

SUSTAINABILITY

At WPP we build better futures for our people, our clients – and our wider communities.

WHY SUSTAINABILITY MATTERS

2018 has seen record heatwaves on four continents, and perilous water shortages in South Africa, Australia and India. It has seen women the world over say #MeToo, and consumers take a stand on plastic packaging at supermarket checkouts.

From technological disruption, climate change and resource scarcity to skills shortages, demographic shifts and political uncertainty, our clients, across every sector, face a complex set of interconnected social, economic and environmental pressures.

The potential upside to tackling sustainability challenges is significant – it is estimated that sustainable business model innovation could open economic opportunities worth \$12 trillion and create 380 million jobs¹.

Consumer expectations are changing. Today's consumers want more from their favourite brands than just a great product – they expect transparency across the supply chain and want brands to have a point of view and to play an active role in society. Yet there is often cynicism and a lack of trust about corporate motivations and actions.



“WE HAVE A STRONG TRACK RECORD OF BUILDING BRANDS WITH PURPOSE THAT HELP OUR CLIENTS ACHIEVE THEIR SUSTAINABILITY GOALS. BUT WE CAN AND MUST DO MORE.”

Andrea Harris
Group Chief Counsel
and Head of Sustainability

¹ Better Business, Better World, Business & Sustainable Development Commission, January 2017.



FRIENDLY ARMS

AGENCY
AKQA SÃO PAULO

CLIENT
AACD,
ORTHOPAEDIC
HOSPITAL



To learn more see
wpp.com/friendlyarms

As the importance of sustainability grows for our clients, so does its impact on WPP.

OUR RESPONSE

Our clients look to us to provide the insight, expertise and creative solutions they need to navigate this changing landscape and communicate their purpose effectively and authentically. Our own sustainability strategy helps us to do this with credibility, meeting changing client expectations while reducing risks and creating a more resilient business for the long term.

SUSTAINABILITY AND OUR STRATEGY

Our sustainability strategy aligns with all five elements of our new corporate strategy, which we introduced in late 2018. The table opposite sets out the most material ways in which sustainability supports our strategy.

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDGs)

We support the UN SDGs which provide a framework for government agencies, civil society, the private sector and citizens to work together to create a more sustainable future. Good communications are essential to bring about the shift in attitudes and behaviour needed to tackle extreme poverty, inequality and climate change by 2030. We aim to play our part through the improvements we are making in our business, our pro bono work and our work for clients on social and environmental themes.

We have analysed the 17 Global Goals and the 169 targets which sit behind them to identify those which are most relevant for our business. To learn more about the Goals we believe we can make the most significant contribution towards, see page 8 of our full Sustainability Report 2018, available as a PDF download.

For our full review of our sustainability activities and outcomes, download our Sustainability Report 2018.



wpp.com/sustainability

STRATEGIC ELEMENT	SUSTAINABILITY STRATEGY		
VISION & OFFER	A STRONGER OFFER FOR OUR CLIENTS	A growing number of clients are grappling with sustainability challenges and looking to articulate the purpose of their brands. They look for partners who share their sustainability values and aspirations. Our commitment to responsible and	sustainable business practices helps us to broaden and deepen these partnerships, and to meet the growing expectations and sustainability requirements in client procurement processes.
			A stronger offer for our clients, see pages 66 and 67 Transparency and trust, see pages 74 and 75
CREATIVITY	SOCIAL INVESTMENT	Our pro bono work can make a significant difference to charities and NGOs, enabling our partners to raise awareness and funds, recruit members, and achieve campaign objectives.	Pro bono work benefits our business too, providing rewarding creative opportunities for our people that often result in award-winning campaigns that raise the profile of our companies.
		DIVERSE AND INCLUSIVE TEAMS	Creativity thrives on diversity of background and thought. This makes having a diverse and inclusive workplace essential to our long-term business success. We want all of our people to feel valued and able to fulfil their potential, regardless of gender, ethnicity, age or disability.
			Social investment, see pages 68 and 69 Attracting and retaining talent, see pages 70 and 71
DATA & TECHNOLOGY	PRIVACY AND DATA ETHICS	Data – including consumer data – can play an essential role in our work for clients. Data security and privacy are increasingly high-profile topics for regulators, consumers and our clients. We have a	responsibility to look after this data carefully, to collect data only when needed and with consent where required, and to store and transfer data securely.
SIMPLER STRUCTURE	GREENER OFFICE SPACE	Our work to simplify our structure and consolidate our office space is driving a positive impact on our energy use and carbon footprint. We are reducing the overall number of offices we occupy, moving to	locations that use green building standards and reduce our impact, help us to use space more efficiently and encourage collaboration between our companies.
CULTURE	SHARED VALUES ACROSS OUR BUSINESS AND SUPPLY CHAIN	Strong employment policies, investment in skills and inclusive working practices help us recruit, motivate and develop the talented people we need to serve our clients in all disciplines across our locations.	Selecting suppliers and partners who adopt standards consistent with our own can reduce costs, improve efficiency and protect our reputation.
			Privacy and data ethics, see page 76 Environment, see page 72 Attracting and retaining talent, see pages 70 and 71 Supply chain, see page 73

**"A NEW KIND OF
ACTIVISM SHAPED
BY PEOPLE FROM
AROUND THE
WORLD THROUGH
SOCIAL MEDIA."**

Sir David Attenborough



HOW GOOD MARKETING MAKES FOR BETTER DEMOCRACY

AGENCY
MULTI-AGENCY TEAM
LED BY GREY LONDON

CLIENT
UNITED NATIONS DPI
AND UNFCCC

In an age of growing grassroots activism, many people feel that action happens on the street, not behind the closed doors of the United Nations. We brought together a multi-agency team, led by Grey London, to help the UN reconnect with the world's people and put them back at the centre of their work.

The team put a new People's Seat in the UN plenary, right among world leaders. It was the first seat in UN history not representing a nation or specific interest. Instead it was there to give the world a voice on climate change. The campaign asked people around the world to express their thoughts, fears and experiences of climate change. These testimonials were crafted into a UN address delivered by Sir David Attenborough to key leaders poised to negotiate one of the most important decisions in the history of our planet.

The speech dominated the global news agenda, reaching some 1.3 billion people and ensuring the climate talks made headlines in countries including the UK, US and China.

RESULT

1.3bn+

people reached within
the first month of
The People's Seat launch
December 2018



To learn more see
wpp.com/peopleseat

A STRONGER OFFER FOR OUR CLIENTS

Our biggest sustainability impact is through the work we do for clients, which reaches billions of people each year.

We partner with a growing number of clients on sustainability-related briefs. Our blend of expertise means we can offer clients cutting-edge technology alongside the creativity needed to inspire consumers and help to make behavioural shifts more desirable.

Marketing is a powerful tool with the potential to change people's attitudes and behaviour. So it is important that we apply high ethical standards to our work. We continue to maintain high standards and compliance procedures in areas such as business ethics, human rights and data security and privacy.

WORK WITH PURPOSE

Increasingly, our clients aspire to create brands with purpose and look to us to help them to integrate sustainability into brand strategy, communications and marketing. This work is of growing importance to WPP. A survey of our top client team leaders in 2018 found that over 80% had recently discussed sustainability with their clients, with almost half of these discussions relating to the development of a brand campaign.

Our work in this area can include:

- **Brand and strategy consulting:** integrating social and environmental values into brand and business strategy.
- **Technology and research:** using technology and data to understand consumer attitudes and behaviour in relation to sustainability.
- **Communications:** helping clients communicate credibly on social and environmental issues with all audiences from consumers, employees and citizens to investors, regulators, the media and NGOs. This can include social marketing campaigns that raise awareness or drive behaviour change on issues of public interest, often for government and NGOs as well as corporate clients.

Given our clients' growing focus on sustainability, during 2019 we will explore how we can further build our sustainability capabilities and facilitate collaboration between WPP agencies on sustainability-related briefs.

COMPLIANCE WITH MARKETING STANDARDS

We expect our companies to comply with all relevant legal requirements and codes of practice for marketing standards in the work they produce for clients. A small number of the campaigns we produce give rise to complaints, some of which are upheld by marketing standards authorities. Our companies take action where needed to prevent a recurrence.

ETHICAL DECISIONS IN OUR WORK

Our work for clients can sometimes raise ethical issues, for example work for government clients, work relating to sensitive products or marketing to children. We have a review and referral process for work that may present an ethical risk.

Before accepting potentially sensitive work, our people are required to elevate the decision to the most senior person in the relevant office and then to the most senior WPP executive in the country concerned, who will decide if further referral to a global WPP executive is required. This referral process is covered in our How We Behave online training.

Companies also have copy-checking and clearance processes through which campaigns are reviewed by the legal team before publication. Requirements are particularly comprehensive in sectors such as pharmaceutical marketing which are highly regulated.

£2.07bn
revenues generated through clients who engaged with us on sustainability

13%
equivalent to approximately 13% of our total revenue

To find more examples of our client and pro bono work to address social and environmental issues download our Sustainability Report 2018.



wpp.com/sustainability



I'M FINE

AGENCIES
OGILVY & MINDSHARE

CLIENT
DOVE (UNILEVER)

This campaign by Ogilvy for Dove, with Mindshare handling media, saw the creation of four animations, each telling the real story of a girl's struggles with self-esteem. The films were launched in social, digital and cinema in markets across the world, giving parents the tools to help their kids build body-confidence.



To learn more see
wpp.com/imfine

SOCIAL INVESTMENT

Charities and NGOs have a vital role to play in tackling issues such as health, education, human rights and the environment, often with very limited resources. We can help them increase their impact by providing communications and creative services on a pro bono basis (for little or no fee).

This can have a significant positive impact on the organisations we support, enabling them to raise awareness and funds, recruit members, and achieve campaign objectives. It benefits our business too, providing rewarding creative opportunities for our people that often result in award-winning campaigns and raise the creative profile of our companies. Our agencies also negotiate free media space for charity campaigns, enabling them to reach a wide audience.

Alongside our pro bono work, our social investment is one of the main ways we can contribute to progress on the UN Sustainable Development Goals. We established our Charity Committee of senior executives in 2018 to oversee our approach and help us to target our support effectively.

We encourage our people to get involved as volunteers. 41% of our companies have a formal volunteering policy and 56% organised volunteering activities for their people during 2018.

WHAT WE GAVE IN 2018

Our pro bono work was worth £11.3 million in 2018 (2017: £12.7 million). We also made cash donations to charities of £6.2 million (2017: £7.7 million), resulting in a social investment worth £17.5 million (2017: £20.4 million). This is equivalent to 1.20% of reported profit before tax (2017: 0.97%).

WPP media agencies negotiated free media space worth £23.8 million on behalf of pro bono clients (2017: £29 million), making a total social contribution of £41.3 million (2017: £49.4 million).

For more examples of our pro bono work download our Sustainability Report 2018.

SOCIAL IMPACT

Our support helps NGOs and charities to carry out important work in areas such as improving health and education, and protecting human rights. With pro bono work this can often be worth more than an equivalent cash donation because it enables charities to raise awareness, increase donations, recruit members, impact behaviour and achieve campaign goals. We have conducted research to quantify this wider impact.

Our most recent analysis shows that our pro bono work in 2018 created wider social benefits worth £91 million to society (2017: £103 million). This includes, for example, the impact of charities being able to improve health and wellbeing in communities. The wider social benefits created by our pro bono work, charitable donations and free media space is worth an estimated £331 million (2017: £397 million).

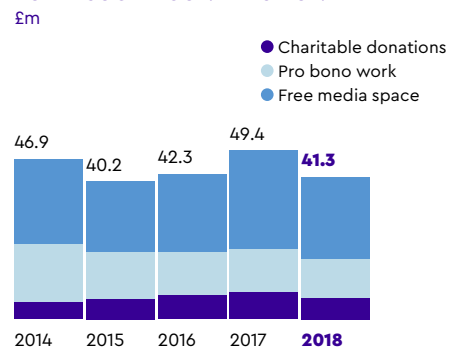
COMMON GROUND

We launched Common Ground in 2016 as a collaboration between the world's six biggest advertising and marketing services groups and the United Nations to use the power of communication to accelerate progress towards achieving the 17 Sustainable Development Goals by 2030.

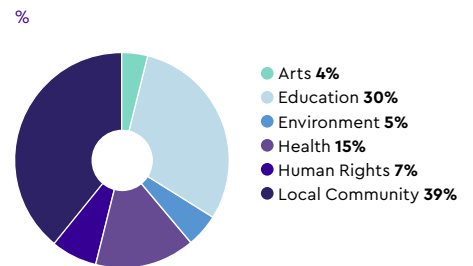
At WPP our focus is gender equality (Goal 5), with an emphasis on tackling gender-biased stereotypes in the media and on promoting equal opportunities for women and girls.

During 2018, GroupM and other WPP agencies launched Creativity for Equality, a strategic partnership with UN Women to help positively impact the lives of girls and women. The partnership began with a 16-day campaign against gender-based violence across six countries.

TOTAL SOCIAL CONTRIBUTION



PRO BONO WORK BY SECTOR



£11.3m
in pro bono work

£23.8m
free media space negotiated by WPP companies

1.20%
social investment as a percentage of reported profit before tax

£331m
wider social benefits of pro bono work, charitable donations and free media space





OCEAN OF THE FUTURE

AGENCY
OGILVY UK

CLIENT
GREENPEACE

This film follows children visiting an aquarium, where they see some of the 800,000 tonnes of plastic packaging generated by UK supermarkets every year, and encourages people to sign a petition calling on retailers to reduce plastic waste.

RESULT
>970,000
people signed the petition
since April 2018



Watch the video:
wpp.com/oceanofthefuture

BLINK AND THEY ARE GONE

AGENCY
WUNDERMAN THOMPSON
MUMBAI AND AMSTERDAM

CLIENT
JIMMY NELSON

This film uses over 1,500 images to document the lives of the world's last remaining indigenous communities, warning us that we are losing our global cultural heritage.

RESULT
\$1m
in free media
December 2018-February 2019



Watch the video:
wpp.com/blink



ATTRACTING AND RETAINING TALENT

Our clients choose WPP on the strength of our people's insights, creativity and original ideas.

To attract and retain the best, most forward-thinking talent, we are focusing on:

- Embedding a culture based on our new values of being open, optimistic and doing extraordinary work;
- Improving diversity and inclusion;
- Investing in skills and creativity; and
- Offering attractive compensation, flexible working practices and opportunities for collaboration and growth.

SKILLS, TRAINING AND DEVELOPMENT

We invest in training and development to build the creative, technical and leadership skills our business needs. Training and opportunities for professional and personal development contribute to employee engagement and retention.

Overall, we spent £45.5 million on training in 2018 (2017: £44.9 million) with 65% of our people taking part in formal training programmes, averaging 5.7 hours per person.

We follow up with training participants to understand the impact of our courses and identify opportunities for improvement.

During 2018, 76% (2017: 80%) of our people participated in a formal appraisal process, and 69% (2017: 70%) of executive leaders and 66% (2017: 68%) of senior managers had a 360-degree appraisal.

ENGAGEMENT AND FEEDBACK

In 2018, we began the process to set up our first employee forum in the UK. We will roll this out to more markets starting with India, China and Turkey. The views and ideas raised through these forums will be shared with the two Non-Executive Board Directors responsible for workforce engagement.

We use employee surveys to assess employee engagement and satisfaction. In 2018, a set of consistent questions to assess employee

views on sustainability-related topics was used in surveys covering 75% of our employees. During 2019, we plan to launch a Company-wide employee survey.

LABOUR RELATIONS

We support the right of our people to join trade unions and to bargain collectively, although trade union membership is relatively low in our industry. In 2018, around 7% of our employees were either members of a trade union or covered by a collective bargaining agreement (2017: 8%). There were 1,267 consultations with works councils, of which the majority were in Europe (2017: 4,116).

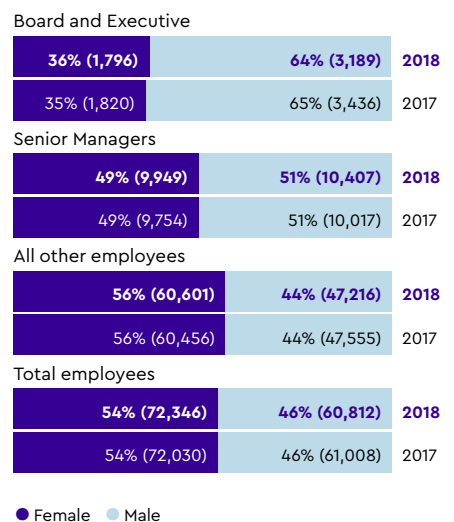
As part of our transformation programme we announced we will be making around 3,500 redundancies in our business, as we merge and restructure some of our agencies and as a result of changes in our client base. We aim to support employees affected by redundancy including through our employee assistance programmes.

DIVERSITY AND INCLUSION

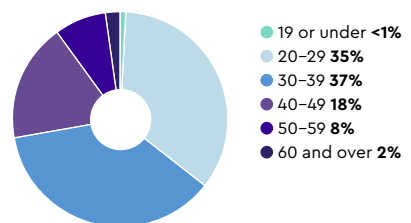
Creativity thrives on diversity of background and thought. This makes having a diverse and inclusive workplace essential to our long-term business success. We want all of our people to feel valued and able to fulfil their potential, regardless of gender, ethnicity, age or disability.

WPP does not tolerate harassment, sexual harassment, discrimination or offensive behaviour of any kind. We select and promote our people on the basis of their qualifications and merit, without discrimination or concern for factors such as race, religion, national origin, colour, sex, sexual orientation, gender identity or expression, age or disability. These commitments are set out in our Code of Business Conduct, which applies to all our people and is available on the WPP website, in our Policy Book and on our intranet.

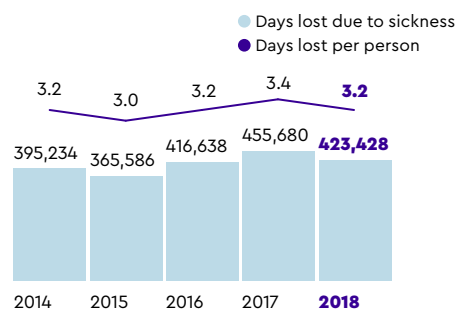
GENDER DIVERSITY



AGE DIVERSITY



DAYS LOST DUE TO SICKNESS



Employees are trained on our commitments through our online ethics training, How We Behave, which includes training on diversity and unconscious bias.

GENDER BALANCE

Our workforce is gender-balanced overall and the proportion of women in executive leadership roles increased this year. At the Board level the appointment of Cindy Rose raises the proportion of women on the Board to 33%. Achieving gender balance at leadership levels remains a priority.

In 2018, we signed up to the Women's Empowerment Principles, established by UN Women and UN Global Compact as a guide for businesses on how to empower women in the workplace, marketplace and community.

Our WPP Stella network, now active in India, Italy, Mexico, South Africa, Taiwan and the UK, aims to tackle barriers that may prevent women progressing to the most senior roles. It runs events, networking opportunities, coaching and training as well as a speaker database to raise the internal and external profile of our senior women. A series of podcasts was launched in 2018 featuring some of our female leaders. The network will be rolled out to further markets during 2019.

To learn more about our programmes, including information about

- Training programmes
 - Development programmes supporting career progression for our senior and mid-level women
- download our Sustainability Report 2018.



wpp.com/sustainability

HEALTH, SAFETY AND WELLBEING

We aim to support our people to look after their physical and mental health and wellbeing. The main health and safety risks in our business are work-related stress and ergonomic injuries. 76% of our companies have appointed someone with specific responsibility for health and safety management. There were no work-related deaths in 2018.

We offer a range of programmes to address health and safety risks which can include: fitness facilities or subsidised gym memberships; health and nutrition services; health insurance and medical assessments; counselling and employee assistance services; and ergonomic risk assessments and specialist equipment.

We estimate around 25% of our workforce have flexible working arrangements which include part-time working, flexible start and finish times and home working, as well as career breaks and sabbaticals.



THE BEST MEN CAN BE

AGENCY
GREY NEW YORK

CLIENT
GILLETTE

Gillette took a fresh look at what it means to be "the best" in today's world, celebrating stories of men who challenge the culture of toxic masculinity.

RESULTS
110m
video views
January 2019-
February 2019

15bn
impressions
January 2019-
February 2019



Watch the video:
wpp.com/bestmencanbe

Recognition for WPP

Industry Leader

in the Bloomberg Gender-Equality Index

ENVIRONMENT

We recognise the major threat that climate and environmental change poses to global social and economic development. We support urgent action to tackle climate change through the Paris Agreement. As a result, we have environmental management programmes in place to reduce our carbon emissions and environmental impact and identify and mitigate climate-related risk in our operations.

KEY TARGETS AND COMMITMENTS

- 0.41 tonnes of CO₂e per employee by 2030, a 50% reduction from 2017
- 50% of electricity from renewable sources by 2030
- 25% of global floor space certified to advanced green building standards by 2020
- 100% of emissions from air travel offset through the purchase of high-quality carbon credits

TASKFORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

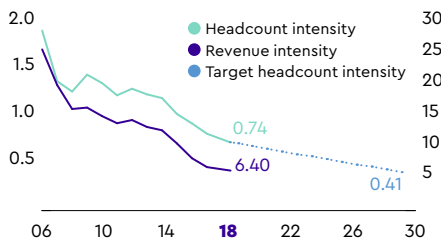
We support the Taskforce on Climate-related Financial Disclosures and aim to develop our disclosures in line with its recommendations. This voluntary framework seeks to encourage businesses to disclose climate-related risks and opportunities and is structured around four themes: governance, strategy, risk management, and metrics and targets.

For our TCFD disclosure, see page 173

PERFORMANCE SUMMARY

SCOPE 1 AND 2 EMISSIONS 2006-2018

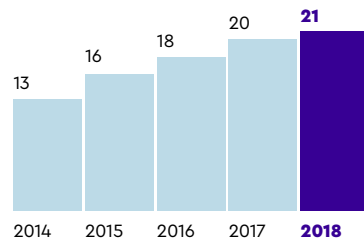
Tonnes CO₂e/head (market-based)



Our scope 1 and 2 market-based emissions for 2018 were 0.74tCO₂e/head, a 9% reduction from 2017. Our carbon intensity per £1 million revenue was 6.40 tCO₂e/head, an 8% reduction since 2017.

CERTIFIED FLOORSPACE

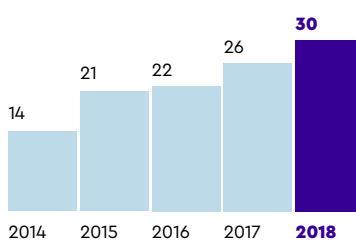
%



In 2018 21% of our floorspace was certified to advanced sustainability standards like LEED and BREEAM.

PROPORTION OF ELECTRICITY FROM RENEWABLE SOURCES

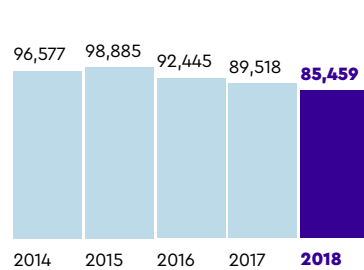
%



We increased the percentage of electricity purchased from renewable sources to 30% (2017: 26%), making substantial progress towards our 50% target.

CARBON OFFSETS PURCHASED

fCO₂e



Since 2007 we have purchased and permanently retired almost 1.5 million carbon credits to offset our carbon emissions from air travel. We offset 100% of our air travel emissions in 2018.

30%
electricity purchased from renewable sources (target: 50% by 2030)

0.74
tonnes of CO₂e per person (target: 0.41 tCO₂e by 2030)

21%
floor space certified to advanced green building standards (target: 25% by 2020)

A-
rating for our climate change strategy and reporting in the CDP climate change programme

To learn more about our approach to environmental management, our full performance and our approach to carbon emissions accounting, download our Sustainability Report 2018.



wpp.com/sustainability

SUPPLY CHAIN

We work with over 130,000 companies across our supply chain, and aim to select suppliers who meet high standards in areas such as human rights and the environment. Where we can, we work with our suppliers to positively influence standards in the wider supply chain. This reduces risks to our business and our clients and enables us to respond to the growing number of client tender processes that include supply chain management criteria.

We take a risk-based approach to supplier engagement focusing on suppliers in high-risk countries or sectors, those with whom we have a direct commercial relationship and those with centrally negotiated contracts managed by our procurement team.

SOURCING STANDARDS

Our Supplier Code of Conduct includes requirements relating to labour practices, human rights, social impacts as well as other sustainability issues. Our Code requires suppliers to apply similar standards to companies in their own supply chain.

SUPPLIER SELECTION

We evaluate potential new suppliers on factors such as assurance of supply, quality, service, cost, innovation and sustainability. We launched two additional sustainability questionnaires in 2018 to strengthen our due diligence processes for supplier selection. In 2019 we plan to roll out new training for our procurement teams on conducting due diligence for supply chain sustainability risks.

HUMAN RIGHTS

Respect for human rights is a fundamental principle for WPP. We aim to prevent, identify and address any negative impacts on human rights associated with our business activities.

Our **Human Rights Policy Statement** summarises our approach. It reflects international standards and principles, including the International Bill of Human Rights, the UN's Guiding Principles on Business and Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the Children's Rights and Business Principles.

We are a member of the **United Nations Global Compact** and report progress against its 10 principles annually.

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 we do not tolerate harassment or any form of forced, compulsory or child labour.

See **attracting and retaining talent**, pages 70 and 71

We work with clients to manage any human rights risks from marketing campaigns, for example by protecting children's rights in relation to marketing. WPP companies will not undertake work designed to mislead on human rights issues.

MODERN SLAVERY

We do not tolerate any form of modern slavery, forced labour or human trafficking in any part of our business or supply chain. Our risk assessment shows that almost 90% of our spend with preferred supplier partners is in medium- or low-risk categories for modern slavery such as HR and professional services. Higher-risk categories include facilities and promotional goods suppliers.

SUPPLIER DIVERSITY

We work with many small and diverse suppliers. In the US, around 2.1% of our spend is with certified diverse suppliers including women- and minority-owned businesses.



T-SHIRTS THAT FIGHT SLAVERY

AGENCY
HILL+KNOWLTON STRATEGIES,
SÃO PAULO

CLIENT
BRAZIL MINISTRY
OF PUBLIC LABOR

Slavery is a reality in Brazil, despite being illegal. #SomosLivres invites Brazilians to fight to protect this law. Leading fashion journalists and trendsetters received branded t-shirts during Fashion Week.

RESULTS

17m people reached via print and digital media November 2018- January 2019

140,000 mentions November 2018- January 2019

To learn more about our Supplier Code of Conduct, Human Rights Policy, and Modern Slavery Act Transparency Statement see:



wpp.com/sustainability/policies-and-resources

TRANSPARENCY AND TRUST

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

OUR CODE OF CONDUCT

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

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

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

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

MANAGEMENT AND COMPLIANCE

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

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

ASSOCIATES, AFFILIATES AND ACQUISITIONS

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

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

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

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

PUBLIC POLICY

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

115,000+
people completed refreshed
ethics training in 2018

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

The majority of our work takes place in the US and the EU, although many clients are multinational businesses.

OUR STANDARDS

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

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

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

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

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

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

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

POLITICAL CONTRIBUTIONS

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

POLITICAL ACTION COMMITTEES

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

LOBBYING AND POLITICAL ADVOCACY

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

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

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

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

MEMBERSHIP OF TRADE ASSOCIATIONS

We are members of trade associations, industry groups and membership organisations which undertake lobbying activity on behalf of their members. It is important that we select organisations whose priorities and values are aligned with our own and which have robust governance processes. WPP companies must nominate a senior manager with responsibility for managing and overseeing trade association relationships. Memberships are listed in our full Sustainability Report 2018.

PRIVACY AND DATA ETHICS

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

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

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

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

POLICIES AND GOVERNANCE

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

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

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

AUDIT AND DUE DILIGENCE

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

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

TRAINING AND ENGAGEMENT

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

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

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

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

We partner with clients, industry organisations and peer companies on privacy issues. For example, we are working with the Internet Advertising Bureau (IAB) in Europe, contributing to work on their Transparency and Consent Framework which aims to help all parties in the digital advertising chain comply with the increased consent requirements of the GDPR.

DATA HEALTH CHECKER

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

111,747
people completed updated
online Privacy and Data Security
Awareness training in 2018

OUR APPROACH TO SUSTAINABILITY

SUSTAINABILITY GOVERNANCE

Paul Richardson, WPP's Group Finance Director, was the Board Director responsible for sustainability in 2018. Andrea Harris, Group Chief Counsel and Head of Sustainability, has operational responsibility for sustainability.

At Board level, the Nomination and Governance Committee has responsibility for sustainability. We have established a Charity Committee to oversee our donations and pro bono work (see page 68).

Environmental, social and governance (ESG) risks are integrated into the Company's assessment of principal risks which are set out in detail from page 78.

EMBEDDING SUSTAINABILITY IN OUR COMPANIES

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

Our internal sustainability advisors are working to ensure consistent implementation of our standards and ESG risks are included in our programme of internal audits.

STAKEHOLDER ENGAGEMENT

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

Most stakeholder engagement takes place in the course of doing business. We also carry out more formal research as part of our materiality process. We work with clients on sustainability issues (see page 66). Information on employee engagement is on page 70.

INVESTOR ENGAGEMENT

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

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

OUR MATERIALITY PROCESS

Our first formal materiality assessment in 2014 included interviews with clients, investors, NGOs and sustainable business experts as well as senior executives in the centre and our operating companies. Further reviews were conducted in 2016 and 2017, and we plan to update our materiality assessment in light of our new corporate strategy. Our reporting focuses on the issues identified as being of high or medium importance.

ABOUT OUR REPORTING

Data included in this review is for the calendar year 2018 and covers all subsidiaries of the Company. Some key environmental and people data is verified by Bureau Veritas, an independent assurance provider.

NON-FINANCIAL INFORMATION STATEMENT

This section (pages 60-77) provides information required by regulation in relation to:

- Environmental matters
- Our people
- Social matters
- Human rights
- Corruption and bribery

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

- Business model (page 40)
- Principal risks and how they are managed (pages 78-83)
- Non-financial key performance indicators (page 6)

To find further details, data, our materiality analysis and case studies download our full Sustainability Report 2018.



wpp.com/sustainability