central business air travel suppliers. This is reflected in PwC's assurance opinion.

We purchase high-quality carbon credits to offset emissions from air travel. Since 2007 we've permanently retired 1.7 million credits, which are charged to each of our agencies to create an internal carbon cost.

#### GREEN CLAIMS GUIDE

Scrutiny over brands' environmental claims continues to grow, making it more important than ever that claims we make on behalf of clients are authentic, material and matched by real action. WPP's Green Claims Guide provides principles and practical tips for making effective green claims that are not misleading in any way. In 2023 we launched a client version of the guide and ran training for employees and clients in potentially higher-risk and higher-emissions sectors (see page 27).

#### CIRCULAR ECONOMY

We remain committed to phasing out plastics that cannot be reused, recycled or composted across our campuses and offices worldwide. In 2023, we continued to drive progress within our campuses by introducing additional waste streams, engaging suppliers, reviewing the products purchased by our agencies, and working with campus Green Teams to encourage our people to change their behaviour at work.

#### OFFSETTING

The first step to limiting emissions is to reduce the total footprint of any of our products or services as far as possible. Our Environment Policy sets out how we manage the cost and quality of the carbon credits we buy to offset emissions we cannot avoid.

#### DATA QUALITY

A significant challenge for reducing carbon emissions is being able to measure them with confidence. We are working to improve the quality and coverage of our emissions data.

In 2023 we simplified our reporting to reflect our campus consolidation programme (detailed in our 2023 reporting criteria). An error was highlighted in our 2022 energy consumption caused by the complexity of our historic structure and resulting in an 8% and 6% restatement in Scope 2 market-based and location-based emissions respectively.

We are working to include the portion of unassured Scope 1 data, relating to locally managed company cars, in scope for assurance in future years.

Data quality is particularly challenging for Scope 3 emissions, as they are beyond our direct control. We are reviewing how we capture and calculate Scope 3 emissions and aim to improve both data quality and coverage, so that over time we can seek assurance over a larger proportion of Scope 3 emissions. In 2023 we integrated travel by class into our metrics subject to assurance for the first time, as we continue to work to improve the consistency and coverage of flight data across the business.

➔ See more in the Planet section of our 2023 Sustainability Report

# TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD) STATEMENT

## TCFD CONTENT INDEX






This section of our reporting includes disclosures relating to WPP's identified climate-related risks and opportunities.



### UK LISTING RULES AND COMPANIES ACT STATEMENT OF COMPLIANCE

WPP was an early adopter of the Task Force on Climate-related Financial Disclosures. WPP's sixth disclosure, set out below, is structured around the four TCFD themes of governance, strategy, risk management, and metrics and targets. We aim to develop our disclosures in line with TCFD's 11 recommended disclosures set out in June 2017 (see table below). We report in line with the FCA Listing Rule 9.8.6(8)b, which requires us to report on a 'comply or explain' basis against the TCFD Recommended Disclosures in respect of the financial year ended 31 December 2023.

We consider our climate-related financial disclosures to be consistent with nine of the 11 TCFD recommended disclosures and we have explained why we are not consistent for the remaining two in the related sections. Therefore our disclosures are compliant with Listing Rule 9.8.6(8)b and aligned with The Companies Regulations 2022, 414CB (2A). Some of the recommended disclosures, published in the 2021 TCFD Annex, will take more time for us to become fully consistent with due to challenges around data access and quantification. These areas, outlined in the

table below, are most closely aligned with the UK Companies Regulations 414CB (2A) sub paragraphs (e) and (f) and relate to detailed financial impacts and quantitative scenario analysis of climate-related risks and opportunities. We will continue to implement the 2021 TCFD Annex 1 recommendations and intend to apply these more fully in our future disclosures through 2024.

TCFD RECOMMENDATION	LOCATION IN REPORT
<b>GOVERNANCE</b>	
<p> a) Describe the Board's oversight of climate-related risks and opportunities</p>	<p><b>SUSTAINABILITY GOVERNANCE</b> The governance of climate-related risks and opportunities is fully integrated within our sustainability governance structures. References to sustainability and ESG are inclusive of the climate change issues identified as relevant to WPP in this TCFD statement</p> <p>The Sustainability Committee meets at least four times a year, receiving in-depth progress reviews from management on climate-related issues at each meeting. The Board receives an update from the Sustainability Committee Chair following each meeting</p> <p><b>SUSTAINABILITY COMMITTEE REPORT</b> The Sustainability Committee report provides an update on the matters considered by the Committee in 2023</p>
	<p>From page 54</p> <p>From page 137</p>
<p> b) Describe management's role in assessing and managing climate-related risks and opportunities</p>	<p><b>SUSTAINABILITY GOVERNANCE</b> Our CEO and CFO (both Executive Directors) have overall responsibility for climate-related risks and opportunities, and our performance on carbon reduction is integrated into their incentive plans. The Chief Sustainability Officer has operational responsibility for assessing and managing climate-related issues</p>
	<p>From page 54</p>
<b>STRATEGY</b>	
<p> a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term</p>	<p><b>PRINCIPAL RISKS AND UNCERTAINTIES</b> Descriptions of WPP's climate-related risks and opportunities are included in the Principal Risks disclosure</p> <p><b>CLIMATE-RELATED RISKS AND OPPORTUNITIES</b> Detailed descriptions of our climate-related risks and opportunities over the short, medium and long term</p>
	<p>From page 98</p> <p>From page 64</p>
<p> b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning</p>	<p><b>CLIMATE-RELATED RISKS AND OPPORTUNITIES</b> Detailed descriptions of the impact of climate-related risks and opportunities on our resilience, strategy and financial planning. We have not yet quantified the impact of our climate-related risks and opportunities. Information on the status of quantification is included against each risk and opportunity disclosure</p>
	<p>From page 64</p>
<p> c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario</p>	<p><b>CLIMATE-RELATED RISKS AND OPPORTUNITIES</b> Detailed descriptions of the resilience of the organisation's strategy, taking into consideration different climate-related scenarios. We have not yet undertaken quantitative scenario analysis of our climate-related risks and opportunities. Information on the status of quantification is included against each risk and opportunity disclosure</p>
	<p>From page 64</p>

**KEY**  In compliance  Partial compliance



TCFD RECOMMENDATION	LOCATION IN REPORT
<b>RISK MANAGEMENT</b>	
<p>✓ a) Describe the organisation's processes for identifying and assessing climate-related risks</p>	<p><b>IDENTIFYING CLIMATE-RELATED RISKS</b> Detailed descriptions of how our climate-related risks and opportunities are managed</p> <p style="text-align: right;"><b>Page 63</b></p>
<p>✓ b) Describe the organisation's processes for managing climate-related risks</p>	<p><b>CLIMATE-RELATED RISKS AND OPPORTUNITIES</b> Climate-related risks are integrated into our overall risk management process. We disclose how we manage our relevant climate-related risks and opportunities in our risk disclosure table</p> <p style="text-align: right;"><b>From page 64</b></p>
<p>✓ c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management</p>	<p><b>IDENTIFYING CLIMATE-RELATED RISKS</b> Our process for identifying climate-related risks takes into account multiple sources and stakeholders. It is integrated into our overall risk management process</p> <p style="text-align: right;"><b>Page 63</b></p>
<b>METRICS AND TARGETS</b>	
<p>✓ a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process</p>	<p><b>TCFD METRICS AND TARGETS SUMMARY</b> Metrics and targets relating to our relevant climate-related risks and opportunities are provided in a summary table</p> <p style="text-align: right;"><b>Page 68</b></p>
<p>✓ b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas emissions, and the related risks</p>	<p><b>CARBON EMISSIONS STATEMENT</b> Our carbon emissions statement outlines our Scope 1, Scope 2 and Scope 3 business air travel emissions</p> <p style="text-align: right;"><b>Page 69</b></p>
<p>✓ c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets</p>	<p><b>TCFD METRICS AND TARGETS SUMMARY</b> Metrics and targets relating to our relevant climate-related risks and opportunities are provided in a summary table</p> <p style="text-align: right;"><b>Page 68</b></p>

**IDENTIFYING CLIMATE-RELATED RISKS**

The identification of climate-related risks and opportunities includes input from multiple sources and stakeholders. In 2022, our climate-related risks and opportunities were reviewed as part of a detailed executive-level workshop which included representatives from different corporate functions, including sustainability, finance, real estate, legal, communications, procurement and crisis management and business resilience. In 2023, we worked with a third-party consultancy to identify and assess operational risks associated with our Net Zero Transition Plan.

Annually, we reconfirm the list of risks and opportunities through analysis and interviews. This analysis is informed by interviews with sustainability and consumer experts from within WPP agencies, as well as external data sources. As part of our 2023 assessment we considered both existing and emerging regulatory requirements related to climate change, incorporating an impact assessment of the Corporate Sustainability

Reporting Directive and International Financial Reporting Standards (IFRS) Sustainability Standards.

Recommendations on changes to the risks and opportunities and associated disclosures are reviewed by the Board Sustainability Committee on an annual basis.

Sustainability risks, including climate-related risks, are integrated into our overall risk management processes. Performance and updated risk implications are reviewed by the Audit Committee on a regular basis. Our overall risk management process is outlined from page 93 and climate change risk is included as a risk within the principal risks and uncertainties disclosure from page 98. WPP has implemented risk committees at Group level and in our agencies with the aim of ensuring accountability at both levels to identify, monitor and proactively manage risk and compliance issues, and we are embedding climate risks in their agendas (see page 93).

**CLIMATE-RELATED RISKS AND OPPORTUNITIES**

WPP's disclosure of climate-related risks and opportunities provided in this section outlines the impacts we expect to see on our business between now and 2030. It includes qualitative disclosure of both the impact on, and the resilience of, WPP's strategy. Details of the time horizons and climate scenarios considered as part of this assessment are included in the tables below. We do not believe there is a material financial impact of physical or transition climate change risks on our current year financial reporting. Further information is provided in the Notes to the Financial Statements under Climate Change. The most significant impacts from the climate-related risks and opportunities summarised below are expected to be realised on a timeframe that exceeds our current financial planning. Materiality is described in Our Application of Materiality (see page 218).

**TIME HORIZONS**

Time horizon	Time period	Internal time horizon alignment
○ Short term	2023-2024	Annual reporting periods
◐ Medium term	2024-2027	Scope 1 and 2 science-based reduction target (2025) and transformation programme (2027)
● Long term	2027-2030	Scope 3 science-based reduction target (2030)

# TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES STATEMENT CONTINUED

## CLIMATE SCENARIOS

Details of the assumptions applied under each scenario are included against each risk and opportunity. These scenarios were selected to cover a range of potential scenarios exploring how climate change could impact the business. We have used the Intergovernmental Panel on Climate Change (IPCC) Representative Concentration Pathways (RCPs) to provide inputs and assumptions regarding decarbonisation trajectories and physical impacts. The IPCC Shared Socioeconomic Pathways (SSPs) are used to provide social, economic and political inputs and assumptions.

Description	High-carbon (more than 4°C)	Low-carbon (less than 2°C)	Very low-carbon (less than 1.5°C)
RCP alignment	RCP 8.5- business as usual, 4-degree Celsius	RCP 2.6- acceptable limit 2-degree Celsius	RCP 1.9- net zero transition, 1.5-degree Celsius
IPCC SSP alignment	SSP4- a road divided	SSP2- middle of the road	SSP1- the green road

## WPP'S CLIMATE-RELATED RISKS AND OPPORTUNITIES

### POTENTIAL IMPACT AND RESILIENCE

RISK OR OPPORTUNITY	HIGH CARBON SCENARIO	LOW CARBON SCENARIO	VERY LOW CARBON SCENARIO	MANAGEMENT
---------------------	----------------------	---------------------	--------------------------	------------

#### Increased frequency of extreme weather and climate-related natural disasters



#### Area of potential impact: Expenditure

Includes chronic and acute extreme weather which can damage our buildings and our employees' homes, jeopardise the safety and wellbeing of our people and significantly disrupt our operations. We consider this risk relevant to all operations, however certain geographies are more exposed (eg coastal cities including New York, Miami, Mumbai and Shanghai)

We are currently unable to isolate the impact of climate change from other drivers and therefore do not publish a quantified value

**Key assumptions:** the physical impacts of climate change are broadly consistent across all three scenarios considered and start to differentiate after 2050 (in line with the RCP and SSP narratives). We are already experiencing increased exposure to extreme weather events

**Impact:** as the longer-term physical impacts of climate change increase, we have assumed that WPP's campuses, business continuity procedures and employee support systems would require some additional investment above inflation to ensure continuity, minimise risk to infrastructure and, more critically, our people. We would also need to diversify these programmes to respond to increased climate-related migration, for example supporting our people through relocations

**Crisis management and business resilience (see page 105):** provides global standards for operational resilience; strategy, governance, policy, resources and training assets to better plan for and respond to crisis events of all types and at all degrees of scale

**Campuses (see page 19):** our campus programme enables centralisation of emergency preparedness, incident response and business continuity procedures

**Employee assistance programme (see page 39):** is activated in response to climate-related extreme weather events

#### Delivering net zero commitments



#### Area of potential impact: Expenditure

Delivering WPP's Scope 3 carbon reduction targets depends upon the adoption of new technologies (some of which have not yet been conceived or created) and business model innovations across the supply chain. We consider this risk relevant to all geographies, however it is more significant for operations with larger associated carbon emissions (eg media and production)

We are in the process of quantifying the workstreams identified through our Transition Plan

**Key assumptions:** policy support would be limited and market-based solutions prioritised. There would be limited regulation and reporting standards specific to our sector, eg around green claims and carbon based products. Clients, consumers and existing commitments would drive decarbonisation

**Potential impact:** increased investment would be required in building renovation, electrification and supplier engagement to meet targets, including developing internal ESG capacity and capabilities. Likely increase in the cost of carbon removals required to meet our net zero targets

**Key assumptions:** policy support would be limited to markets currently advancing policy. This includes the UK, US and EU and includes sector-specific requirements. Market-based solutions would still feature heavily. Increased policy action would embolden client and consumer expectations, resulting in wider calls for decarbonisation

**Potential impact:** markets with less policy support and regulation may require additional expenditure to meet targets. Moderate demand-led increase in market price per tonne of carbon removals required to meet our net zero targets

**Key assumptions:** policy support would be widespread, accelerating progress towards net zero across our value chain. Market-based solutions still utilised. Increased policy action would embolden client and consumer expectations, substantially accelerating the required pace of change

**Potential impact:** policy support would accelerate the pace of change, reducing investment required to deliver targets. More rapid decarbonisation would reduce pressure on the carbon removals market, and reduce overall cost associated with meeting our net zero targets

**Our climate strategy (pages 60 and 61):** in 2021, we set ambitious near-term science-based targets to reduce our greenhouse gas emissions in line with limiting global warming to 1.5°C above pre-industrial levels. Our climate strategy addresses how we are managing the implementation of our net zero commitments

WPP'S CLIMATE-RELATED RISKS AND OPPORTUNITIES CONTINUED

POTENTIAL IMPACT AND RESILIENCE

RISK OR OPPORTUNITY	HIGH CARBON SCENARIO	LOW CARBON SCENARIO	VERY LOW CARBON SCENARIO	MANAGEMENT
<b>Changes in regulation and reporting standards</b>				
<p><b>Area of potential impact:</b> Expenditure</p> <p>WPP could be subject to increased costs to comply with potential future changes in environmental laws and regulations and increasing carbon offset pricing to meet its net zero commitments. Carbon emission accounting for marketing and media is in its infancy and methodologies continue to evolve. This is particularly the case for emissions associated with digital media</p> <p>We are currently unable to isolate the impact of climate change from other drivers and therefore do not publish a quantified value</p>	<p><b>Key assumptions:</b> no new disclosure standards and reporting requirements emerge. A lack of ESG reporting regulation and standards could lead to mistrust of corporate carbon emissions data, net zero commitments and the advertising of sustainable products and services among consumers and clients</p> <p><b>Potential impact:</b> current resourcing levels would continue to meet reporting obligations</p>	<p><b>Key assumptions:</b> emerging disclosure standards and reporting requirements in markets currently enacting legislation come into effect</p> <p><b>Potential impact:</b> additional investment in internal capability building (managed at a global level), data capture, reporting and assurance would be required to meet the needs of legislation, including in the UK, US and EU where legislation addressing ESG reporting is currently being enacted</p>	<p><b>Key assumptions:</b> disclosure standards and reporting requirements cover most major geographies and advance beyond what is currently in place. This includes the expansion of reporting requirements specific to the advertising sector – eg relating to the emissions facilitated through the sale of products and services</p> <p><b>Potential impact:</b> further additional investment in internal capability building (with localised expertise to support local compliance), data capture, reporting and assurance would be required to meet the needs of this legislation</p>	<p><b>About our reporting (page 55):</b> we are monitoring developments in legislation relating to ESG reporting and the regulation of environmental claims and investing in internal capability building in response</p> <p><b>Work with integrity (page 27):</b> our Green Claims Guide is informed by guidance from regulators and complemented by a legal toolkit that has been incorporated into our legal clearance process</p> <p><b>Media decarbonisation (page 61):</b> we are working with trade bodies to agree a consistent and transparent methodology for calculating emissions from media placement</p> <p><b>Offsetting (page 61):</b> our Environment Policy covers how we manage the cost and quality of carbon credits purchased to offset emissions we cannot remove. We continue to develop our offsetting strategy as part of our transition plan</p>
<b>Increased demand for sustainable products and services</b>				
<p><b>Area of potential impact:</b> Revenue</p> <p>Opportunity to grow revenues from products and services which support clients as they seek to decarbonise their businesses. This may include developing low or net zero marketing, media and ecommerce services, developing sustainability-focused brand strategies and promoting sustainable consumption to consumers. This opportunity is relevant globally</p> <p>We have not yet quantified the scale of this opportunity due to the availability of data</p>	<p><b>Key assumptions:</b> under this scenario we have assumed that, while some clients and consumers will seek sustainable products and services, the overall rise in demand is limited</p> <p><b>Potential impact:</b> the overall impact on Group level financial planning processes would be limited</p>	<p><b>Key assumptions:</b> growth in demand would be steady, and revenue generated from sustainable products and services by 2030 would be material with some markets and services seeing more growth than others</p> <p><b>Potential impact:</b> budgets and cash flow forecasts would likely reflect an investment in sustainability-related skills, as well as new sustainable product and service offerings</p>	<p><b>Key assumptions:</b> growth in demand would be rapid, and sustainable products and services would make up a significant proportion of revenues by 2030 across most markets and service offerings</p> <p><b>Potential impact:</b> budgets and cash flow forecasts would reflect the required investment to meet the opportunity. Significantly increased investment in employee capability required, and growth through acquisition may be needed to meet demand. Innovation and investment in new products and services would be extensive</p>	<p><b>Our approach to sustainability (pages 54 and 55):</b> outlines our commitment to developing products and services which enable our clients to adopt leadership positions on climate change and exceed the expectations of consumers</p> <p><b>Media decarbonisation (page 65):</b> in 2023, GroupM launched a new omnichannel media carbon calculator for clients, enabling them for the first time to factor channel-level carbon emissions data into their media planning. Our client coalition of leading advertisers, worth \$10 billion in global advertising investment, is driving support for greater transparency and standardisation of emissions measurement</p> <p><b>Advertising production (page 61):</b> we continue to invest in virtual production capabilities, partnering with key industry innovators to create a compelling alternative to traditional production methods</p>

# TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES STATEMENT CONTINUED

## WPP'S CLIMATE-RELATED RISKS AND OPPORTUNITIES CONTINUED

### POTENTIAL IMPACT AND RESILIENCE

RISK OR OPPORTUNITY	HIGH CARBON SCENARIO	LOW CARBON SCENARIO	VERY LOW CARBON SCENARIO	MANAGEMENT	
<b>Achieving resource efficiencies through cutting our carbon footprint and improving energy efficiency</b>					
<p><b>Area of potential impact:</b> Avoided expenditure</p> <p>Through carbon reduction initiatives we have the opportunity to decrease the costs associated with energy use and limit increased costs associated with carbon taxation. This relates both to our buildings, and to energy-intense activities such as data storage. This opportunity is relevant globally</p> <p>We are currently unable to isolate the impact of climate change from other variables and therefore do not publish a quantified range of impact</p>	<p><b>Key assumptions:</b> policy support for decarbonisation would be limited, placing the burden for decarbonisation on private sector funding</p> <p><b>Potential impact:</b> our investment in our net zero strategy would still achieve resource efficiencies. However, some decarbonisation opportunities, including technology-based solutions, may not be available without a supportive policy environment, lowering the impact of this opportunity. This may increase our overall expenditure on carbon removals and offsets required to meet our net zero commitment</p>	<p><b>Key assumptions:</b> a greater level of policy support for decarbonisation would widen the pool of opportunities available to WPP. This includes greater proliferation of electrified buildings, greater availability of electric vehicles and greater innovation in value chain solutions. This would accelerate the overall rate at which WPP could decarbonise our operations and value chain</p> <p><b>Potential impact:</b> the greater availability of decarbonisation options would accelerate the overall rate at which WPP could decarbonise our operations and value chain. Overall, this would lower our reliance on removal-based offsetting and reduce the cost associated with meeting our net zero commitments</p>	<p><b>Our climate strategy (pages 60 and 61):</b> In 2021, we set ambitious near-term science-based targets to reduce our greenhouse gas emissions in line with limiting global warming to 1.5°C above pre-industrial levels. Our climate strategy addresses how we are managing the implementation of our net zero commitments</p> <p>Additional information can be found in the Planet section of our 2023 Sustainability Report</p>		
<b>Increased reputational risk associated with misrepresenting environmental claims in marketing and advertising content</b>					
<p><b>Area of potential impact:</b> Fines, Revenue</p> <p>As societal consciousness around climate change rises, our sector is seeing increased scrutiny of its role in driving consumption. Our clients seek expert partners who can give recommendations that take into account stakeholder concerns around climate change. This risk is globally relevant, but in the short term is greater in geographies with existing or emerging regulation (Australia, EU, UK and US)</p> <p>We are currently unable to isolate the impact of climate change from other variables and therefore do not publish a quantified range of impact</p>	<p><b>Key assumptions:</b> government regulation of environmental advertising and marketing claims would likely be limited. There is little risk of litigation</p> <p><b>Potential impact:</b> the risk of fines or revenue losses is negligible under this scenario. We would continue to invest in training to support credible environmental claims to respond to consumer and client concerns around credibility</p> <p>As government regulation of environmental advertising and marketing claims has been enacted in geographies including Australia, EU, UK and US, we no longer consider this scenario as relevant</p>	<p><b>Key assumptions:</b> government regulation of environmental advertising and marketing claims is likely to be centred on markets already advancing climate policy, in addition to consumer and client concern around credibility. This includes the UK and US. The risk of litigation increases in those markets</p> <p><b>Potential impact:</b> increased investment in training and capability would be required to ensure advertising and marketing content is compliant</p>	<p><b>Key assumptions:</b> government regulation of environmental advertising and marketing claims would likely be widespread, in addition to a significant rise in consumer and client concern around credibility. There would be widespread risk of litigation and the potential for revenue losses should our reputation for credibility be jeopardised</p> <p><b>Potential impact:</b> investment in localised training and capability would be required to ensure advertising and marketing content is compliant</p>	<p><b>Policies, procedures and culture (page 94):</b> the misrepresentation of environmental issues is governed by our Code of Conduct</p> <p><b>Work with integrity (page 27):</b> we continue to develop and implement internal tools, including our Green Claims Guide, to help our people make effective environmental claims which are not misleading in any way</p> <p><b>Accepting new assignments (page 27):</b> our Assignment Acceptance Policy and Framework provides guidance on how to conduct due diligence in relation to clients and any work we are asked to undertake</p> <p>Additional information can be found in the Clients section of our 2023 Sustainability Report</p>	

WPP'S CLIMATE-RELATED RISKS AND OPPORTUNITIES CONTINUED

POTENTIAL IMPACT AND RESILIENCE

RISK OR OPPORTUNITY	HIGH CARBON SCENARIO	LOW CARBON SCENARIO	VERY LOW CARBON SCENARIO	MANAGEMENT
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Increased reputational risk associated with working on client briefs perceived to be environmentally detrimental



**Area of potential impact:**  
Revenue

WPP serves some clients whose business models are under increased scrutiny, for example energy companies or associated industry groups who are at different stages of the decarbonisation process. This creates both a reputational and related financial risk for WPP if we are not rigorous in our content standards

We are currently unable to isolate the impact of climate change from other variables and therefore do not publish a quantified range of impact

**Key assumptions:** government regulation of environmental advertising and marketing claims would be limited. There would be little risk of litigation

**Potential impact:** we continue to develop training to support credible environmental claims to respond to consumer and client concerns around credibility

**Key assumptions:** government regulation in a limited number of markets could outline definitions of high-carbon products or services that cannot be advertised, but this would be restricted to the most carbon-intense instances. The risk of litigation would increase in those markets

**Potential impact:** there would likely be an increased risk associated with working on client briefs perceived to be environmentally detrimental. Increased investment in training and capability would be required to ensure advertising and marketing content is compliant

**Key assumptions:** government regulation in a large number of markets may outline definitions of high-carbon products or services that cannot be advertised and this covers a larger number of instances

**Potential impact:** there would be a significant increased risk associated with working on client briefs perceived to be environmentally detrimental. Investment in localised training and capability would be required to ensure advertising and marketing content is compliant

**Accepting new assignments (page 27):** our Assignment Acceptance Policy and Framework provides guidance on how to conduct due diligence in relation to clients and any work we are asked to undertake

Additional information can be found in the Clients section of our 2023 Sustainability Report

# TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES STATEMENT CONTINUED

## METRICS AND TARGETS

Metrics and targets are used by WPP to assess and manage our climate-related risks and opportunities. As part of the process of preparing this disclosure, we have considered the metrics set out by the TCFD in tables A1.1, A1.2 and A2.1 of the TCFD recommendations. In 2023, we added a new metric to track delivery of green claims training.

WPP risk or opportunity	Risk or opportunity type	Internal time horizon alignment
Increased frequency of extreme weather and climate-related natural disasters	Physical risks	<ul style="list-style-type: none"> <li>12% of headcount located in countries at 'extreme' exposure to the physical impacts of climate change in the next 30 years (2022: 11%)</li> </ul>
Changes in regulation and reporting standards	Transition risks	<ul style="list-style-type: none"> <li>In 2024, conduct a double materiality assessment in line with the EU CSRD to determine the materiality of various climate-related issues. See About Our Reporting page 55</li> </ul>
Delivering net zero commitments	Greenhouse gas emissions	<ul style="list-style-type: none"> <li>Achieving net zero in our own operations (Scope 1 and 2) by 2025 and across our supply chain (Scope 3) by 2030, including emissions from media buying – an industry first</li> </ul>
		<ul style="list-style-type: none"> <li>Reducing absolute Scope 1 and 2 emissions by 84% by 2025 and absolute Scope 3 emissions – including media buying – by 50% by 2030, both from a 2019 base year</li> </ul>
		<ul style="list-style-type: none"> <li>Sourcing 100% of our electricity from renewable sources by 2025</li> </ul>
		<ul style="list-style-type: none"> <li>Absolute Scope 1 and Scope 2 emissions (see Carbon Emissions Statement – page 69)</li> </ul>
		<ul style="list-style-type: none"> <li>Scope 1 and 2 carbon emissions per person and per unit of revenue (see Carbon Emissions Statement – page 69)</li> </ul>
		<ul style="list-style-type: none"> <li>Scope 3 carbon emissions (see 2023 Sustainability Report)</li> </ul>
		<ul style="list-style-type: none"> <li>88% electricity purchased from renewable sources (2022: 83%)</li> </ul>
	Capital deployment	<ul style="list-style-type: none"> <li>Deployment of first year of Net Zero Transition Plan</li> </ul>
	Remuneration	<ul style="list-style-type: none"> <li>Integration of performance on Scope 1 and 2 carbon reduction targets in executive remuneration (see Compensation, Succession and Evaluation – from page 152)</li> </ul>
	Internal carbon prices	<ul style="list-style-type: none"> <li>£6.93 per tCO<sub>2</sub>e associated with business air travel recharged to WPP agencies (2022: £6.01 per tCO<sub>2</sub>e)</li> </ul>
Increased demand for sustainable products and services	Climate-related opportunities	<ul style="list-style-type: none"> <li>82% of our top 50 clients have set or committed to set science-based carbon reduction targets (2022: 78%)</li> </ul>
Achieving resource efficiencies through cutting our carbon footprint and improving energy efficiency	Climate-related opportunities	<ul style="list-style-type: none"> <li>Sourcing 100% of our electricity from renewable sources by 2025</li> </ul>
		<ul style="list-style-type: none"> <li>75,000 employees in net zero campuses by 2025</li> </ul>
Increased reputational risk associated with misrepresenting environmental claims in marketing and advertising content	Transition risks	<ul style="list-style-type: none"> <li>Expand the delivery of Green Claims training, with focus on clients in higher risk and higher emissions sectors (2022: N/A)</li> </ul>
Increased reputational risk associated with working on client briefs perceived to be environmentally detrimental	Transition risks	

⦿ Indicates the selected metrics have been subject to independent limited assurance procedures by PricewaterhouseCoopers for the year ending 31 December 2023. For PwC's 2023 Limited Assurance report and the WPP Sustainability Reporting Criteria 2023, see [wpp.com/sustainabilityreport2023](http://wpp.com/sustainabilityreport2023)

# CARBON EMISSIONS STATEMENT

## EMISSIONS AND ENERGY<sup>1,3</sup>

CO<sub>2</sub>e EMISSIONS BREAKDOWN (TONNES/ENERGY (MWh))

		2023						2022	2021	2019
Emissions source		UK <sup>2</sup>		Non-UK		Total		Total	Total	Total
		Energy MWh	Tonnes of CO <sub>2</sub> e	Energy MWh	Tonnes of CO <sub>2</sub> e	Energy MWh	Tonnes of CO <sub>2</sub> e	Tonnes of CO <sub>2</sub> e	Tonnes of CO <sub>2</sub> e	Tonnes of CO <sub>2</sub> e
<b>Continuing operations</b>										
Scope 1	Natural gas	7,765	1,574	10,918	2,213	18,683	3,787	4,443	5,071	6,299
	Diesel and heating oil	5	1	1,898	493	1,903	494	698	638	541
	Company cars (centrally contracted)	N/A	5	N/A	4,246	N/A	4,251	4,911	4,429	
	<b>Sub-total Scope 1</b>	<b>7,770</b>	<b>1,580</b>	<b>12,816</b>	<b>6,952</b>	<b>20,586</b>	<b>8,532</b> <sup>⊕</sup>	<b>10,052</b>	<b>10,138</b>	18,175
	Company cars (local contracts)	N/A	17	N/A	2,805	N/A	2,822	4,054	3,154	
	<b>Total Scope 1</b>	<b>7,770</b>	<b>1,597</b>	<b>12,816</b>	<b>9,757</b>	<b>20,586</b>	<b>11,354</b>	<b>14,105</b>	<b>13,292</b>	<b>25,015</b>
Scope 2	Standard electricity (location based) <sup>4</sup>	0	0	18,062	7,969	18,062	7,969	10,431	20,602	56,421
	Green and renewable electricity (location based) <sup>4</sup>	14,735	3,051	111,995	42,886	126,730	45,937	41,558	34,150	27,324
	Heat and steam <sup>4</sup>	32	6	10,063	1,808	10,095	1,814	1,964	1,238	1,820
	<b>Total Scope 2 (location-based emissions)<sup>4</sup></b>	<b>14,767</b>	<b>3,057</b>	<b>140,120</b>	<b>52,663</b>	<b>154,887</b>	<b>55,720</b> <sup>⊕</sup>	<b>53,953</b>	<b>55,990</b>	<b>85,565</b>
	Standard electricity (market based) <sup>4</sup>	0	0	18,062	8,154	18,062	8,154	10,032	20,602	60,750
	Green and renewable electricity (market based)	14,735	0	111,995	0	126,729	0	0	0	0
	Heat and steam <sup>4</sup>	32	6	10,063	1,808	10,095	1,814	1,964	1,238	1,820
	<b>Total Scope 2 (market-based emissions)<sup>4</sup></b>	<b>14,767</b>	<b>6</b>	<b>140,120</b>	<b>9,962</b>	<b>154,887</b>	<b>9,968</b> <sup>⊕</sup>	<b>11,996</b>	<b>21,840</b>	<b>62,570</b>
Total Scope 1 and 2	Total Scope 1 and 2 (location based) <sup>4</sup>	<b>22,537</b>	<b>4,654</b>	<b>152,936</b>	<b>62,420</b>	<b>175,473</b>	<b>67,074</b>	<b>68,059</b>	<b>69,282</b>	<b>110,580</b>
	Total Scope 1 and 2 (market based) <sup>4</sup>	<b>22,537</b>	<b>1,603</b>	<b>152,936</b>	<b>19,719</b>	<b>175,473</b>	<b>21,322</b>	<b>26,102</b>	<b>35,132</b>	<b>87,585</b>
Scope 3	Business air travel (centrally contracted flights)	N/A		N/A		N/A	59,793 <sup>⊕</sup>	34,315	11,421	122,967
	Business air travel (locally contracted and uplifted)						15,894	21,347		
	<b>Total Scope 3</b>						<b>75,687</b>	<b>55,662</b>	<b>11,421</b>	<b>122,967</b>

## WPP'S CARBON INTENSITY (TONNES OF CO<sub>2</sub>e)

Intensity metric		UK		Non-UK		Total	2022	2021	2020
Total Scope 1 and 2	Tonnes per full-time employee (market based) <sup>4</sup>	N/A	0.12	N/A	0.20	0.19	0.23	0.32	0.82
	Tonnes per £m revenue (market based) <sup>4</sup>	N/A				1.44	1.81	2.74	6.62
Scope 3	Tonnes per full-time employee	N/A				0.67	0.48	0.10	1.15

### Notes

- Our carbon emissions statement has been prepared in accordance with the Greenhouse Gas Protocol and aligns with the Scope 2 market-based emissions methodology guidance. Our reporting incorporates carbon dioxide equivalent emissions from building energy use and business air travel. Emissions data is included for all operations where WPP has 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 has power over the investee.
- This year, in line with UK Streamlined Energy and Carbon Reporting (SECR) requirements, we have calculated our energy use and emissions for UK markets, showing in a separate column.
- Additional information on our carbon emissions methodology is included in our Sustainability Report and Reporting Criteria on our website ([wpp.com/sustainability](http://wpp.com/sustainability)).
- 2022 energy metric restated in line with the procedures set out in the WPP Sustainability Reporting Criteria 2023. For details of the nature and impact of the restatement, see page 61.
- ⊕ Indicates the selected metrics have been subject to independent limited assurance procedures by PricewaterhouseCoopers for the year ending 31 December 2023. For PwC's 2023 Limited Assurance Report and the WPP Sustainability Reporting Criteria 2023, see [www.wpp.com/sustainabilityreport2023](http://www.wpp.com/sustainabilityreport2023)

# PUBLIC POLICY

## Business can make a valuable contribution to the public policy debate

**To protect the public interest, it is important that we conduct all lobbying with integrity and transparency.**

Most of our public policy work is carried out for clients by our public affairs businesses, including lobbying public officials and influencing public opinion. We also advocate on issues that affect our business, people and wider stakeholders.

Our agencies engaged in public affairs include BCW, Hill & Knowlton and FGS Global. The majority of this work takes place in the US, UK and EU, although many clients are multinational businesses operating in many countries.

### OUR STANDARDS

Our Code of Business Conduct and Political Activities and Engagement Policy govern our political activities. They 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, and all related communication should be honest, factual and accurate. Our policies apply to all agencies and employees, at all levels.

Our Group Chief Counsel has responsibility for developing and implementing our Political Activities and Engagement Policy and public reporting procedures. Agency CEOs and CFOs in each country or region are responsible for implementing the policy locally.

Any third parties conducting political activities on behalf of WPP or our agencies must comply with the policy. Third parties are required to complete WPP mandatory ethics training or equivalent within their own organisations.

WPP agencies 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 lobbying firms to register the names of clients on whose behalf they contact legislators or executive branch personnel. A number of our agencies are listed on the EU Transparency Register

of lobbying activities. Our agencies in the US whose sole or primary business is lobbying have representatives of both major political parties among senior management.

Many of our agencies are members of professional organisations and abide by their codes of conduct. Examples include the UK Association of Professional Political Consultants and the European Public Affairs Consultancies' Association.

We will not undertake work that is intended to mislead, and always seek to identify the underlying client before taking on work. Our Assignment Acceptance Policy and Framework provides guidance to our leaders and people about how to conduct additional due diligence in relation to clients and any work we are asked to undertake (see page 27).

### LOBBYING AND POLITICAL ADVOCACY

We occasionally directly contribute to the debate on public policy issues relevant to our business, people and wider stakeholders. For example, we are part of the Race to Zero campaign managed by the UNFCCC. We engaged with the UK Government on its AI regulatory framework by contributing to the public consultation, participating in ministerial roundtables, and providing insight into AI systems. Where relevant we contributed to the public policy debate through trade bodies, such as the Federal Trade Commission's updated Green Guides, or the EU's rules on late payments.

We also support clients' advocacy on a wide range of issues including LGBTQ+ rights, through both pro bono and paid work. Our agencies contribute to public policy debate in areas where they have expertise and a special interest, such as privacy, data protection and AI issues.

WPP agencies must implement clear procedures for employing serving or former politicians, including a six-month 'cooling-off' period for people joining WPP from public office or the public sector.

### POLITICAL CONTRIBUTIONS

WPP agencies 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's legal function 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 agencies may make personal voluntary political contributions directly to candidates for office. BCW and FGS Global also maintain political action committees, which accept voluntary donations from their people to support political candidates. In 2023, these committees made disbursements worth \$164,389 (data from fec.gov).

### MEMBERSHIP OF TRADE ASSOCIATIONS

WPP and our agencies are members of industry groups, business associations and other membership organisations with robust governance processes. WPP agencies must nominate a senior manager to manage and oversee trade association relationships.

We actively support initiatives and projects that align with our values and priorities, such as the Global DEI Census, Ad Net Zero and Global Alliance for Responsible Media. This can help accelerate progress across the industry. For example, we are working with trade bodies to agree a consistent and transparent methodology for calculating emissions from media placement.

WPP's memberships include: 30% Club, Accounting for Sustainability, the American Benefits Council, Business Disability Forum, Business in the Community, Champions of Change Coalition, China-Britain Business Council, Global Equity Organization, Institute of Business Ethics, Living Wage Foundation, Media Trust, RE100, UN Global Compact, Unmind, The Valuable 500, Women on Boards and Partnership for Global LGBTIQ+ Equality.

At a local level, our agencies are often members of local advertising, PR, public affairs and market research industry associations, as well as national chambers of commerce and business councils.



# SUPPLY NETWORK

## Creating an inclusive, sustainable, ethical and diverse network of suppliers

**The wide range of services we offer and our organisational structure mean we have to manage a complex and dynamic supply chain.**

We work with more than 60,000 parent companies across our supply network. Our suppliers fall into two main categories: those providing goods and services such as IT, telecommunications and travel, and those used in client work such as production and media.

In 2023 our newly expanded responsible procurement team strengthened how we manage environmental, social and governance issues in our supply chain, focusing on supply chain risk, carbon reduction and supplier diversity.

### SUPPLY CHAIN RISK

We continually assess our supply chain risk, and have established due diligence processes to help us select suppliers that meet our responsible sourcing standards.

In 2023, we developed and rolled out a refreshed risk assessment methodology and mitigation framework, alongside workshops to help us identify and rank risks across each supply category. The next phase will assess key suppliers in each category, formulating plans to manage specific supplier risks.

Suppliers are asked to sign a copy of WPP's Code of Business Conduct or prove equivalence within their own policies as a pre-condition to engagement to confirm they will comply with its principles.

Our Code of Business Conduct requires suppliers to apply similar standards to companies within their own supply chains, including evidencing diversity and social responsibility in their cultures, behaviours and attitudes.

WPP also includes a right-to-audit provision in the supplier documentation and/or standard terms and conditions of contract.

### CARBON REDUCTION

We are committed to halving carbon emissions across our supply chain by 2030, from a 2019 baseline. We know that the complex nature of our supply chain makes this target ambitious, but it's one we are determined to reach.

In 2023 we commissioned sustainability consultancy Anthesis to help map our indirect suppliers' carbon footprint, identifying those 'carbon strategic suppliers' we can engage with to help bring down their emissions. It revealed that around 800 suppliers make up 80% of our total indirect purchased goods and services CO<sub>2</sub>e emissions – giving us a clear strategy to work with these suppliers to understand their emissions reduction plans. This will remain a priority in 2024 and beyond.

### SUPPLIER DIVERSITY

We are committed to including Certified Diverse Suppliers (CDS) in our purchasing lifecycle, both internally and for the benefit of our clients.<sup>1</sup>

We partner with Supplier.IO to actively search and include CDS in our sourcing process. In addition, we are now in our third year of working with MSDUK (Minority Supplier Development UK) on its Integrated Supply Chain Accelerator scheme, hosting the Accelerator programme in January 2024. This initiative means we are one of four major industry leaders collaborating to find ways of embedding an ethos of diversity in our ways of working.

### HUMAN RIGHTS

Respect for human rights is a fundamental principle for WPP. In our business activities we aim to prevent, identify and address negative impacts on human rights. We look for opportunities to promote and support human rights, including children's rights, through our business activities and in areas such as our pro bono work.

All WPP agencies must comply with our Human Rights Policy Statement, which reflects international standards and principles including the UN Guiding Principles on Business and Human Rights, the International Labour Organization's Declaration on

Fundamental Principles and Rights at Work, and UNICEF's Children's Rights and Business Principles.

Our most direct impact on human rights is as a major employer. We recognise the rights of our people, including those relating to freedom of association and collective bargaining, and do not tolerate harassment or any form of forced, compulsory or child labour.

We work with clients to manage any human rights risks from marketing campaigns, for example by protecting children's rights in relation to marketing. We will not undertake work that is intended to mislead on human rights or any other issue.

### MODERN SLAVERY

We do not tolerate any form of modern slavery or human trafficking in any part of our business or supply chain.

➔ **Modern Slavery Act Transparency Statement, [wpp.com/sustainability/modern-slavery-act-statement](http://wpp.com/sustainability/modern-slavery-act-statement)**

We recognise the prevalence of modern slavery across all countries. To strengthen how we identify and manage modern slavery risk in our indirect supply chain, we recently partnered with third-party service provider SlaveCheck, who identify and flag any potential slavery risks or incidences within global supply chains.

We also introduced new mandatory modern slavery training, which was completed by all group procurement employees.

Our global Supplier Agreement includes a specific clause relating to modern slavery compliance. We reserve the right to terminate a contract with any supplier found to breach or fail to comply with any legislation relating to modern slavery.

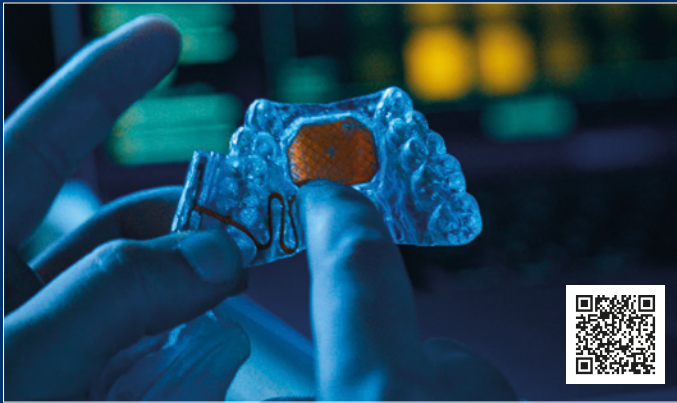
➔ **See more in the Supply Chain and Human Rights sections of our 2023 Sustainability Report**

<sup>1</sup> We define CDS as minority-owned, women-owned, veteran-owned, LGBTQ-owned, service disabled, historically underutilised businesses and small businesses

# OUR WORK IN SUSTAINABILITY

We believe the work we do can help change the world for the better, from shifting attitudes to food waste to promoting new accessible devices

The next seven pages showcase some of our best sustainability-focused campaigns from 2023



**AUGMENTAL'S MOUTHPAD<sup>^</sup>**  
Changing the game in assistive technology

74



**CANCER RESEARCH UK**  
Using the power of data to maximise charity fundraising

75



**NOTCO: NATURAL LIFE EXPECTANCY**  
How AI helped promote alternatives to meat

76



**MAKRO: LIFE EXTENDING STICKERS**  
Data visualisation to help reduce food waste

77



**REGAL SPRING: HEAVEN FISH**  
Turning a unique phenomenon into an opportunity for local communities

78



**LANDOR: {ACCESS}ORIES**  
A new standard for accessible design

79

# AUGMENTAL'S MOUTH PAD^

Changing the game in assistive technology

**OFFER**  
**TECHNOLOGY**

**AGENCY**  
**WUNDERMAN THOMPSON (VML), PERU**

**CLIENT**  
**AUGMENTAL**

**THE QUESTION**

According to the World Health Organization, in Peru an estimated 250,000 to 500,000 people suffer a spinal cord injury every year. Despite advancements in assistive technologies, many struggle with restricted computer control and access to web-based services. As a result, they often experience reduced autonomy and the sense of frustration that goes with it.

**THE ANSWER**

Augmental's Mouthpad^ is an inspiring, inclusive design innovation opening up a new way for people with disabilities to interact with the world. The simple device sits comfortably in the mouth, allowing users to control a wide range of Bluetooth-linked devices with their tongue.

The tongue offers an alternative for interacting with digital platforms. Its dexterity and sensitivity can generate a wide range of movements, enabling control of computers, smartphones, tablets and other electronics in the same way as a fingertip touchpad.

Wunderman Thompson provided brand support and brand experience for Augmental's MouthPad^, led by the team in Peru and working with the agency's inclusive experience practice.

**THE IMPACT**

**1.3bn**  
media impressions

**1k**  
pre-orders in the first week

**188k**  
organic impressions in one week

**Awards**  
Grand Prix & Silver Cannes Lions 2023



Scan the QR code

# CANCER RESEARCH UK

The power of data

**OFFER DATA**

**AGENCY**  
GROUPM NEXUS,  
ESSENCEMEDIACOM, UK

**CLIENT**  
CANCER RESEARCH UK

**THE QUESTION**

When Cancer Research UK relaunched its biggest fundraising drive, Race for Life, two key questions drove the campaign: how to better target men, and how to be locally relevant – most participants don't travel more than 10 miles for a race.

**THE ANSWER**

Data. And the cross-channel platform from GroupM Nexus, Unmissable. By overlaying location-based data, audience insights, YouGov data and client first-party data, Unmissable powered hyper-local ads on a national scale, supported by fluid budget allocation in real time.

This guaranteed that ads were seen at the right frequency at each race location, no matter the channel or device. To minimise wastage, media across all channels was switched off just before each race took place. Spend was then redistributed to continue supporting active races. The client's real-time sign-up data was used to identify which events needed further support, boosting sign-up performance.

**THE IMPACT**

Two-thirds of those exposed to an ad took action, with one in five making a donation. This granular, data-driven approach to media and messaging is set to transform how Cancer Research supports future fundraising events.

**6x**  
uplift in sign-up intent amongst males

**75%**  
uplift in audience engagement



Scan the QR code



# NATURAL LIFE EXPECTANCY

Using AI to imagine farm animals growing old

**OFFER**  
AI  
COMMUNICATIONS

**AGENCY**  
AKQA BLOOM, US

**CLIENT**  
NOTCO

## THE QUESTION

When was the last time you saw an old cow, pig or chicken?

## THE ANSWER

Most people have never seen old farm animals, because they only live a fraction of their natural lives in the food industry. NotCo, a global food tech company, is on a mission to eliminate animals from the food system by using AI to recreate flavours and textures of animal products using only plants.

Alongside AKQA Bloom, the company decided to educate people that, if allowed to, cows can live up to 48 years, pigs up to 23 years and chickens up to 20 years. To imagine these animals growing old, Bloom used AI to create a series of photographic portraits of elderly farm animals. The campaign was created using a combination of AI tools including Midjourney and Stable Diffusion.

The hyper-realistic images were seen on social media, billboards and print advertisements across the US, Chile, Brazil, Canada, Mexico and Argentina.

## THE IMPACT

**30%**  
increase in sales

**430m**  
media impressions



Scan the QR code



# LIFE EXTENDING STICKERS

Data visualisation inspired by nature

**OFFER**  
BRAND EXPERIENCE

**AGENCY**  
GREY, COLOMBIA

**CLIENT**  
MAKRO COLOMBIA

## THE QUESTION

In Colombia, fruit and vegetables make up 40% of the country's food waste. Many are still perfectly usable – if you know what to do with them. Preconceived ideas that fruit and veg must be perfectly ripe were causing a huge waste of resources.

## THE ANSWER

Makro Colombia wanted to extend the shelf life of its products and encourage consumers to consider buying fruit beyond their normal preference for ripeness. Grey Colombia worked with them to produce Life Extending Stickers. Simple, low-cost, low-tech fruit stickers.

Each sticker shows a range of colours, from underripe to overripe, for the fruit or veg it is attached to. For each colour there is a suggestion of what to do with it – everything from cupcakes to soup to tempura. And if customers want to take things hi-tech, they can check Makro Colombia's Instagram feed for corresponding recipes.

A simple but impactful way to reduce food waste.

## THE IMPACT

**85k**  
interactions  
on social media

**25**  
countries with earned  
media coverage

## Awards

Gold  
Cannes Lions 2023



Scan the QR code



# HEAVEN FISH

Turning a unique phenomenon into an opportunity

**OFFER**  
**BRAND IDENTITY**

**AGENCY**  
**OGILVY, HONDURAS**

**CLIENT**  
**REGAL SPRINGS**

### THE QUESTION

Every year for the past 100 years, it seems a strange phenomenon occurs in the region of Yoro, Honduras. Fish appear on the streets. And they are said to have fallen from the sky. The locals call it lluvia de peces, the rain of fish. Some say it's a miracle. We say it's an economic opportunity for the people of Yoro.

### THE ANSWER

Yoro is a largely rural area where most people earn about \$1 a day. Ogilvy worked alongside Regal Springs, a leader in sustainable fish production, to create a new brand and product that turns the 'miracle' of the rain of fish into a source of income for Yoro residents.

Enter Heaven Fish. When the fish appear, locals gather them and take them straight to their local Regal Springs centre, where they are cleaned, processed and packaged in containers mostly made from local banana peels. Heaven Fish is then sold at restaurants and markets around the country. Registered with a protected designation of origin, the people of Yoro have exclusive rights to distribute these ever more valuable fish for the benefit of their families and community.

### THE IMPACT

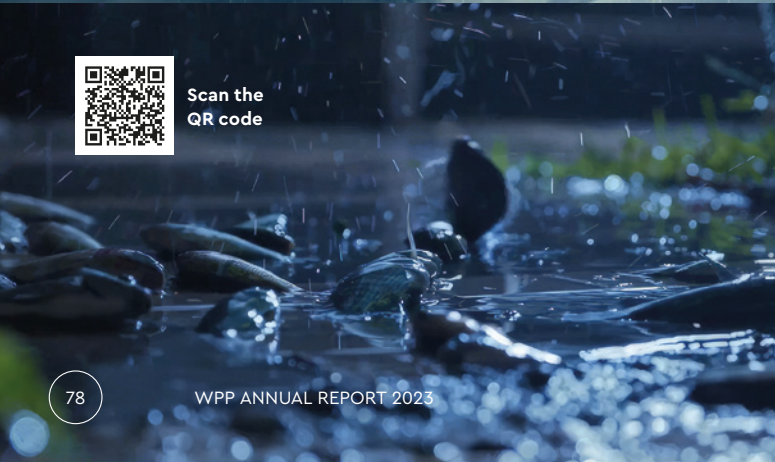
**80+**  
Honduran markets  
selling Heaven Fish

**200+**  
distribution  
alliances

**80%**  
of revenue goes  
to Yoro's residents



Scan the QR code





# {ACCESS}ORIES

One size fits one

**OFFER**  
BRAND-LED INNOVATION

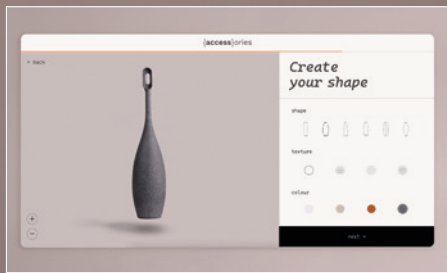
**AGENCY**  
LANDOR, WORLDWIDE

## THE QUESTION

We spend 113,760 minutes of our lives brushing our teeth. For the 360 million people living with dexterity challenges worldwide, this activity can be a daily pain. Could we help rapidly solve this challenge?



Scan the QR code



## THE ANSWER

Landor created {access}ories, a new standard for accessible design, using transformative innovations in oral care design, technology and manufacturing to make oral health accessible to all, now.

{access}ories are adaptive add-ons that can be applied to any electric or manual toothbrush to make it both accessible and desirable. People personalise their handles through an easy-to-use digital platform that iterates and refines solutions for each individual. With three different dimensions across six handle shapes and over 500 variants, the interface accommodates the many different dexterity challenges, making {access}ories a truly one-size-fits-one solution.

By producing {access}ories with 3D printing technology, Landor challenged typical manufacturing processes to provide essential solutions by designing on demand.

## THE IMPACT

*TIME Magazine* named {access}ories as one of the best inventions of 2023.



**THIS PROJECT HAS GREAT POTENTIAL FOR DESIRABLE ORAL CARE, IMPROVING THE DAY-TO-DAY LIVES OF ANYONE LIVING WITH ARTHRITIS OR SIMILAR CHALLENGES"**

Arthritis Action



WPP

# FINANCIAL PERFORMANCE

Our performance in 2023 was resilient across a range of key metrics, despite macroeconomic pressures

**In this section**

CFO statement	81
Key performance indicators	84
Financial review	88

# CHIEF FINANCIAL OFFICER'S STATEMENT



## THE STRATEGIC INITIATIVES WE ARE IMPLEMENTING WILL SUPPORT OUR AMBITION TO DELIVER MORE PROFITABLE GROWTH OVER THE MEDIUM TERM"

**Joanne Wilson**  
Chief Financial Officer

our target range. We ended the year with net debt broadly flat year-on-year at £2.5 billion.

It has also been a period of strategic progress, with three key initiatives: we formed VML, the largest creative agency in the world, merging VMLY&R and Wunderman Thompson; announced the creation of a leading global PR agency, Burson, from the merger of BCW and Hill & Knowlton; and initiated the next phase of simplification at our media investment business, GroupM.

This step forward in leveraging scale and simplicity means that six brand networks will represent close to 90% of WPP's revenue less pass-through costs. Our simpler structure and global, scaled capabilities will enable us to better serve our clients around the world, leveraging the depth and breadth of our creative, production, media and PR expertise, as demonstrated at our Capital Markets Day in January 2024. It will also deliver further structural cost savings for the business.

### TRANSFORMATION

At our Capital Markets Day in December 2020 we set out a plan to deliver £600 million of gross savings against the 2019 cost base. We are pleased with the progress made and at the end of 2023 we had delivered around £475 million of gross savings.

Savings have come from three areas. Firstly, our operating model, where we have delivered around £152 million of savings from a simpler WPP and tighter control of personal costs. Secondly, a further £236 million of efficiency savings has been delivered from initiatives including our category-led and

## Focusing on innovation, scale and efficiency to drive more profitable growth and higher cash generation

### PROGRESS IN 2023

We delivered a resilient performance in 2023 – despite a challenging macroeconomic environment and lower spending from key technology clients – with top-line growth, an improved margin on a constant currency basis and stronger cash generation.

Our business in the US felt the most significant impact from lower spend from technology clients, with a decline in like-for-like revenue less pass-through costs of 2.8%. Outside the US our like-for-like revenue less pass-through costs grew 3.3%, with strong performance in the UK and India offsetting a decline in China.

Strong cost control and the benefits of our 2020 transformation plan enabled us to deliver a headline operating profit margin in 2023 in line with our original margin guidance of 15% margin on a constant currency basis. This represented an underlying margin improvement of 0.2 percentage points.

We also continued to prioritise organic investment in the business including in our client-facing technology and data offer delivered through our AI-powered marketing operating system, WPP Open.

Cash flow performance in 2023 was stronger than the prior year with adjusted operating free cash flow of £1.3 billion and adjusted free cash flow of £637 million, benefitting from a favourable movement of £113 million from trade working capital in the year.

In addition to organic investment, we invested a net £280 million in initial acquisition payments for strategic M&A including the acquisition of influencer marketing agencies Goat and Obviously.

During the year £423 million was paid in dividends. As we indicated earlier in the year, our average adjusted net debt to headline EBITDA was slightly above our target range of 1.5-1.75x, at 1.83x at year end. We are focused on bringing that metric back within

# CHIEF FINANCIAL OFFICER'S STATEMENT CONTINUED

global approach to procurement and our campus strategy. In the final area of savings, functional effectiveness, we have delivered £87 million of cost savings primarily as a result of our enterprise IT and finance transformation.

We continue to make good progress on our enterprise IT roadmap, including our migration to the cloud, enhancing our cybersecurity and investing in our digital workplace and IT infrastructure.

Our ERP consolidation is taking longer than we had originally anticipated, but we are encouraged by the business benefits we are starting to realise from the deployment of Workday in North America. We have evolved our ERP roadmap to reflect learnings from the past few years and we now expect the bulk of our ERP consolidation to be completed by 2026, with restructuring costs reducing accordingly.

## MEDIUM-TERM FINANCIAL FRAMEWORK

At our Capital Markets Day in January 2024, we laid out a new medium-term financial framework, with four key pillars:

- accelerating our organic growth through scale and innovation
- delivering this growth more profitably from simplification and efficiencies
- consistent and stronger cash generation
- all executed within a disciplined capital allocation framework

We expect the output of this in the medium-term to be 3%+ like-for-like revenue less pass-through costs growth, 16-17% headline operating margin, and at least 85% operating cash flow conversion of headline operating profit. We will maintain our average net debt to EBITDA target ratio at between 1.5-1.75x and an investment grade balance sheet.

The strategic initiatives we are implementing - in particular the creation of VML and Burson and the further simplification of GroupM - will support our ambition to accelerate growth. We also continue to enhance and scale our global capabilities through our proprietary technology, data and AI tools, all delivered through WPP Open.

WPP has changed and developed significantly since the 2020 Capital Markets Day. Our Capital Markets Day in January 2024 was an opportunity to lay out an updated efficiency plan aligned to our new structure and building on some of the foundations laid over the past three years.

There are two key areas of savings. Firstly, structural cost savings from the creation of VML and Burson and the simplification of GroupM, which we expect to deliver around £125 million of annual net savings in 2025. Secondly, we are targeting £175 million of potential savings from efficiencies across both our back office and our commercial delivery.

Some of these efficiency savings will support continued investment in our business. Our 2024 plans include annual cash investment of around £250 million in proprietary technology including in Choreograph, our data product, service, and technology company, and further deployment of AI and other technology-led tools through WPP Open.

Cash will continue to be a key focus area for us, and the fundamentals of our business mean that we can deliver consistent and stronger cash generation. Improvement in our cash generation over the medium term will be supported by more profitable growth, lower annual capex and restructuring costs from 2025 and continued focus on our working capital management, partially offset by expected increases in cash tax.

## CAPITAL ALLOCATION

We will continue to adopt a consistent and disciplined approach to our capital allocation. Our first priority is to invest in our business - particularly in technology, AI, data and in our talent - to drive organic growth.

We are maintaining our progressive dividend policy, which targets a payout of around 40% of headline EPS. To complement our organic investment, we will invest in targeted M&A opportunities that strengthen and accelerate our capabilities in high-growth areas. And finally, where we have excess cash, we will return it to shareholders, as we have demonstrated in recent years.

We are also focused on maintaining our investment grade balance sheet and a target leverage ratio of 1.5 to 1.75 times our average net debt (which excludes lease liabilities) to headline EBITDA.

In May 2023, we refinanced the November 2023 €750 million bond as planned, issuing a May 2028 €750 million bond priced at 4.125%.

In 2024, we refinanced our five-year \$2.5 billion Revolving Credit Facility, and two bonds due September 2024 and March 2025, as planned. See Financial Review, page 92 for details.

For 2023, the Board proposes a final dividend of 24.4p which, together with the interim dividend of 15p paid in November 2023, would represent a full-year dividend for 2023 of 39.4p, in line with 2022 and representing around 40% of headline EPS, consistent with our policy.

➔ See Financial Review, page 92 for details

Since joining WPP in April 2023 I have been struck by the relentless focus and excellence with which everyone across WPP and our agencies works to create value for our clients and shareholders. I believe we have a real opportunity to turn that into even greater value, and to execute more efficiently to deliver strong returns for our shareholders.

I would like to thank colleagues throughout WPP for their contribution in 2023 and for the tremendous support they have extended to me over the past year.



**Joanne Wilson**  
Chief Financial Officer  
21 March 2024

# FINANCIAL OVERVIEW

Our financial priorities: driving more profitable growth, unlocking operating model efficiencies, and focusing on our cash generation; underpinned by a disciplined capital allocation framework

## PROGRESS IN 2023

### 0.9%

**Like-for-like growth in revenue less pass-through costs**  
(2022: 6.9%)

Strong growth in the UK and India partially offset by declines in the US, due to lower spend by technology clients, and in China, due to macroeconomic pressure

### 14.8%

**Headline operating margin**  
(2022: 14.8%)

Our headline operating margin of 14.8% was stable on a reported basis, and grew 0.2 percentage points excluding foreign exchange movements, driven by disciplined cost control

### 73%

**Adjusted operating cash flow conversion<sup>1</sup>**  
(2022: 38%)

Adjusted operating cash flow grew to £1.3 billion (2022: £0.7 billion), and conversion from headline operating profit rose, as a result of a smaller outflow on net working capital and lower share purchases

### 1.8x

**Average adjusted net debt/headline EBITDA<sup>2</sup>**  
(2022: 1.4x)

Our leverage ratio (average adjusted net debt/headline EBITDA) increased due to a higher level of average net debt over the year. Year-end net debt was unchanged at £2.5 billion

## MEDIUM-TERM FINANCIAL TARGETS

### 3%+

**Like-for-like growth in revenue less pass-through costs**

#### Accelerate our organic growth

In the four years to 2023, our organic compound annual growth rate was 2.6%. We are increasing our target growth rate across the medium term to at least 3%

### 16-17%

**Headline operating margin**

#### Enhance profitability through simplification and efficiencies

The strategic actions we are taking to deliver structural cost savings will underpin margin expansion, and we have identified further efficiency opportunities that we will use to continue to invest in our business and support delivery of our medium-term margin target of 16-17%

### 85%+

**Adjusted operating cash flow conversion**

#### Consistent and stronger cash generation

The fundamentals of our business mean that we can deliver consistent and stronger cash generation, and we are introducing a medium-term target for 85% or higher conversion of headline operating profit into operating cash flow

### 1.5-1.75x

**Average adjusted net debt/headline EBITDA**

#### Maintain our investment grade balance sheet

We aim to maintain our investment grade balance sheet and a target leverage ratio of 1.5 to 1.75 times

#### Disciplined capital allocation

- Continue to invest to drive organic growth in our business, particularly in the areas of technology, AI, data and talent
- Maintain our policy of paying a progressive dividend with around 40% payout of headline earnings per share
- Invest in targeted acquisitions that strengthen and accelerate our capabilities in high-growth areas
- Return excess cash to shareholders

<sup>1</sup> Conversion ratio of headline operating profit of £1,750m (2022: £1,742m) as a percentage of operating cash flow before interest and tax of £1,280m (2022: £669m)

<sup>2</sup> Average adjusted net debt/headline EBITDA (including depreciation of right-of-use assets)

# KEY PERFORMANCE INDICATORS

We track our performance against business and financial factors. These indicators help our Board, management and stakeholders compare our performance against our strategic goals

We made good progress in 2023: delivering for our clients, investing in talent and capabilities, reducing our environmental impact, and achieving our transformation cost savings ahead of schedule. Some of our financial KPIs were adversely impacted by a challenging macroeconomic environment, but we remain confident about the outlook for the medium term

## ALIGNING PERFORMANCE MEASUREMENT WITH STRATEGY

Performance measures are selected to align to our business strategy, and include a range of financial and non-financial metrics. Where appropriate these are reflected in our incentives (see page 144 for further detail)

### STRATEGIC ELEMENTS



Lead through AI, data and technology



Accelerate growth through the power of creative transformation



Build world-class, market-leading brands



Execute efficiently to drive financial returns through margin and cash

### Business KPIs

Client satisfaction score	●	●	●	●
Digital % of media billings (GroupM)	●	●		●
New business billings	●	●		
Transformation programme gross annual savings	●	●		●
Proportion of women in executive leadership roles <sup>1</sup>		●	●	
Employees in shared campuses		●	●	●
Carbon emissions per person from owned operations	●			●
Share of electricity purchased from renewable sources	●			●

### Financial KPIs

Like-for-like revenue less pass-through costs growth <sup>2</sup>	●	●	●	●
Headline operating profit margin <sup>2</sup>	●	●	●	●
Like-for-like revenue less pass-through costs growth versus competitors <sup>2</sup>	●	●	●	●
Adjusted operating cash flow conversion <sup>2</sup>	●	●	●	●

<sup>1</sup> Executive leadership roles are defined by WPP as the agency board and executive leadership population as reported through WPP's financial reporting system

<sup>2</sup> For definitions, see Glossary on page 232

## BUSINESS

Our business KPIs measure strategic progress towards meeting our purpose: building better futures for our people, planet, clients and communities

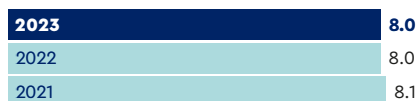
During the year we added new business billings as a KPI because it is an important indicator of our future growth

In 2023 we continued to meet clients' needs for modern marketing solutions, drove growth by attracting new clients, and operated efficiently to free up funds for reinvestment in the Company to support our future growth and profitability

We have made good progress on these measures, while making further progress on providing diverse and modern workplaces for our people and playing our part in protecting the planet

➔ Read more on our strategic progress on pages 1 to 71

### Client satisfaction score (out of 10) **8.0**



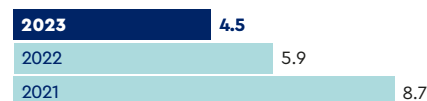
#### Description and rationale

This measures how satisfied our clients are with our services, based on 22,000 clients' Likelihood to Recommend scores out of ten. Our ability to retain satisfied clients is a key driver of our revenue<sup>1</sup>

#### Targets and performance

In 2023 we scored 8 out of 10 overall, maintaining the high levels achieved in recent years. This includes quality of work at 8.2 (2022: 8.1) and diversity, equity and inclusion at 8.3 (2022: 8.2). We aim to maintain top-quartile performance

### New business billings (\$bn) **4.5**



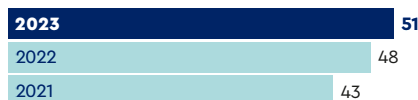
#### Description and rationale

Billings comprise the total amounts billed to clients, plus our fees.<sup>2</sup> New billings measures new business from new and existing clients, net of existing client business lost, and is an important indicator of our future growth

#### Targets and performance

We won \$4.5 billion of net new business billings in 2023. This was lower than last year, partly due to the loss of certain Pfizer creative assignments. Key wins in 2023 included Adobe, Allianz, Krispy Kreme, Mondelez, Nestlé, PayPal, SC Johnson and Verizon

### Digital % of media billings (GroupM) **51**



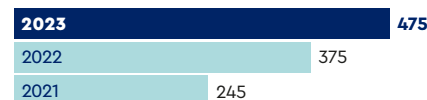
#### Description and rationale

Billings comprise our clients' spend on media, plus our fees.<sup>2</sup> We measure the digital (internet-based) mix as digital platforms account for the majority of the global media market (69%), to ensure we are staying relevant to our clients

#### Targets and performance

GroupM's digital billings increased to 51% of its total billings in 2023, compared to 48% in 2022, driven by the rapid growth in demand from clients for digital services such as ecommerce, programmatic buying, connected TV and retail media

### Gross annual savings from our transformation programme (£m) **475**



#### Description and rationale

Our transformation programme is designed to simplify WPP, build greater collaboration, drive efficiency and free up funds for reinvestment in growth. Our goal was to achieve £600 million of annual cost savings against a 2019 base by 2025

#### Targets and performance

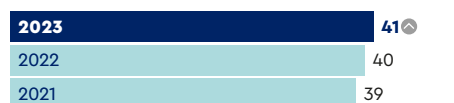
By the end of 2023 we delivered around £475 million of gross annual savings against a 2019 base, ahead of the originally planned £450 million. Savings have come from our operating model, including a simpler WPP and lower travel costs, and from efficiency initiatives in procurement and our campus strategy

<sup>1</sup> Includes Kantar


<sup>2</sup> For a full description, see Glossary on page 232

# KEY PERFORMANCE INDICATORS CONTINUED

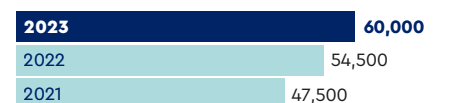
**Proportion of women in executive leadership roles<sup>1</sup>** (%) **41** 



**Description and rationale**  
 We believe that diversity powers our creativity and growth as a business. We continue to focus on driving greater gender balance throughout the Company and, in particular, at the most senior levels. We aim to achieve equal representation of women at Board and all other levels

**Targets and performance**  
 In 2023, the proportion of women in executive leadership roles increased to 41%  (2022: 40%). Across the broader workforce, more than half (53)% of senior managers are women compared with 54% in 2022

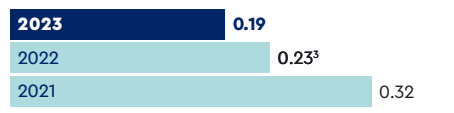
**Employees in shared campuses<sup>2</sup>** **60,000**



**Description and rationale**  
 Campuses bring our agencies together to make collaboration easy, support flexible and hybrid working, and give clients access to the breadth and depth of WPP talent in one location. They replace smaller offices with larger, modern units that lower our environmental footprint

**Targets and performance**  
 In 2023, around 60,000 of our people were based in 41 campuses. We expect this to rise to 75,000 in 47 campuses by 2025. This is revised from the previous target of 85,000 in at least 65 campuses, due to the rise in hybrid working

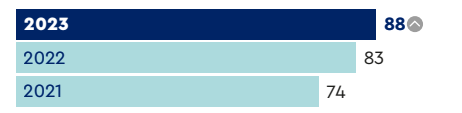
**Carbon emissions per person from our owned operations** (tCO<sub>2</sub>e, Scope 1 and 2) **0.19**




**Description and rationale**  
 We support urgent action to tackle the climate crisis through the Paris Climate Agreement. We measure carbon emissions per employee, as headcount is closely linked to levels of business activity, and this allows us to reflect the impact of acquisitions and disposals without needing to adjust our baseline


**Targets and performance**  
 We are committed to reducing absolute Scope 1 and 2 emissions by 84% by 2025, and halving Scope 3 emissions by 2030. In 2023 carbon emissions per employee fell 17% compared with 2022, and by 77% since our 2019 baseline

**Share of electricity purchased from renewable sources** (%) **88** 



**Description and rationale**  
 To support our carbon reduction targets we are a member of RE100, a global initiative bringing together businesses committed to 100% renewable electricity to accelerate change towards zero carbon grids at scale

**Targets and performance**  
 During 2023, we purchased 88%  of our electricity from renewable sources compared with 83% in 2022, reflecting good progress towards our target of 100% by 2025

<sup>1</sup> Executive leadership roles are defined by WPP as the agency board and executive leadership population as reported through WPP's financial reporting system  
<sup>2</sup> Defined as employees and freelancers in campuses  
<sup>3</sup> 2022 energy metric restated in line with the procedures set out in the WPP Sustainability Reporting Criteria 2023. For details of the nature and impact of the restatement, see page 61  
 Indicates the selected metrics have been subject to independent limited assurance procedures by PricewaterhouseCoopers for the year ending 31 December 2023. For PwC's 2023 Limited Assurance Report and the WPP Sustainability Reporting Criteria 2023, see our 2023 Sustainability Report at [wpp.com/sustainabilityreport2023](http://wpp.com/sustainabilityreport2023)



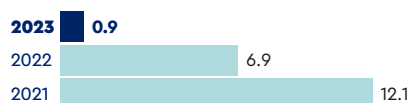
## FINANCIAL

Our financial targets allow us to track the health of WPP as a whole, analysing our market performance as well as setting remuneration targets and financial guidance for investors

During the year we added adjusted operating cash flow conversion as a KPI, reflecting our increased focus on this metric

➔ See more on our financial performance on pages 88 to 92

**Like-for-like revenue less pass-through costs growth<sup>1</sup>** **0.9**  
(%)



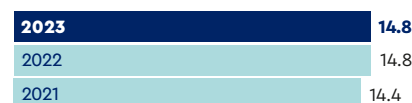
### Description and rationale

This is the main measure of our strategic goal to drive growth. Like-for-like revenue growth excludes the impact of currency and acquisitions. Pass-through costs comprise fees paid to external suppliers when they are engaged to perform part or all of a specific project, and are charged directly to clients

### Targets and performance

We delivered revenue less pass-through costs growth of 0.9% in 2023, less than in 2022 due partly to lower spending from technology clients. We expect growth to be in the 0-1% range in 2024 and 3%+ annually over the medium term

**Headline operating profit margin<sup>1</sup>** **14.8**  
(%)



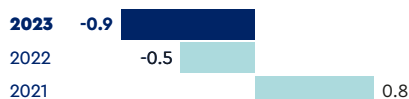
### Description and rationale

This is a key indicator of our profitability. It comprises profit on trading activities, excluding certain one-off or exceptional items.<sup>4</sup> These items are excluded because their size and nature mask the true underlying performance year-on-year

### Targets and performance

Our headline operating margin of 14.8% was stable on a reported basis, and grew 0.2 percentage points on a like-for-like basis,<sup>2</sup> due to disciplined cost control. In 2024, we expect a 0.2 to 0.4 percentage points improvement and to reach 16-17% over the medium term

**Like-for-like revenue less pass-through costs growth versus competitors<sup>2</sup>** **(0.9)**  
(%)



### Description and rationale

This measures our like-for-like growth against the average of our global marketing services peers – Dentsu, Havas, IPG, Omnicom<sup>3</sup> and Publicis. Our goal is to grow at a faster rate than the industry average

### Targets and performance

In 2023, our growth rate was 0.9 percentage points below the average of our main peers, reflecting our relatively greater exposure to both clients in the technology sector, who have reduced spend, and to China, which remains impacted by macroeconomic pressures

**Adjusted operating cash flow conversion** **73**  
(%)



### Description and rationale

This shows how efficiently headline operating profits are turned into operating cash after restructuring costs, capex, working capital and other cash items. Operating cash flow funds our financing and taxation requirements and supports our capital allocation policy

### Targets and performance

Our medium-term target is at least 85% conversion of headline operating profit into operating cash flow. In 2023 the ratio was 73%, a significant improvement on the prior year (2022: 38%) due to a smaller outflow on net working capital

<sup>1</sup> Reconciliations from reported revenue to revenue less pass-through costs and subsequently like-for-like revenue less pass-through costs, and from reported profit before tax to headline operating profit margin, are included on pages 223 to 225. For a full description, see Glossary on page 232

<sup>2</sup> Like-for-like basis, excluding the impact of foreign exchange

<sup>3</sup> Like-for-like revenue less pass-through costs growth. Omnicom data is based on revenue. This chart shows data over the last 12 months. Competitor data sourced from publicly disclosed results

<sup>4</sup> For a full description, see Glossary on page 232

# FINANCIAL REVIEW

## REVIEW OF RESULTS

Reported revenue was up 2.9% at £14.8 billion. Reported revenue on a constant currency basis was up 4.4% compared with last year. Net changes from acquisitions and disposals had a positive impact of 1.2% on growth.

Like-for-like revenue growth for 2023 excluding the impact of currency, acquisitions and disposals, and the other adjustments, was 3.2%.

Revenue less pass-through costs was up 0.5%, and up 1.8% on a constant currency basis. Excluding the impact of acquisitions and disposals and other adjustments, like-for-like growth was 0.9%. In the fourth quarter, like-for-like revenue less pass-through costs was up 0.3%.

## OPERATING PROFITABILITY

Reported profit before tax was £346 million, compared to £1,160 million in the prior period, principally reflecting the accelerated amortisation of previously indefinite life brands related to the creation of VML and the impairment taken as a result of the 2023 property review.

Reported profit after tax was £197 million, compared to £775 million in the prior period.

Headline EBITDA (including IFRS 16 depreciation) for the year was down 1.4% to £1,976 million. Headline operating profit was up 0.5% to £1,750 million.

Headline operating profit margin was flat year-on-year at 14.8% and up 0.2 percentage points year-on-year on a constant currency basis. Total operating costs were up 0.5% to £10.1 billion. Staff costs, excluding incentives, were up 0.1% year-on-year at £7.8 billion, reflecting wage inflation offset by lower use of freelancers. Staff costs include severance costs of £78 million (2022: £44 million). Incentive costs were down 8.5% year-on-year to £387 million, compared to £423 million in 2022.

Establishment costs were down 3.8% at £516 million, reflecting the progress in our campus programme. IT costs were up 12.6% at £698 million, reflecting investment in enterprise technology and our IT infrastructure, as well as our global client-facing technology capabilities including WPP Open, Choreograph and AI capabilities.

Personal costs rose 9.3% to £223 million, reflecting greater client-related business travel and inflationary pressures. Other operating expenses were down 0.8% at £535 million.

The average number of people in the Group in the year was 114,732 compared to 114,129 in 2022. The total number of people as at 31 December 2023 was 114,173 compared to 115,473 as at 31 December 2022.

## ADJUSTING ITEMS

The Group incurred £1,219 million of adjusting items in 2023, mainly relating to the amortisation of acquired intangible assets, restructuring and transformation costs, and property and goodwill impairments. This compares with net adjusting items in 2022 of £384 million.

Goodwill impairment, amortisation and impairment of acquired intangibles and other impairment charges were £809 million (2022: £177 million), mainly related to the accelerated amortisation of indefinite life brands resulting from the VML merger. This includes accelerated amortisation charges of £431 million and £202 million for Wunderman Thompson and Y&R brands respectively.

Restructuring costs of £196 million in 2023 (2022: £219 million) mainly relate to: the Group's IT transformation; property costs associated with impairments prior to 2023; and costs related to the continuing restructuring plan, including the creation of VML and simplification of GroupM.

Charges associated with property, including the property review conducted in 2023, were £232 million and primarily relate to non-cash lease impairments in the US.

## FINANCIAL HIGHLIGHTS 2023

# £14.8bn

revenue  
(2022: £14.4bn)

# 0.9%

like-for-like revenue less  
pass-through costs growth  
(2022: 6.9%)

# 14.8%

headline operating margin  
(2022: 14.8%)

# 73%

adjusted operating  
cash flow conversion  
(2022: 38%)

This Strategic Report includes figures and ratios that are not readily available from the Financial Statements. Management believes that these non-GAAP measures, including constant currency and like-for-like growth, and headline profit measures, are both useful and necessary to better understand the Group's results. Where required, details of how these have been arrived at are shown on pages 223 to 225 and are defined in the Glossary on page 232

**INTEREST AND TAXES**

Net finance costs (excluding the revaluation of financial instruments) were £261 million, an increase of £47 million year-on-year, due to higher levels of debt through the year, higher interest rates and lower investment income partially offset by higher interest earned on cash.

The headline tax rate (based on headline profit before tax) was 27.0% (2022: 25.5%) and on reported profit before tax was 43.1% (2022: 33.1%). The increase in the headline tax rate is driven by lower income from associates and changes in tax rates or tax bases in the markets in which we operate. Given the Group's geographic mix of profits and the changing international tax environment, the tax rate is expected to increase over the next few years.

**EARNINGS AND DIVIDEND**

Profits attributable to shareholders were £110 million, compared to a profit of £683 million in the prior period, principally reflecting the accelerated amortisation of previously indefinite life brands and the impairment taken as a result of the 2023 property review.

Reported diluted earnings per share was 10.1p, compared to 61.2p in the prior period. Headline diluted earnings per share from continuing operations decreased by 4.8% to 93.8p.

The Board is proposing a final dividend for 2023 of 24.4 pence per share, which together with the interim dividend paid in November 2023 gives a full-year dividend of 39.4 pence per share. The record date for the final dividend is 7 June 2024, and the dividend will be payable on 5 July 2024.

**BUSINESS SECTOR REVIEW**

During 2023, we reallocated a number of businesses between global integrated agencies, public relations and specialist agencies. Prior year figures have been re-presented to reflect the reallocation.

**GLOBAL INTEGRATED AGENCIES**

GroupM, our media planning and buying business, grew well in 2023, benefiting from continued client investment in media, with like-for-like growth in revenue less pass-through costs of 4.9% (Q4 +5.7%), partially offset by a 1.6% like-for-like decline at other global integrated agencies (Q4 -3.4%).

GroupM grew in all major regions with mid-single digit growth in ex-US markets and low-single digit growth in the US. The digital billings mix within GroupM increased to 51% (2022: 48%).

Ogilvy's performance benefited from recent new business wins including SC Johnson and Verizon, which contributed to mid-single digit growth.

Hogarth grew well benefiting from increased spend by CPG clients and growing demand for its technology and AI-driven capabilities as clients seek to produce more personalised and addressable content.

Other global integrated agencies: Wunderman Thompson and VMLY&R (which were merged in January 2024 to become VML) and AKQA felt the greatest impact from reduced spend across the technology sector and delays in technology-related projects. Revenue less pass-through costs in the retail sector was impacted by 2022 and 2023 client losses and lower spend by some retail clients in an uncertain macroeconomic environment.

**REVENUE LESS PASS-THROUGH COSTS GROWTH VERSUS 2022**

(%)



# FINANCIAL REVIEW CONTINUED

## PUBLIC RELATIONS

FGS Global continued to grow strongly in 2023, while Hill & Knowlton delivered modest growth lapping strong performance in 2022; partially offset by a weaker year for BCW.

## SPECIALIST AGENCIES

CMI Media Group, our specialist healthcare media planning and buying agency, grew strongly, offset by declines at Landor and Design Bridge and Partners. Our smaller specialist agencies continued to be affected by more cautious client spending, including delays in project-based spending.

## REVENUE ANALYSIS

£ million	2023	2022	+ / (-) % reported	+ / (-) % LFL <sup>1</sup>
Global Integrated Agencies	12,595	12,192	3.3	3.7
Public Relations	1,262	1,232	2.4	2.0
Specialist Agencies	988	1,005	(1.8)	(2.5)
<b>Total Group</b>	<b>14,845</b>	<b>14,429</b>	<b>2.9</b>	<b>3.2</b>

## REVENUE LESS PASS-THROUGH COSTS ANALYSIS

£ million	2023	2022	+ / (-) % reported	+ / (-) % LFL <sup>1</sup>
Global Integrated Agencies	9,808	9,743	0.7	1.3
Public Relations	1,180	1,161	1.6	1.4
Specialist Agencies	872	895	(2.6)	(3.4)
<b>Total Group</b>	<b>11,860</b>	<b>11,799</b>	<b>0.5</b>	<b>0.9</b>

## HEADLINE OPERATING PROFIT ANALYSIS

£ million	2023	% margin*	2022	% margin*
Global Integrated Agencies	1,474	15.0	1,433	14.7
Public Relations	191	16.2	192	16.5
Specialist Agencies	85	9.7	117	13.0
<b>Total Group</b>	<b>1,750</b>	<b>14.8</b>	<b>1,742</b>	<b>14.8</b>

\* Headline operating profit as a percentage of revenue less pass-through costs

### Note

<sup>1</sup> Like-for-like growth at constant currency exchange rates and excluding the effects of acquisitions, disposals and other adjustments

## REVENUE LESS PASS-THROUGH COSTS BY BUSINESS VERSUS 2022

(%)



## REGIONAL REVIEW

**North America** like-for-like revenue less pass-through costs declined by 2.7% in 2023 reflecting lower revenues from technology clients and in the retail sector. This was partially offset by growth in CPG and telecommunications. Lower revenues from technology clients had a greater adverse impact on our integrated creative agencies, whilst GroupM grew low-single digits in the region.

**United Kingdom** delivered good like-for-like growth of 5.6%, building on a strong prior year performance (2022: +7.6%) with both GroupM and Ogilvy performing well. CPG and healthcare were the strongest client sectors.

In **Western Continental Europe**, Germany, our largest market, had a challenging end to the year with a more uncertain macroeconomic environment weighing on client spend in the second half. France returned to growth in Q4 after several quarters of decline as new clients were onboarded.

In **Asia Pacific, Latin America, Africa & the Middle East and Central & Eastern Europe**, we saw good like-for-like growth in 2023 driven by India which was up 7.7% reflecting strong double-digit growth in the second half. This was partially offset by China which declined 3.3% with a consistent level of decline across the first and second half.

## REVENUE ANALYSIS

£ million	2023	2022	+/(-) % reported	+/(-) % LFL <sup>1</sup>
N. America	5,528	5,550	(0.4)	(0.4)
United Kingdom	2,155	2,004	7.6	6.5
W. Cont. Europe	3,037	2,876	5.6	3.8
AP, LA, AME, CEE <sup>2</sup>	4,125	3,999	3.1	6.3
<b>Total Group</b>	<b>14,845</b>	<b>14,429</b>	<b>2.9</b>	<b>3.2</b>

## REVENUE LESS PASS-THROUGH COSTS ANALYSIS

£ million	2023	2022	+/(-) % reported	+/(-) % LFL <sup>1</sup>
N. America	4,556	4,688	(2.8)	(2.7)
United Kingdom	1,626	1,537	5.8	5.6
W. Cont. Europe	2,411	2,319	4.0	1.8
AP, LA, AME, CEE	3,267	3,255	0.3	3.7
<b>Total Group</b>	<b>11,860</b>	<b>11,799</b>	<b>0.5</b>	<b>0.9</b>

## HEADLINE OPERATING PROFIT ANALYSIS

£ million	2023	% margin <sup>*</sup>	2022	% margin <sup>*</sup>
N. America	834	18.3	771	16.4
United Kingdom	215	13.2	187	12.3
W. Cont. Europe	258	10.7	301	13.0
AP, LA, AME, CEE	443	13.6	483	14.8
<b>Total Group</b>	<b>1,750</b>	<b>14.8</b>	<b>1,742</b>	<b>14.8</b>

\* Headline operating profit as a percentage of revenue less pass-through costs

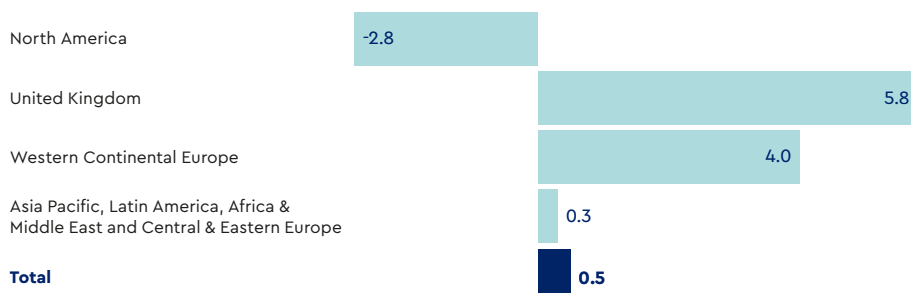
### Notes

<sup>1</sup> Like-for-like growth at constant currency exchange rates and excluding the effects of acquisitions and disposals and other adjustments

<sup>2</sup> Asia Pacific, Latin America, Africa & Middle East and Central & Eastern Europe

## REVENUE LESS PASS-THROUGH COSTS GROWTH BY REGION VERSUS 2022

(%)



# FINANCIAL REVIEW CONTINUED

## CASH FLOW HIGHLIGHTS

In 2023, net cash inflow was broadly neutral, compared to a £1.4 billion outflow in 2022. The main drivers of the improved cash flow performance year-on-year were a smaller outflow from investment in net working capital and lower share purchases.

A working capital outflow of £260 million (2022: £847 million) includes an adverse impact of £89 million from less favourable FX rates at the end of the year compared to the prior year. The movement in total working capital of £260 million reflects a favourable movement of £113 million in trade working capital and an outflow of £373 million from non-trade working capital, primarily reflecting year-on-year movements in bonus, landlord incentives relating to our campus programme and prepayments.

## BALANCE SHEET HIGHLIGHTS

As at 31 December 2023 we had cash and cash equivalents of £1.9 billion (2022: £2.0 billion) and total liquidity, including undrawn credit facilities, of £3.8 billion. Average adjusted net debt was £3.6 billion, compared to £2.9 billion in the prior period, at 2023 exchange rates. As at 31 December 2023 adjusted net debt was £2.5 billion, against £2.5 billion as at 31 December 2022, unchanged on a reported basis and an increase of £0.1 billion at 2023 exchange rates.

We spent £54 million on share purchases during the year to offset dilution from share-based payments.

Our bond portfolio at 31 December 2023 had an average maturity of 6.2 years.

In May 2023, we refinanced the November 2023 €750 million bond as planned, issuing a May 2028 €750 million bond priced at 4.125%.

In February 2024, we refinanced our five-year Revolving Credit Facility of £2.5 billion to extend the maturity date from March 2026 to February 2029 with two further one-year extension options and no financial covenants.

In March 2024 we refinanced the September 2024 \$750 million and March 2025 €500 million bonds as planned, issuing two bonds of €600 million priced at 3.625% and €650 million priced at 4.0%, due September 2029 and 2033 respectively.

The average adjusted net debt to headline EBITDA ratio in the 12 months to 31 December 2023 is 1.83x, which excludes the impact of IFRS 16.

## OUTLOOK

Our guidance for 2024 is as follows:

- Like-for-like revenue less pass-through costs growth of 0-1%
- Headline operating margin improvement of 20-40bps (excluding the impact of FX)

Other 2024 financial indications:

- Mergers and acquisitions will add 0.5-1.0% to revenue less pass-through costs growth
- FX impact: exchange rates at 15 February 2024 imply a c.2% drag on FY 2024 revenues less pass-through costs, with no meaningful impact expected on FY 2024 headline operating margin
- Headline income from associates and non-controlling interests at similar levels to 2023
- Net finance costs of around £295 million
- Effective tax rate (measured as headline tax as a % of headline profit before tax) of around 28%
- Capex of around £260 million
- Cash restructuring costs of around £285 million
- Working capital expected to be broadly flat year-on-year

## MEDIUM-TERM GUIDANCE

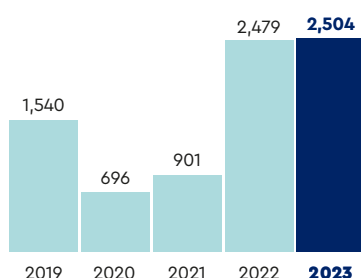
In January 2024 we presented an updated medium-term financial framework including the following three targets:

- 3%+ like-for-like growth in revenue less pass-through costs
- 16-17% headline operating profit margin
- adjusted operating cash flow conversion of 85%+

➔ For more information on our strategy see pages 1 to 71

## ADJUSTED NET DEBT

(£m)



# ASSESSING AND MANAGING OUR RISKS

The success of our strategic objectives as discussed in this report depends to a significant extent on how we identify and address the current and emerging risks and uncertainties we face as a business.

The Board, assisted by the Audit Committee, has oversight and responsibility for our approach to risk management, which is structured through our three lines of defence model and driven by our risk governance framework, business integrity programme, culture based on the principles set out in our Code of Business Conduct, and our internal control framework.

The Audit Committee reviews and considers the principal risk list on a quarterly basis and any potential emerging risks continually throughout the year.

The Board has reviewed the design and effectiveness of this system during the year and up to the date of this report, and has carried out a robust assessment of the principal risks that could impact our business.

The system of controls described below is designed to manage and mitigate, but may not eliminate, the risk of failure to achieve our strategic objectives, and is not an absolute assurance against material misstatement or loss.

## RISK GOVERNANCE FRAMEWORK

A key element of our risk governance framework is our Risk Committees. Each network has a global Risk Committee chaired by the CEO and with key senior managers participating to ensure that leadership is proactively identifying (including through risk assessments and horizon scanning) and understanding the current, new, evolving and emerging risks across businesses and the remediation steps required from time to time in certain markets. We also have a WPP Risk Committee which has oversight of all network Risk Committees and itself reports into the Audit Committee. We also have two sub-committees to focus on the detail of risks relating to data privacy, security and ethics and to controls at both WPP and network levels.

The agenda of the Risk Committees is to review, monitor and advise on: compliance with laws, regulations, internal procedures, and industry standards, including anti-bribery and corruption matters; the implementation of our compliance framework (including setting clear standards and reporting lines for the accurate and timely monitoring of exposures and certain risk types of importance); compliance policies and practices; and risks that present themselves throughout each network. This agenda is framed by our business integrity programme and internal control environment.

In order to carry out their duties comprehensively, each Risk Committee has secure access to an increasing central pool of data from, or with the potential to affect, their network. This data is crucial to their ability to recognise and monitor a full risk and compliance picture and the impact of actions taken as a result; this includes internal audit reports, internal controls over financial reporting (ICFR) results, general computing controls results, corroborated information from whistleblowers, findings

## WPP'S RISK GOVERNANCE FRAMEWORK



# ASSESSING AND MANAGING OUR RISKS CONTINUED

from investigations, responses from our annual risk mapping process and the results of our annual assessment of business integrity risks.

## BUSINESS INTEGRITY PROGRAMME

Our business integrity programme is central to ensuring that the policies, procedures and control environment set by the Board are understood and adhered to across all geographies and markets. It is produced by mapping resources, systems and processes against WPP's risk appetite (which the business integrity team, sitting within WPP's legal function, helps the Board and WPP Risk Committee to set), governance requirements and regulator expectations and then crafting actions from the results for both the business integrity team and the Risk Committees.

Actions for the business integrity team focus on tackling root causes of risk and include:

- In respect of resources, championing and enhancing messages and examples from global, regional and local leadership with communications, training sessions, townhalls and practical guidance, knowhow and resources for our people and providing 'on the ground' support for day-to-day queries from our networks

- In respect of systems, advising on the implementation of WPP's policies, procedures and controls (including around internal reporting and approvals) and providing a compliance lens for the design and structure of our enterprise resource planning (ERP) environment (including promoting the leverage of its functionality to restrict access to key transactions to appropriate parties and to ensure adequate segregation of duties and assets)
- In terms of processes, conducting an annual assessment of business integrity risks (which is constantly evolved in terms of which risks are within scope, the nature of assessment and the reporting and recommendations that emanate from the work), monitoring dynamic data feeds (including our financial reporting, internal audit findings and ICFR results), proactive management of self-certifications and disclosures from our people, reviewing and investigating whistleblowing reports and tracking remediation efforts

## POLICIES, PROCEDURES AND CULTURE

The quality and competence of our people, their integrity, ethics and behaviour, and the culture embedded within our businesses are all vital to our system of internal control, which is maintained and reviewed in accordance with the UK Corporate Governance Code, FRC guidance on risk management and internal controls, and the COSO framework.

In order to help our people make the right decisions, we provide a number of tools. The baseline reference of our policies and procedures is set out in our Policy Book, internal control bulletins, business integrity booklets and accounting guidelines. To help our people understand the ethical and business objectives set out in the WPP Policy Book, WPP has a mandatory online training programme that all our people (including freelancers working for more than four weeks) are required to complete on an annual basis. The programme comprises five modules: How We Behave; Business Integrity; Safer Data; Sustainability; and Belonging. In addition, WPP's business integrity team organises in-person and video call training sessions throughout the year on topics thought necessary or relevant such as Ethics and Integrity, Respect in the Workplace and The ABCs of ABC (anti-bribery and corruption). This top-up programme is designed and scheduled in response to data collected and reviewed by WPP's business integrity team, including from concerns raised and corroborated through investigations and our annual assessment of business integrity risks. It is underpinned with daily support on the ground from our regional compliance and ethics directors and managers.

The core of our Policy Book is our Code of Business Conduct, which is regularly reviewed by the Board and sets out the principal obligations of all of our people. As a company and as individuals we have a collective responsibility to behave in the right way, to live up to our values and to conduct our business with integrity. Our Code outlines the commitments we make to each other, our business partners, and others with a stake in what we do; equally therefore it is mirrored in our Supplier Code of Conduct, which all vendors and suppliers are required to sign up to before being onboarded.

## WPP'S BUSINESS INTEGRITY PROGRAMME



### RESOURCES

- Our people: everyone is accountable
- Leadership
- Communications, training and guidance
- 'On the ground' support

### SYSTEMS

- ERP environment
- Policies and controls
- Financial reporting
- Internal reporting and approvals

### PROCESSES

- Business integrity risk assessment
- Identifying and monitoring dynamic data feeds
- Whistleblowing and investigations
- Internal and external due diligence
- Certifications and disclosures
- Remediation; and focus on root causes
- Disciplinary measures including impact on compensation
- Enterprise risk maps



The principles of the Code are embedded in our training courses and our senior managers are required to certify compliance with the Code on an annual basis. In 2023, WPP's business integrity team digitised the certification and disclosure process around Code compliance, with a particular focus on conflicts of interest and related party transactions.

Our ABC and Fraud Policy prohibits any form of bribery, corruption or fraud across WPP and is supported by the Advisor Payment Policy which restricts the use of advisors and details the due diligence that must be undertaken and approvals needed in the limited cases where advisors may be used. In 2024, WPP's business integrity team is updating the ABC and Fraud Policy in response to the new UK Economic Crime and Corporate Transparency Act 2023 and implementing related recommendations including around training and controls.

Our Gifts and Entertaining Policy sets limits, including on value, on what may be given or received, supported in each company by a gift register.

As noted above, our Code of Conduct for vendors and suppliers replicates all of these obligations in our supply chain. Our Policy Book also includes required practices in operational, tax, legal and human resource areas.

The application of our policies and procedures is monitored within each network and by the internal audit, legal (in particular, the business integrity team), and risk and controls functions.

Breaches are investigated by our business integrity team sitting within WPP's legal function and, where appropriate, external advisors.

WPP's business integrity team has a mandate to make recommendations to realign and support WPP's networks, where required, to manage and reduce risk. Recommended remediation can include disciplinary action, changes to systems, controls, approvals or functions, monitoring and training sessions. This approach is formalised through WPP's Whistleblowing Protocol and Investigations Protocol.

WPP's approach to performance rewards continues to support the risk management and internal control systems, reinforced by the WPP Risk Committee and the Compensation Committee.

**WHISTLEBLOWING**

WPP's Code of Business Conduct sets out our responsibilities to our people, partners and shareholders to act ethically and legally. We want to encourage a culture of integrity and transparency where our people make the right decisions automatically and instinctively.

Part of this culture is making sure that our people have confidence and know how to speak up and raise concerns with their managers or supporting teams, through their employee forums, WPP's business integrity team or by calling our Right to Speak hotline (which is confidential and allows for anonymity) if they experience or hear about behaviour which is at odds with the principles stated in our Code.

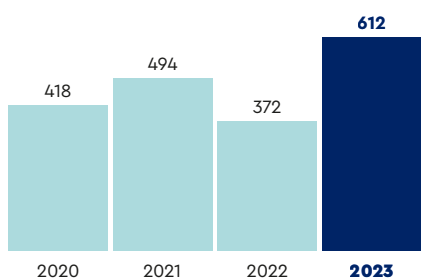
Every report received from a whistleblower is investigated and reported into the Audit Committee by WPP's business integrity function. In general, there has been a steady increase in the number of reports received over the past few years, though they fell year-on-year in 2022 following a particular spike in 2020 and 2021 reflecting concerns raised and connected with Covid-19 and lockdowns. In 2023, we continued to focus on our speak up culture and a total of 612 reports were received from whistleblowers (2022: 372; 2021: 494; 2020: 418), 476 of which were through the Right to Speak hotline. The most commonly raised concerns were about respect in the workplace and protection of WPP's assets.

**RISK IMPACT FROM WHISTLEBLOWER REPORTS 2023**

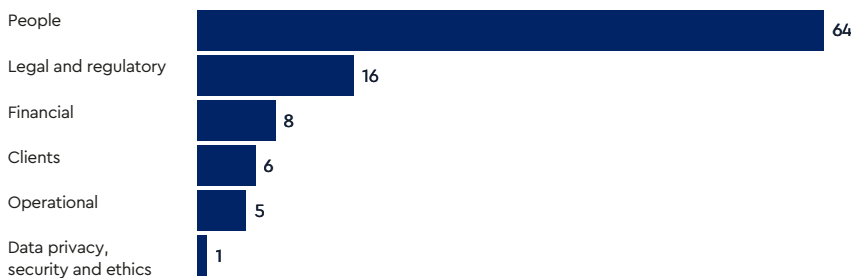
All whistleblower reports received by the Group Chief Counsel and General Counsel, Corporate Risk, which includes all Right to Speak reports, are handled in line with WPP's Whistleblowing and Investigations Protocols and logged, investigated and tracked through to a conclusion including any remediation or follow-up actions that might be required. Recommended remediation can include disciplinary action, changes to systems, controls and processes or wider review and monitoring for a particular time period.

Reports are also analysed for risk impact and root causes. Learnings generated from this analysis are converted into recommendations including for training sessions and practical resources by WPP's business integrity team and implemented together with the support and input of the

**TOTAL NUMBER OF REPORTS FROM WHISTLEBLOWERS**



**RISK IMPACT FROM WHISTLEBLOWER REPORTS (%)**



# ASSESSING AND MANAGING OUR RISKS CONTINUED

Risk Committees. WPP's business integrity team also merges these learnings with other data feeds (both internal such as revenue source and breakdown or margin patterns, and external such as Transparency International's Corruption Perception Index) to identify and focus on potential risk concerns.

The nature of each report, action taken and outcome is reported to the Audit Committee. WPP is committed to providing a safe and confidential way for people with genuine concerns to raise them, and to do so without fear of reprisals. WPP does not tolerate any retaliatory behaviour against individuals reporting concerns and is equally committed to preserving the anonymity of an individual who makes a report and does not wish to have their identity revealed.

The consequences of misconduct or retaliation range from individual performance management, training for a business or an office and one-on-one training or coaching for an individual through to staff relocation and staff dismissal.

## RISK MANAGEMENT

We use a 'three lines of defence' model in relation to risk management.

### 1. COMPANY REVIEWS

Each network undertakes monthly and quarterly procedures and day-to-day management activities to review its operations and business risks, supported by our policies, training and guidance on required internal controls over financial reporting and monitoring controls and reviews within its network.

In addition, our companies must maintain and update documentation on their internal controls and processes. This documentation incorporates an analysis of business risks, detailed control activities and monitoring, together with IT and financial controls and controls over security of data and the provision of timely and reliable information to management.

The information collated feeds up to each network's Risk Committee which uses it to assess and monitor current risk exposures, identify new risk types and any that rise to principal risk level, set future risk strategy, and compile it into reporting and insights for the WPP Risk Committee and executive management.

### 2. EXECUTIVE MANAGEMENT REVIEWS

The network reviews are formally communicated to executive management in monthly reports and quarterly review meetings and, in turn, to the Board. At each Board meeting, the management team presents a business review of each of the operations, including an assessment of the risks in each business and details of any change in the risk profile since the last Board meeting.

The business review includes: the possibility of winning or losing major business; succession and the addition or loss of a key employee; regulatory changes; sustainability, including risks relating to marketing ethics, privacy, diversity and employment; political instability; and changes in accounting or corporate governance practice.

To add to this, the WPP Risk Committee, supported by the business integrity team, has evolved our enterprise-wide risk management process through the design and build of a risk analytics platform. This sits over data feeds and alongside refreshed risk appetite statements and tolerances, and incorporates our internal risk management framework including around policies, controls and reporting (whether through disclosures, monitoring, audit work, investigation work or internal reporting processes). The resulting dashboard analysis allows risks to be monitored and tracked across all businesses and markets and feeds into the regular risk discussions of executive management, the Audit Committee and the Board.

In addition, the Risk and Controls Group remains focused on driving continuous improvement in WPP's internal control environment, looking at the design and implementation of internal financial controls as well as controls that support WPP's risk framework and transformation programmes.

### 3. INTERNAL AUDIT AND AUDIT COMMITTEE OVERSIGHT

The internal audit function, with Audit Committee oversight and external resource as required, provides an independent review of risk management and internal control via internal audits and management of the testing programme for ICFR.

## LINES OF DEFENCE

### FIRST LINE OF DEFENCE

Functions that own and manage risk

### SECOND LINE OF DEFENCE

Functions that oversee or specialise in risk management and business integrity

### THIRD LINE OF DEFENCE

Functions providing independent assurance, in particular internal audit

## VIABILITY STATEMENT RISK ASSESSMENT

### ASSESSMENT OF PROSPECTS

An understanding of the Group's business model and strategy detailed on pages 9 and 20 is central to understanding its prospects.

The Directors assess the Group's prospects on a regular basis through the financial reporting and planning process, agency reviews at each Board meeting, quarterly reviews of the agencies by the executive team and ongoing reviews of the Group's profitability, cash flows and funding requirements. The Board reviews the longer-term risks and opportunities for the Group discussed in the Strategic Report and considered these in greater depth at a Board strategy session in 2023, which covered changes in the macroeconomic environment, the potential impact of data, commerce and AI upon clients' marketing activities, technological disruption and the Group's working culture, the impact of climate change and increased regulation. The Board has also considered the ongoing economic and geopolitical impacts of the conflicts in Ukraine and Gaza.

### VIABILITY STATEMENT

The Directors' assessment of the Group's viability has been made over a three-year period. This period has been chosen as it aligns with the period in which we believe our principal risks tend to develop, and is in line with the structure of long-term management incentives and the outputs from the long-range business planning cycle.

The Directors' assessment has been made with reference to:

- The Group's principal risks and how these are managed and the impact of a principal risk materialising
- The ongoing reviews, short-term notice periods or assignment nature of many of the client engagements
- The Group's current financial position, prospects and strategy
- The ongoing transformation programme updated in this report
- The changes taking place in our industry
- The long-term impact of technological disruption

- The ongoing simplification of the Group structure and improvements in our integrated service offering to clients
- The volatility of global economic conditions as a consequence of the ongoing economic and geopolitical impacts of the conflicts in Ukraine and Gaza
- The impact on the Group of epidemics or pandemics including restrictions on businesses, social activities and travel, and the resulting impact on the economies in which the Group operates, our clients and demand for our services

In testing the viability of the Group, we have undertaken a robust scenario assessment of the principal risks which could threaten the viability or existence of the Group. The ongoing impact of the conflicts in Ukraine and Gaza has been considered. In the scenario modelling of the principal risks, we have stress-tested our forecast cash flows to reflect the potential impact of one or more of the Group's principal risks occurring and leading to client loss, loss of reputation, contract breach, our inability to win new business, and the impact of a revenue less pass-through costs decline.

The Group's forecasts and projections took account of: (i) reasonably possible declines in revenue less pass-through costs; and (ii) remote declines in revenue less pass-through costs for stress-testing purposes; and considered the Group's liquidity headroom including the suspension of share buybacks, dividends and acquisitions.

A range of revenue less pass-through cost declines have been modelled up to a decline of 31% compared with the year ended 31 December 2023, followed by a small rebound in growth for 2025 (0.1% above plan) and at previously expected levels from 2026 to 2027. In the most extreme scenarios tested, the Directors have considered the further actions that could be taken to mitigate negative cash flow impact and ensure additional liquidity, including cost mitigations of 70% of the decline in net sales and the suspension of share buybacks and dividends. The Directors have assumed that the Company will be able to refinance existing bonds and, as a result, the Group will continue to operate with sufficient liquidity available. However, the long-term viability

of the Group could be impacted by other as yet unforeseen risks and the mitigating actions that have been put in place in respect of the principal risks could turn out to be less effective than intended.

Having assessed the current position of the Company, its prospects and principal risks and taking into account the assumptions above, the Board has determined that it has a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over a period of three years from 1 January 2024.

### GOING CONCERN

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Financial Review on pages 88-92 and Principal Risks and Uncertainties on pages 98-105. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described in the financial statements and the notes to the financial statements include: the Company's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposures to credit risk and liquidity risk. The Company's forecasts and projections, taking account of (i) reasonably possible declines in revenue less pass-through costs and (ii) remote declines in revenue less pass-through costs for stress-testing purposes compared to 2023, considering the Group's liquidity headroom taking into account the suspension of share buybacks, dividends and acquisitions, and cost mitigation actions which are and which could be implemented, show that the Company and the Group would be able to operate with appropriate liquidity and be able to meet its liabilities as they fall due. The ongoing impact of the conflicts in Ukraine and Gaza has been considered. The Company modelled a range of revenue less pass-through cost declines up to 31% compared with the year ended 31 December 2023. The Directors therefore have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

# PRINCIPAL RISKS AND UNCERTAINTIES

The Board has carried out a robust assessment of the principal risks and uncertainties affecting the Group and the markets we operate in and strategic decisions taken by the Board as at 31 December 2023 and up to the date of this report – including any adverse effects of the geopolitical situation resulting from the conflicts in Ukraine and Gaza – which are described in the table on the following pages.

PRINCIPAL RISK	POTENTIAL IMPACT	HOW IT IS MANAGED AND REFLECTED IN OUR STRATEGIC PRIORITIES
<p><b>ECONOMIC RISK</b></p> <p>Adverse economic conditions, including those caused by the conflicts in Ukraine and Gaza, severe and sustained inflation in key markets where we operate, supply chain issues including around resilience affecting the distribution of our clients' products and/or disruption in credit markets, pose a risk our clients may reduce, suspend or cancel spend with us or be unable to satisfy obligations.</p> <p>↑</p>	<p>Economic conditions, including inflation and increasing interest rates, among others, have a direct impact on our business, results of operations and financial position.</p> <p>In the past, clients have responded to weak economic and financial conditions by reducing or shifting their marketing budgets which are easier to reduce in the short term than their other operating expenses.</p>	<p>Our account teams work proactively with our clients to understand the challenges they are facing, determine general trends in marketing spend and develop plans in advance to help us prepare, redeploy resources and manage costs accordingly.</p> <p>Our crisis management and business resilience team works with our networks to identify priority services and the key dependencies they rely on and develops market-specific incident response and service continuity plans to best ensure business operations are resilient to external factors.</p> <p>Our client portfolio is diverse, consisting of organisations operating in different industry sectors and across a broad geographical spread which further helps mitigate the impact of any specific challenges individual clients or markets might be facing.</p>
<p><b>GEOPOLITICAL RISK</b></p> <p>Growing geopolitical tension and conflicts continue to have a destabilising effect in our markets and across geographical regions. This rise in geopolitical activity continues to have an adverse effect upon the economic outlook, the general erosion of trust and an increasing trend of national ideology and regional convergence over global cooperation and integration. Such factors and economic conditions may be reflected in our clients' confidence in making longer-term investments and commitments in marketing spend.</p> <p>↑</p>	<p>Actual or threatened geopolitical tension and conflicts lead to greater uncertainty, economic instability and a general lack of confidence for many of our clients who are inclined to scale back, delay or cancel their marketing plans and budgets.</p>	<p>We work closely with our in-country teams, third-party advisors, clients and other agencies in monitoring the level and nature of geopolitical issues, events and developments across all markets and regions.</p> <p>Our primary focus is the safety and security of our people, and for extreme events or periods of disruption we have developed a series of crisis and response plans with clear lines of escalation to the Board and Executive Committee that focus upon the wellbeing of our people and their families.</p> <p>We have detailed operational and financial plans, developed through the consideration of a range of potential scenarios and outcomes that are continuously monitored and, if required, used to make interventions and support decision-making over our operations, investments and advice to clients.</p>
<p><b>PANDEMIC</b></p> <p>The impact of a pandemic on our business will depend on numerous factors that we are not able to accurately predict, including the duration and scope of a pandemic, any existing or new variants, government actions to mitigate the effects of a pandemic and the continuing and long-term impact of a pandemic on our clients' spending plans.</p> <p>↔</p>	<p>A pandemic and any new variants and the measures to contain its spread may have an adverse effect on our business, revenues, results of operations and financial condition and prospects.</p>	<p>A strong balance sheet, supported further by action to maintain liquidity including, if needed, the suspension of share buybacks, dividends and acquisitions, cost reduction and cash conservation measures, savings on property and IT capex.</p> <p>Constant monitoring of working capital position and detailed operational and financial plans, developed from previous experience and, as noted above, continuously assessed against potential scenarios and outcomes.</p>

**KEY**

- ↑ Increased risk
- ↔ No change from last year
- ↓ Reduced risk
- ◇ New risk

PRINCIPAL RISK	POTENTIAL IMPACT	HOW IT IS MANAGED AND REFLECTED IN OUR STRATEGIC PRIORITIES
<b>STRATEGIC PLAN</b>		
<p>The failure to successfully complete the strategic plan updated in January 2024 to lead through AI, data and technology, to accelerate growth through the power of creative transformation, to build world-class, market-leading brands and to execute efficiently to drive financial returns through margin and cash.</p>	<p>A failure or delay in implementing or realising the benefits from the strategic plan may have a material adverse effect on our market share and our business, revenues, results of operations, financial condition or prospects.</p>	<p>Board oversight of the implementation of the strategic plan and Group simplification and regular briefings on the Group's response to economic and geopolitical risks.</p> <p>The Executive Committee regularly reviews progress against the strategic plan and actions required to deliver against the plan and convenes regularly to discuss the Group's response to and implementation of the measures highlighted above to mitigate the impact of economic and geopolitical risks on the Group's operations, people, clients and financial condition.</p> <p>The focus on managing cost and changes in ways of working have accelerated aspects of the strategic plan as we continue to move towards a simplified company structure and enhanced use of technology, including generative AI, by our people.</p>

**GENERATIVE AI STRATEGY**

<p>Delayed adoption and leverage of the opportunities and commercial models offered by generative AI in the services WPP provides to its clients, as well as the overall operation of the business.</p>	<p>Without the automation and efficiency gains offered by generative AI, we may experience increased costs and inefficiencies in our operations impacting profitability and competitiveness.</p>	<p>The Chief AI Officer is responsible for the strategic direction of generative AI in the business.</p>
<p>WPP may incur costs when ensuring it can comply with the introduction of artificial intelligence laws and regulations, including the EU AI Act. This will be through review of IT systems and processes, which may require refinement or amendment, to ensure regulation can be adhered to.</p>	<p>Clients will increasingly expect us to use generative AI-driven tools and technologies in our services and deliverables. If we fail to adopt generative AI at pace and evolve our commercial model, we may struggle to keep up with these demands, leading to decreased relevance and effectiveness of our services and deliverables for clients, and allow an opportunity for AI vendors to contract directly with our clients.</p>	<p>We have established a Generative AI Governance Committee which oversees the application and adoption of and risks associated with generative AI across WPP. This committee includes the CEO, CTO and Chief Privacy Officer and other senior stakeholders in the business with responsibility for the safe and responsible use of generative AI within the Group.</p>
<p>IP laws and in particular the analysis of copyright infringement is evolving in generative AI. Where AI is used in client deliverables, IP infringement risk, in particular copyright infringement risk, must be assessed in the context of the underlying data sets used in the creation of client works.</p>	<p>Falling behind competitors leveraging the opportunities generative AI offers to gain a competitive advantage could result in lost market share, decreased revenue and reduced profitability.</p>	<p>We have developed and continue to invest in a WPP generative AI platform using market-leading technologies which is available to all staff in order to support our work and deliverables both internally and for clients.</p>
<p></p>	<p>We may struggle to attract and retain talent, further hindering our ability to innovate and compete.</p>	<p>We have established partnerships with leading generative AI platforms, technologies and companies, including NVIDIA.</p>
<p></p>	<p>Generated materials may infringe third-party IP resulting in legal costs and client reputation impact.</p>	<p>We actively monitor the changing regulatory landscape and the introduction of new laws regulating AI to assess the impact on our business and work, including detailed review of the EU AI Act and evolving IP laws (including copyright), and how they will impact how we service our clients.</p>
<p></p>	<p></p>	<p>We have a comprehensive due diligence process in place to review the third-party generative AI tools/platforms used in the business. This process considers the use case for the tool/platform and includes reviews of the security, legal and technology aspects of the tool/platform as well as sources of underlying learning data, where applicable, to develop a 'traffic light' approach to risk.</p> <p>Whilst AI provides many opportunities (including efficiencies and new services and offerings) we also continue to review and consider the impact around our business model through the Generative AI Governance Committee, reporting to the Board and Audit Committee on identified risks and impacts.</p>

# PRINCIPAL RISKS AND UNCERTAINTIES CONTINUED

PRINCIPAL RISK	POTENTIAL IMPACT	HOW IT IS MANAGED AND REFLECTED IN OUR STRATEGIC PRIORITIES
<b>IT AND SYSTEMS</b>		
<p>We continue to undertake a series of IT programmes devised to prioritise the most critical changes necessary to support the Group's strategic plan whilst maintaining the operational performance and security of core systems.</p> <p>The Group is reliant on third parties for the performance of a significant portion of our worldwide information technology and operations functions.</p> <p>A failure to provide these functions could have an adverse effect on our business.</p>	<p>Any failure or delay in implementing the IT programmes may have a material adverse effect upon the overall strategic plan and the realisation of key targeted benefits and savings.</p> <p>Disruption and unavailability of critical systems may lead to disruption in our operations and client service delivery.</p>	<p>The Board and management team provide oversight and governance of the most important IT and systems change initiatives the business is pursuing.</p> <p>Detailed plans have been prepared for each major systems initiative and overall progress, challenges and risks are monitored as part of our project management processes and discussed in dedicated steering committees who also agree upon any corrective action that may be required, including around supplier resilience.</p> <p>Progress reports are also completed as part of regular briefings that the Board receives on the overall implementation of the strategic plan.</p>
<b>CLIENT LOSS</b>		
<p>We compete for clients in a highly competitive industry which is continuously evolving and undergoing structural change and advancements in AI, data and technology. Client net loss to competitors or as a consequence of client consolidation, insolvency or a reduction in marketing budgets due to a geopolitical change or shift in client spending, would have a material adverse effect on our market share, business, revenues, results of operations, financial condition and prospects.</p>	<p>The competitive landscape in our industry is constantly evolving and the role of more traditional services and operators in our sector who have not successfully diversified is being challenged. Competitors include multinational advertising and marketing communication groups, marketing services companies, database marketing information and measurement and professional services, and consultants and consulting internet companies.</p> <p>Client contracts can generally be terminated on 90 days' notice or are on an assignment basis and clients put their business up for competitive review from time to time.</p> <p>The ability to attract new clients and to retain or increase the amount of work from existing clients may be impacted if we fail to react quickly enough to changes in the market and to evolve our structure, as a consequence of any loss of reputation, and may be limited by clients' policies on conflicts of interest.</p>	<p>The strategic plan updated in January 2024 places emphasis on leading through AI, data and technology, accelerating growth through the power of creative transformation, building world-class, market-leading brands and executing efficiently to drive financial returns through margin and cash.</p> <p>The plan is also delivering a continued simplification of our organisational structure by reducing the number of legal entities in the Group, the disposal of non-core minority holdings and more collaborative working through the opening of further campus co-locations (see page 19).</p> <p>The Board is focused on the importance of a positive and inclusive culture across our business to attract and retain talent and clients. Accordingly, work continues on diversity and inclusion across the Group, including focus from the work of the global WPP Inclusion Council.</p> <p>Continuous improvement of our creative capability and reputation of our businesses. The development and implementation of senior leadership incentives to align more closely with our strategy and performance.</p> <p>Business review at every Board, Executive Committee and network management meeting to identify client loss. Monthly updates to the executive management team on the status of the Group's major clients and upcoming pitches for potential new clients.</p> <p>Continuous engagement with our clients and suppliers through this period of uncertainty and reduction in economic activity.</p>

PRINCIPAL RISK	POTENTIAL IMPACT	HOW IT IS MANAGED AND REFLECTED IN OUR STRATEGIC PRIORITIES
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**CLIENT CONCENTRATION**

We receive a significant portion of our revenues from a limited number of large clients and the net loss of one or more of these clients or of a major assignment with them could have a material adverse effect on our prospects, business, financial condition and results of operations.



A relatively small number of clients contribute a significant percentage of our consolidated revenues. Our ten largest clients accounted for 18.9% of revenue less pass-through costs in the year ended 31 December 2023.

Clients can reduce their marketing spend, terminate contracts or cancel projects on short notice. The loss of one or more of our largest clients or of a major assignment with them, if not replaced by new accounts or an increase in business from existing clients, would adversely affect our financial condition.

Increased flexibility in the cost structure (including incentives, consultants and freelancers).

Business review at every Board meeting and regular engagement at executive level with our clients.

A 'new and existing business' tracker is reviewed by the Executive Committee on a monthly basis with regular updates provided to the Board.

**REPUTATION**

Increased reputational risk associated with working on client briefs perceived to be environmentally detrimental and/or misrepresenting environmental claims.



As societal consciousness around climate change rises, our sector is seeing increased scrutiny of its role in driving consumption. Our clients seek expert partners who can give recommendations that take into account their impact and stakeholder concerns around climate change.

Additionally, WPP serves some clients whose business models are under increased scrutiny, for example energy companies or associated industry groups. This creates both a reputational and related financial risk for WPP if we are not rigorous in our content standards.

Our climate training seeks to ensure that our people recognise the importance of our sector's role in addressing the climate crisis. It is part of a broader sustainability training programme being run in multiple markets with localised content in key regions.

We have developed internal tools to help our people identify potentially environmentally harmful briefs. These tools embed climate-related issues within existing content review procedures across the organisation. The misrepresentation of environmental issues is governed by our Code of Conduct. We also ensure our policies reduce the risk that any client brief undermines the implementation of the Paris Agreement. In 2022, we introduced the revised Assignment Acceptance Policy and Framework and the Green Claims Guide to provide further guidance about how to conduct additional due diligence in relation to clients and any work we are asked to undertake.

**PEOPLE, CULTURE AND SUCCESSION**

Our performance could be adversely affected if we: do not react quickly enough to changes in our market; fail to attract, develop and retain key creative, commercial, technology and management talent; are unable to retain and incentivise key and diverse talent; or are unable to adapt to new ways of working by balancing home and office working.



We are highly dependent on the talent, creative abilities and technical skills of our people as well as their relationships with clients.

We are vulnerable to the loss of people to competitors (traditional and emerging) and clients, leading to disruption to the business.

The Compensation Committee provides oversight for the Group's compensation and incentive plans, which are structured to provide retention value by, for example, paying part of annual incentives in shares that vest two years after grant date.

WPP's All In survey provides the board, Executive Committee and senior leaders across the Group with the general sentiment, opinions and concerns of employees and was completed by 75% of our people in 2023. Headline findings included general and local views on engagement, career growth, leadership, client, wellbeing and inclusion and have contributed to the menu of initiatives available to our people.

We continue to work across the Group to embed collaboration and invest in training and development to retain and attract talented people.

The investment in co-located campus properties continues to increase the cooperation across our companies and provides extremely attractive and motivating working environments. Our real estate teams work closely with people teams across the business to consider how space is being utilised to support collaboration and innovation.

We also continue to focus on the mental health of our people by providing access to wellbeing resources, support networks, funded events, discussion forums and additional time off.

Looking ahead, succession planning for the Chief Executive Officer, the Chief Financial Officer and key executives of the Company is undertaken by the Board and Nomination and Governance Committee on a regular basis and a pool of potential internal and external candidates is identified for both emergency and planned scenarios.

# PRINCIPAL RISKS AND UNCERTAINTIES CONTINUED

PRINCIPAL RISK	POTENTIAL IMPACT	HOW IT IS MANAGED AND REFLECTED IN OUR STRATEGIC PRIORITIES
<b>CYBER AND INFORMATION SECURITY</b>		
<p>WPP has in the past, and may in the future, experience a cyber attack that leads to harm or disruption to our operations, systems or services. This risk is also likely to increase as the prevalence and sophistication of generative AI means there is potential for both human and AI-generated attacks.</p> <p>Such an attack may also affect suppliers and partners through the unauthorised access to or manipulation, corruption or destruction of data.</p>	<p>We may be subject to investigative or enforcement action or legal claims or incur fines, damages or costs and client loss if we fail to adequately protect data.</p> <p>A system breakdown or intrusion could have a material adverse effect on our business, revenues, results of operations, financial condition or prospects and have an impact on long-term reputation and lead to client loss.</p> <p>The imposition of sanctions and the associated geopolitical situation following the conflicts in Ukraine and Gaza have triggered an increase in cyber attacks generally.</p>	<p>WPP has a single IT control framework that is mandatory for all WPP businesses and is aligned to the WPP Data Privacy &amp; Security Charter, NIST, IS27001 and COBIT.</p> <p>We monitor and log our network and systems through the WPP 24/7 Cyber Security Operations Centre, as well as undertaking threat intelligence activities, vulnerability scanning and penetration testing, where appropriate.</p> <p>Breach and attack simulation software provides continuous assessment and WPP's Cyber Security Incident Exercise Specialists regularly test the incident response plans and playbooks, with lessons learned and improvements continually made.</p> <p>We continually raise our people's security awareness through our mandatory WPP Safer Data training and rolling phishing simulation and education programmes.</p> <p>WPP's Data Privacy, Security &amp; Ethics Risk Sub-committee (a sub-committee of the WPP Risk Committee) meets quarterly and includes WPP's Chief Information Officer, Chief Information Security Officer, Chief Privacy Officer, Chief Sustainability Officer and Chief Technology Officer. This committee is responsible for identifying and responding to privacy, technology, data and cybersecurity risk across WPP.</p>
<b>CREDIT RISK</b>		
<p>We are subject to credit risk through the default of a client or other counterparty.</p> <p>Challenging economic conditions, heightened geopolitical issues, shocks to consumer confidence, disruption in credit markets and challenges in the supply chain disrupting our client operations can lead to a worsening of the financial strength and outlook for our clients who may reduce, suspend or cancel spend with us, request extended payment terms beyond 60 days or be unable to satisfy obligations.</p>	<p>We are generally paid in arrears for our services. Invoices are typically payable within 30 to 60 days.</p> <p>We commit to media and production purchases on behalf of some of our clients as principal or agent depending on the client and market circumstances. If a client is unable to pay sums due, media and production companies may look to us to pay those amounts and there could be an adverse effect on our working capital and operating cash flow.</p>	<p>Evaluating and monitoring clients' ongoing creditworthiness and in some cases requiring credit insurance or payments in advance.</p> <p>We work closely with our clients to ensure timely payment for services in line with contractual commitments and with vendors to maintain the settlement flow on media.</p> <p>Our treasury position and compliance with lending covenants is a recurring agenda item for the Audit Committee and Board.</p> <p>Increased management processes to manage working capital and review cash outflows and receipts.</p>



PRINCIPAL RISK	POTENTIAL IMPACT	HOW IT IS MANAGED AND REFLECTED IN OUR STRATEGIC PRIORITIES
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**INTERNAL CONTROLS**

Our performance could be adversely impacted if we fail to ensure adequate internal control procedures are in place.

If material weaknesses are identified, they could adversely affect our results of operations, investor confidence in the Group and the market price of our ADSs and ordinary shares.



Failure to ensure that our networks have robust control environments, or that the services we provide and trading activities within the Group are compliant with client obligations, could adversely impact client relationships and business volumes and revenues.

If material weaknesses in internal controls are discovered or occur in the future, our ability to accurately record, process and report financial information and, consequently, our ability to prepare financial statements within required time periods, could be adversely affected.

In addition, the Group may be unable to maintain compliance with the federal securities laws and NYSE listing requirements regarding the timely filing of periodic reports. Any of the foregoing could cause investors to lose confidence in the reliability of our financial reporting, which could have a negative effect on the trading price of the Group's ADRs and ordinary shares.

Transparency and contract compliance are embedded through the networks and reinforced by audits at a WPP and network level.

Regular monitoring of key performance indicators for trading are undertaken to identify trends and issues.

An authorisation matrix on inventory trading is agreed with the Board and the Audit Committee.

Our controls function continually reviews and, as needed, enhances controls across the Group, under the direction of our Global Director of Risk and Controls. Our technical accounting function supports both these review efforts and complex accounting matters and judgments, and changes in accounting standards.

Management is committed to maintaining a strong internal control environment, with appropriate oversight from controls committees which sit at WPP and at network level as sub-committees of the risk committees and meet quarterly, and from our Audit Committee. Regular actions include engagement of an independent valuation specialist to assist with the impairment assessment of intangible assets and goodwill, an annual refresh on discount rate methodology and reviews of the selection of cash flow periods and net working capital assumptions.

**DATA PRIVACY**

We are subject to strict data protection and privacy legislation in the jurisdictions in which we operate and rely extensively on information technology systems. We store, transmit and rely on critical and sensitive data such as strategic plans, personally identifiable information and trade secrets:

- Security of this type of data is exposed to escalating external threats, that are increasing in sophistication, as well as internal data breaches
- Data transfers between our global operating companies, clients or vendors may be interrupted due to changes in law (for example, EU adequacy decisions, CJEU Schrems II decision)



We may be subject to investigative or enforcement action or legal claims or incur fines, damages, or costs and client loss if we fail to adequately protect data or observe privacy legislation in every instance:

- The Group has in the past, and may in the future, experience a system breakdown or intrusion that could have a material adverse effect on our business, revenues, results of operations, financial condition or prospects
- Restrictions or limitations on international data transfers could have an adverse effect on our business and operations

We develop principles on privacy and data protection and compliance with local laws. We also monitor pending changes to regulations and identify changes to our processes and policies that would need to be implemented. In the case of data transfers, we also identify alternative approaches, including using other permitted transfer mechanisms, in order to limit any potential disruption (for example, SCCs instead of the US Data Protection Framework).

We implement extensive training ahead of new data protection regulations (including GDPR and CPPA) and roll out toolkits to assist our people to prepare for their implementation.

A Chief Privacy Officer and Global Data Protection Officer are appointed at the Company and are supported by a Data Protection Office. Data privacy activities across WPP are governed by the WPP Data Privacy & Security Charter and follow the WPP Privacy Management Framework.

WPP's Data Privacy, Security & Ethics Risk Sub-committee (a sub-committee of the WPP Risk Committee) meets quarterly and includes WPP's CIO, CSO, Chief Privacy Officer, Chief Sustainability Officer and CTO. The committee has responsibility for identifying and responding to privacy, technology, data and cybersecurity risk across WPP.

Our people must take Privacy & Data Security Awareness training and understand the WPP Data Code of Conduct and WPP policies on data privacy and security.

The Data Health Checker survey is performed annually to understand the scale and breadth of data we collect so the level of risk associated with this can be assessed.

Annual reporting to the Audit Committee on significant regulatory changes, data privacy risks and steps taken to mitigate those risks.

# PRINCIPAL RISKS AND UNCERTAINTIES CONTINUED

PRINCIPAL RISK	POTENTIAL IMPACT	HOW IT IS MANAGED AND REFLECTED IN OUR STRATEGIC PRIORITIES
<b>TAXATION</b>		
<p>We may be subject to regulations restricting our activities or effecting changes in taxation.</p> <p>↔</p>	<p>Changes in local or international tax rules and rates, changes arising from the application of existing rules, new demands and assessments or challenges by tax or competition authorities, may expose us to significant additional tax liabilities or impact the carrying value of our deferred tax assets, which would affect the future tax charge.</p>	<p>We actively monitor any proposed regulatory or statutory changes and consult with government agencies and regulatory bodies where possible on such proposed changes.</p> <p>Biannual briefings to the Audit Committee of significant changes in tax laws and their application and regular briefings to executive management. We engage advisors and legal counsel to obtain opinions on tax legislation and principles.</p>
<b>REGULATORY</b>		
<p>We are subject to strict anti-corruption, anti-bribery and anti-trust legislation and enforcement and incoming anti-fraud legislation in the countries in which we operate.</p> <p>↔</p>	<p>We operate in a number of markets where the corruption risk has been identified as high by groups such as Transparency International.</p> <p>Failure to comply or to create a culture opposed to fraud and corruption or failing to instil business practices that prevent fraud and corruption could expose us to civil and criminal sanctions.</p>	<p>Online and in-country ethics, anti-bribery, anti-corruption, anti-fraud and antitrust training on a Group-wide basis to raise awareness and seek compliance with our Code of Conduct and ABC and Fraud Policy.</p> <p>A continuously evolving business integrity function to ensure compliance with our codes and policies and remediation of any breaches of policy.</p> <p>Continuous communication of the confidential, independently operated Right to Speak helpline for our people and stakeholders to raise any potential breaches of our Code and policies, which are investigated and reported to the Audit Committee on a regular basis.</p> <p>Due diligence on acquisitions and on selecting and appointing suppliers, an actively managed disclosure programme around conflicts of interest and related party interests and restrictions on the use of third-party consultants in connection with any client pitches.</p> <p>Rolling programme of creating shared financial services in the markets in which we operate and a controls function which operates at WPP and at network level.</p> <p>Risk committees are well established at WPP and across the networks to monitor risk and compliance through all of our businesses and the enhancement of our business integrity programme across our markets. For details of the risk committees' responsibilities and our business integrity programme see pages 93-96.</p> <p>Gift and hospitality register and approvals process.</p>
<b>SANCTIONS</b>		
<p>We are subject to the laws of the US, the EU, the UK and other jurisdictions that impose sanctions and regulate the supply of services to certain countries.</p> <p>The conflict in Ukraine has caused the adoption of comprehensive sanctions by, among others, the EU, the US and the UK, which restrict a wide range of trade and financial dealings with Russia and Russian persons.</p> <p>↑</p>	<p>Failure to comply with these laws could expose us to civil and criminal penalties including fines and the imposition of economic sanctions against us and reputational damage and withdrawal of banking facilities which could materially impact our results.</p>	<p>Online training to raise awareness and seek compliance and updates for our companies on any new sanctions.</p> <p>Regular briefings to the Audit Committee and constant monitoring by the WPP legal team with assistance from external advisors of the sanctions regimes. Executive Committee briefed and working with the WPP legal team to ensure compliance with escalating sanctions as a consequence of the conflict in Ukraine.</p> <p>We have taken a number of actions as a consequence of the conflict in Ukraine. We discontinued our operations in Russia and have ensured compliance with all sanctions as they impact any clients, suppliers or financial arrangements.</p>

PRINCIPAL RISK	POTENTIAL IMPACT	HOW IT IS MANAGED AND REFLECTED IN OUR STRATEGIC PRIORITIES
<b>ESG REGULATION AND REPORTING</b>		
<p>The Group could be subject to increased costs to comply with the potential future changes in Environmental, Social and Governance (ESG) law and regulations.</p> <p>A failure to manage the complexity in carbon emission accounting for marketing and media or to consider Scope 3 emissions in new technology and business model innovation across the supply chain could have an adverse effect on our business and reputation.</p> <p>↑</p>	<p>We could be subject to increased costs to comply with potential future changes in ESG laws and regulations. This includes increasing carbon offset pricing to meet our net zero commitments.</p> <p>Increased investment is also required in building renovation, electrification, embedding sustainability in AI development and supplier engagement to meet targets, including developing internal ESG capacity and capabilities.</p> <p>In addition, carbon emission accounting for marketing and media is in its infancy and methodologies continue to evolve. This is particularly the case for emissions associated with digital media.</p>	<p>We are developing an ESG compliance roadmap to deliver against our regulatory obligations, including for the EU Corporate Sustainability Reporting Directive.</p> <p>Our Transition Plan will provide the roadmap to achieving our net zero commitments. As part of this plan and through our work to decarbonise media and media supply chains, we are exploring opportunities to improve accounting for emissions from media.</p> <p>To manage the cost and quality of carbon credits purchased to offset residual emissions, in 2022 WPP updated its Sustainability Policy and released a new Environmental Policy which includes policy guidance around offsetting and we are further developing our offsetting strategy as part of our net zero roadmap.</p> <p>The Board Sustainability Committee, formed in 2019, gives increased focus on sustainability and implementation of our plans and policies.</p> <p>Measuring and monitoring sustainability KPIs is critical to meet our sustainability strategy and targets. In 2022, we introduced new ESG controls which we continued to roll out across the business in 2023 and regular testing of which provides crucial measurement data.</p> <p>ESG KPIs are included as part of the scorecard that determines the short-term incentive rewards for WPP's CEO, CFO and some key members of the Executive Committee. This includes WPP's performance against carbon reduction targets.</p> <p>Further information on ESG governance and ESG reporting is provided in the Sustainability section of this report (pages 53-61).</p>

**EMERGING RISKS**

<p>The Group's operations could be disrupted by an increased frequency of extreme weather and climate-related natural disasters.</p> <p>↑</p>	<p>This includes storms, flooding, wildfires and water and heat stress which can damage our buildings, jeopardise the safety and wellbeing of our people and significantly disrupt our operations.</p>	<p>Our Crisis Management and Business Resilience function provides global standards for operational resilience: strategy, governance, policy, resources and training assets to better plan for and respond to crisis events of all types and at all degrees of scale. This includes extreme weather events.</p> <p>Co-locating our people in fewer, higher-capacity campus buildings means we can centralise emergency preparedness procedures and deploy climate mitigation measures more efficiently. Climate-related risk is considered when we invest in new campus buildings.</p> <p>Our hybrid working approach, which incorporates new ways of working adopted during the pandemic, provides additional resilience by enabling fully remote working – provided employees and their families are in safe locations – during extreme weather events.</p> <p>The Employee Assistance Programme is activated in response to climate-related extreme weather events.</p>
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