

# WPP Sustainability Report 2013/2014



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This Sustainability Report, together with our Annual Report, trading statements, news releases presentations, and previous Sustainability Reports, are available online at [wpp.com](http://wpp.com)



Throughout this report this icon denotes that case study campaign footage can be viewed in the Sustainability Report online at [wpp.com/sustainability](http://wpp.com/sustainability)

# Welcome

**WPP is the world leader in communications services. Our companies exist to help clients compete successfully: in marketing strategy, advertising, every form of marketing communication and in monitoring progress. We help our clients to prosper and grow, expanding into new markets and engaging with consumers across every form of media.**



For the third year running, WPP was named Holding Company of the Year at the 2013 Cannes Lions International Festival of Creativity.

Collectively, we have over 175,000 people (including those in associate companies) working in 3,000 offices in 110 countries. WPP is quoted on the London Stock Exchange and NASDAQ in New York (WPPGY).

For the third year running, WPP was named Holding Company of the Year at the 2013 Cannes Lions International Festival of Creativity. It was ranked Most Effective Holding Company, globally, in the 2013 Effie Effectiveness Index for the second year running.

Sustainability is important to how we work and to our relationships with our people, clients and investors. We are committed to reducing the environmental impact of our business, and to making a positive contribution through the work we do for our clients and our interactions with our stakeholders.

Our annual Sustainability Report sits alongside our Annual Report and Accounts, providing a summary of progress around the Group during 2013. It articulates what sustainability means to WPP, the issues of importance to us and how we integrate sustainability into the way we work.

# Introduction – from our CEO



## WPP awards and rankings 2013

MEMBER OF

**Dow Jones  
Sustainability Indices**

In Collaboration with RobecoSAM



FTSE4Good



- CDP score of 95B and listed in the CDP FTSE 350 Climate Disclosure Leadership Index.
- Identified as best-in-class in the advertising sector by Triodos Bank.
- IVCA Fellowship Award 2013 – recognised Sir Martin Sorrell for championing corporate social responsibility.
- PwC Building Public Trust awards – Winner in the People Reporting in the FTSE 100 category.
- Shortlisted Investor Relations Society Best Practice Awards for 'Best communication of sustainability in the annual report'.

In 2013, we began to see the end of the economic crisis in many regions of the world, with faster growth and a more optimistic outlook. It was a year of good performance for WPP and our companies.

The advertising and marketing services industry continued to make a significant contribution to the global economy: supporting business growth, innovation and employment; and enabling the growth of the digital economy by supporting free online content.

Yet the big problems that our society faces – those of inequality, unemployment, health crises, water scarcity and climate change – remain far from being resolved. While technology holds the key to tackling some of these problems, it is also exacerbating others. Demographic shifts and the exponential growth of the global middle class look set to further strain our planet's limited resources.

I am often asked what the role of business should be in tackling such complex issues. My view is that it has a critical role to play. Indeed these challenges cannot be addressed without the participation of global business, as a driver of growth and creator of jobs and a force for innovation. In partnership with governments and civil society, business will create many of the solutions we will need over the coming decades.

It is in the interests of business to play its full part. It must do so if it wants to secure future supplies of natural resources, to build skills and to help create strong communities that enable business to prosper.

Any company looking to build brands over the long term must view its role in society more broadly than ever before. Only by doing business in a way that reflects the interests of all its stakeholders will it succeed. In this age of transparency and rising expectations, it would be foolish not to.

This is a view shared by many of our clients, who are embedding sustainability into their businesses and brands, creating operating models and products and services that are both profitable to the business and beneficial to society.

WPP is also taking the long-term view. As our clients seek advice on embedding sustainability into their brands, our companies are there with the specialist knowledge and skills to support them. Already £1.26 billion of our revenue comes from clients who have engaged with us on sustainability and this is growing every year.

We have continued to invest in the professional development of our people, broadening our talent pool through global expansion and our commitment to a diverse and inclusive workforce.

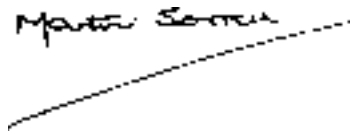
We have rigorous structures in place to protect the interests of our clients and our own business, in areas such as privacy and data protection, and we have launched a supply chain program that will improve our oversight of standards in our supply base.

*“Already £1.26 billion of our revenue comes from clients who have engaged with us on sustainability and this is growing every year.”*

On the environmental side we have made significant progress, cutting the carbon footprint of our business by 31% per head since 2006; we are targeting further significant reductions by 2020.

Our companies continue to share their creative talents to support charities and non-profits working on some of society’s greatest challenges. Our pro bono work, charitable donations and the free media space negotiated by WPP agencies on behalf of clients was worth £39.4 million in 2013.

I welcome your feedback on the summary of our efforts contained in this report and look forward to sharing more with you next year.



**Sir Martin Sorrell**  
Group chief executive  
[msorrell@wpp.com](mailto:msorrell@wpp.com)

## 2013 highlights



**31%**

reduction in carbon emissions per employee since 2006



**£1.26bn**

revenue from clients who engaged with us on sustainability



**£19.6m**

contribution through pro bono work and charitable donations



**>120,000**

employees completed our Ethics and Anti-Bribery and Corruption training



**£64.4m**

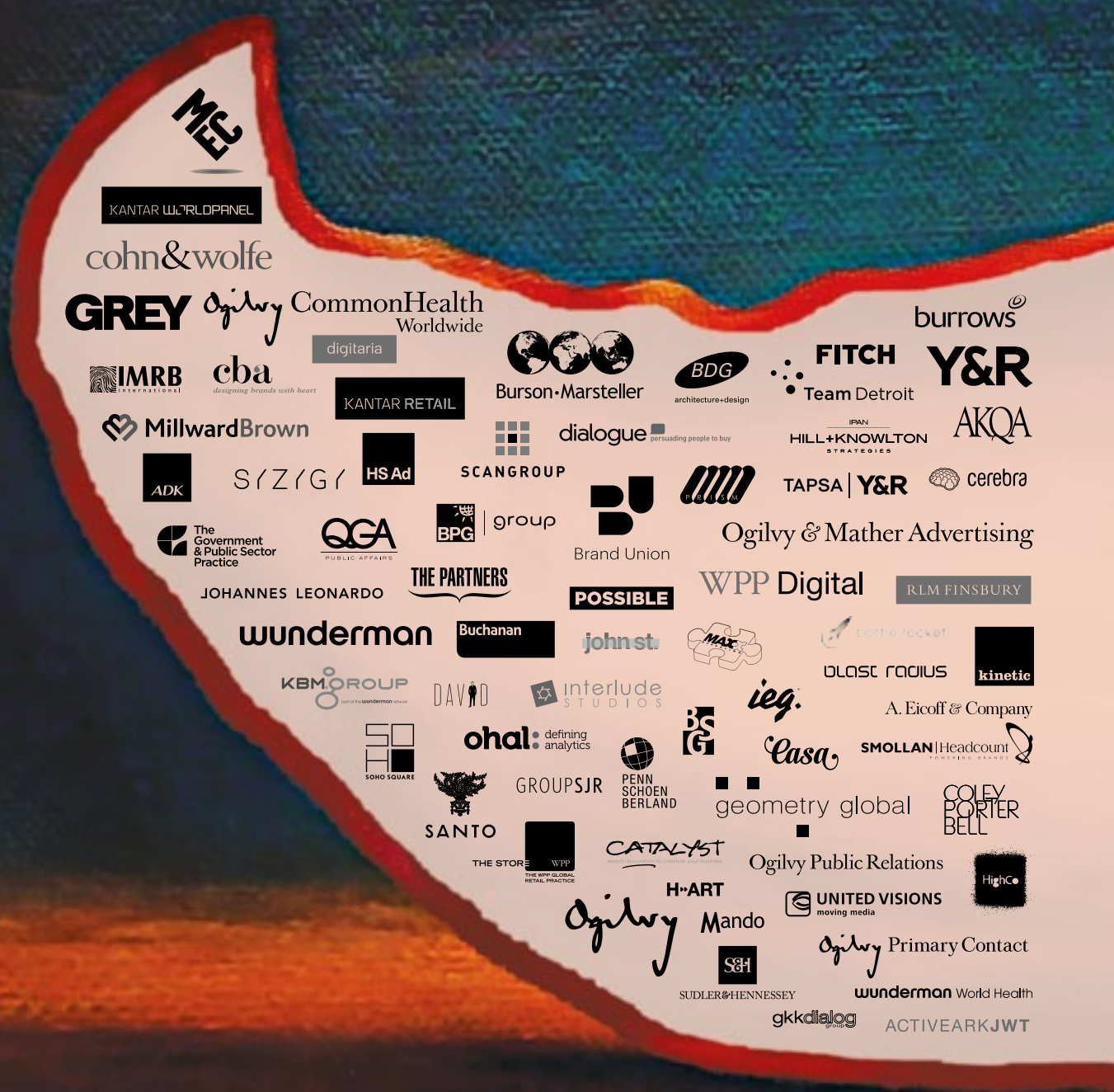
investment in training and welfare



**47%**

of senior managers in the Group are women

# Who we are



McE

KANTAR WORLDPANEL

cohn&wolfe

GREY *Ogilvy* CommonHealth Worldwide

IMRB International

cba *designing brands with heart*

digitaria

KANTAR RETAIL

Burson-Marsteller

BDG *architecture+design*

FITCH  
Team Detroit

burrows

Y&R

AKQA

MillwardBrown

ADK

SYZGY

HSAd

SCANGROUP

dialogue *persuading people to buy*

Brand Union

PROSEM

HILL+KNOWLTON STRATEGIES

TAPSA | Y&R

cerebra

The Government & Public Sector Practice

QGA PUBLIC AFFAIRS

BPG | group

Ogilvy & Mather Advertising

JOHANNES LEONARDO

THE PARTNERS

POSSIBLE

WPP Digital

RLM FINSBURY

wunderman

Buchanan

johnst

MAX

Earthrocket

DLASC RADIUS

kinetic

KBM GROUP *part of the wunderman network*

DAVID

interlude STUDIOS

BSG

ieq.

A. Eicoff & Company

SOHO SQUARE

ohal: *defining analytics*

PENN SCHOEN BERLAND

Casa

SMOLLAN | Headcount

SANTO

GROUPSJR

geometry global

COLEY PORTER BELL

THE STORE *WPP THE WPP GLOBAL RETAIL PRACTICE*

CATALYST

Ogilvy Public Relations

HighCo

*Ogilvy*

H-ART

Mando

UNITED VISIONS *moving media*

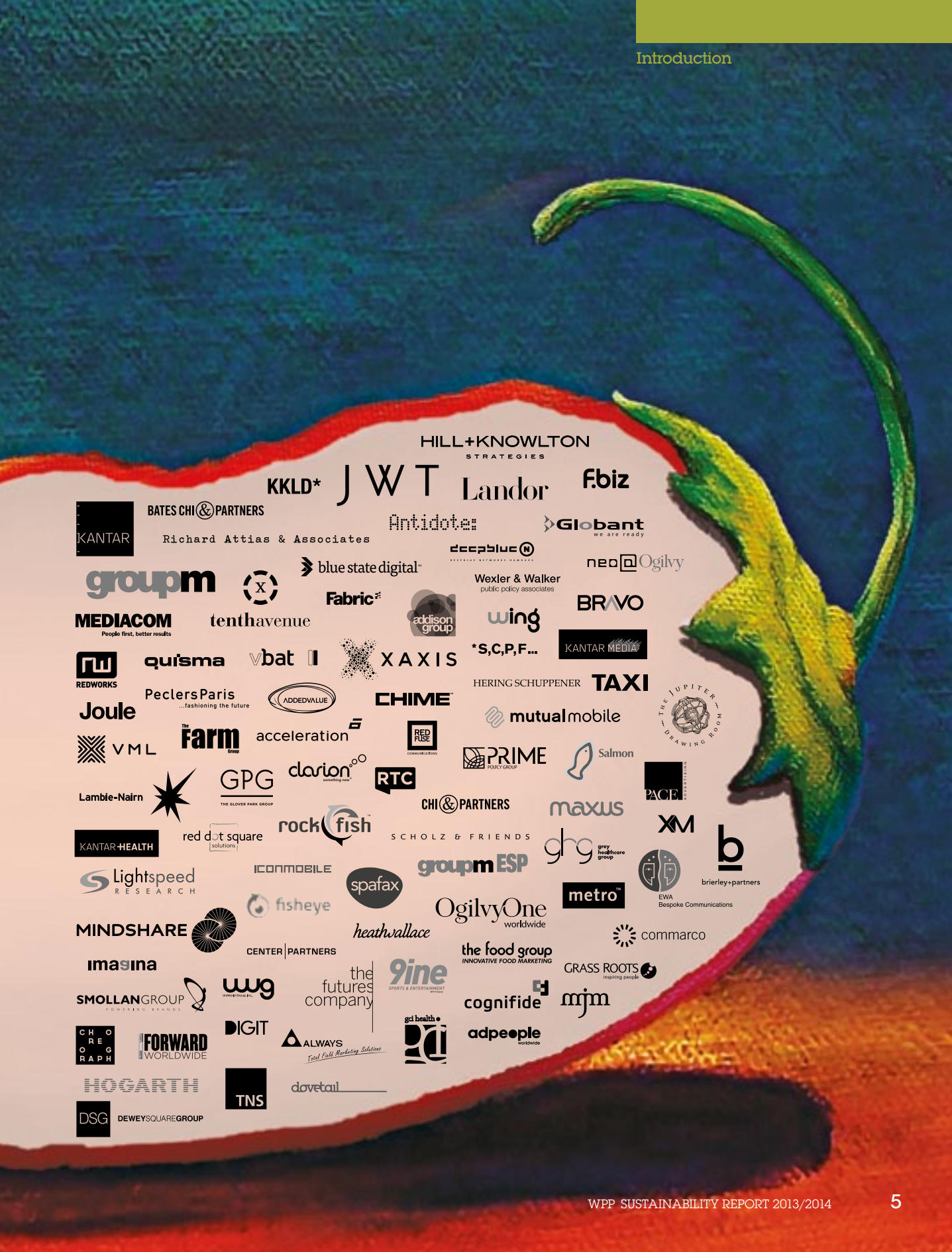
*Ogilvy* Primary Contact

SUDLER & HENNESSEY

wunderman World Health

gkdialog

ACTIVEARKJWT



HILL+KNOWLTON STRATEGIES

KKLD\* J W T Landor fbiz

BATES CHI&PARTNERS  
Richard Attias & Associates

Antidote: Globant we are ready

KANTAR

groupm (X) blue state digital- accpblue WEXLER & WALKER public policy associates neo@Ogilvy

MEDIACOM People first, better results tenthavenue Fabric: addition group wing BRAVO

REDWORKS quisma vbat X X AXIS \*S,C,P,F... KANTAR MEDIA

Joule PeclersParis ...fashioning the future ADDEDVALUE CHIME HERING SCHUPPENER TAXI

VML The Farm acceleration REP mutualmobile THE JUPITER DRAWING ROOM

Lambie-Nairn GPG clarion RTC CHI&PARTNERS maxus

KANTAR HEALTH red dot square rock fish SCHOLZ & FRIENDS ghg grey healthcare group brierley+partners

Lightspeed RESEARCH ICONMOBILE spafax groupm ESP metro EWA Bespoke Communications

MINDSHARE fisheye heathwallace OgilvyOne worldwide commarco

imasina CENTER|PARTNERS the food group INNOVATIVE FOOD MARKETING GRASS ROOTS inspiring people

SMOLLANGROUP wwg the futures company 9ine SPORTS & ENTERTAINMENT cognifide mjm

CHOROGRAPH FORWARD WORLDWIDE DIGIT ALWAYS Total Field Marketing Solutions pdi adpeople

HOGARTH TNS clovetail

DSG DEWEYSQUAREGROUP

# Our companies & associates

## Advertising

ADK<sup>1</sup>  
[adk.jp](http://adk.jp)

Bates CHI&Partners  
[bateschi.com](http://bateschi.com)

Berlin Cameron United  
[bcunited.com](http://bcunited.com)

CHI&Partners<sup>1</sup>  
[chiandpartners.com](http://chiandpartners.com)

Grey  
[grey.com](http://grey.com)

HS Ad<sup>1</sup>  
[hsad.co.kr](http://hsad.co.kr)

JWT  
[jwt.com](http://jwt.com)

Ogilvy & Mather Advertising  
[ogilvy.com](http://ogilvy.com)

Santo  
[santo.net](http://santo.net)

Scangroup  
[scangroup.biz](http://scangroup.biz)

Scholz & Friends  
[s-f.com](http://s-f.com)

Señora Rushmore  
[srarushmore.com](http://srarushmore.com)

Soho Square  
[sohosquareasia.com](http://sohosquareasia.com)

TAXI<sup>■</sup>  
[taxi.ca](http://taxi.ca)

Team Detroit  
[teamdetroit.com](http://teamdetroit.com)

The Jupiter Drawing Room<sup>1</sup>  
[jupiter.co.za](http://jupiter.co.za)

United Network  
[group-united.com](http://group-united.com)

Y&R<sup>■</sup>  
[yr.com](http://yr.com)

## Media Investment Management

**GroupM:**  
[groupm.com](http://groupm.com)

KR Media  
[krmedia-france.com](http://krmedia-france.com)

Maxus  
[maxusglobal.com](http://maxusglobal.com)

MediaCom  
[mediacom.com](http://mediacom.com)

MEC  
[mecglobal.com](http://mecglobal.com)

Mindshare  
[mindshareworld.com](http://mindshareworld.com)

Ohai  
[ohai-group.com](http://ohai-group.com)

Catalyst  
[groupm.com/global/catalyst](http://groupm.com/global/catalyst)

Xaxis  
[xaxis.com](http://xaxis.com)

Quisma  
[quisma.com](http://quisma.com)

**Other media agencies**

M/Six<sup>2</sup>  
[msixagency.com](http://msixagency.com)

**tenthavenue:**  
[tenthavenue.com](http://tenthavenue.com)

Forward  
[theforwardgroup.com](http://theforwardgroup.com)

Joule  
[jouleww.com](http://jouleww.com)

Kinetic Worldwide  
[kineticww.com](http://kineticww.com)

Spafax  
[spafax.com](http://spafax.com)

TMARC  
[tmarcweb.co.za](http://tmarcweb.co.za)

## Data Investment Management

**Kantar:**  
[kantar.com](http://kantar.com)

Added Value  
[added-value.com](http://added-value.com)

Benenson Strategy Group  
[bsgco.com](http://bsgco.com)

Center Partners  
[centerpartners.com](http://centerpartners.com)

IMRB International  
[imrbint.com](http://imrbint.com)

Kantar Health  
[kantarhealth.com](http://kantarhealth.com)

Kantar Japan  
[kantar.jp](http://kantar.jp)

Kantar Media  
[kantarmedia.com](http://kantarmedia.com)

Kantar Retail  
[kantarretail.com](http://kantarretail.com)

Kantar Worldpanel  
[kantarworldpanel.com](http://kantarworldpanel.com)

Lightspeed Research  
[lightspeedresearch.com](http://lightspeedresearch.com)

Millward Brown  
[millwardbrown.com](http://millwardbrown.com)

The Futures Company  
[thefuturescompany.com](http://thefuturescompany.com)

TNS  
[tnsglobal.com](http://tnsglobal.com)

## Public Relations & Public Affairs

Blanc & Otus<sup>\*</sup>  
[biancandotus.com](http://biancandotus.com)

Buchanan Communications  
[buchanan.uk.com](http://buchanan.uk.com)

Burson-Marsteller<sup>■</sup>  
[burson-marsteller.com](http://burson-marsteller.com)

Clarion Communications  
[clarioncomms.net](http://clarioncomms.net)

Cohn & Wolfe<sup>■</sup>  
[cohnwolfe.com](http://cohnwolfe.com)

Dewey Square Group  
[deweysquare.com](http://deweysquare.com)

Glover Park Group  
[gloverparkgroup.com](http://gloverparkgroup.com)

Hering Schuppener  
[heringschuppener.com](http://heringschuppener.com)

Hill+Knowlton Strategies  
[hkstrategies.com](http://hkstrategies.com)

Ogilvy Government Relations  
[ogilvygr.com](http://ogilvygr.com)

Ogilvy Public Relations  
[ogilvypr.com](http://ogilvypr.com)

Penn Schoen Berland<sup>■</sup>  
[psbresearch.com](http://psbresearch.com)

Prime Policy Group  
[prime-policy.com](http://prime-policy.com)

QGA  
[qga.com](http://qga.com)

RLM Finsbury  
[rlmfinsbury.com](http://rlmfinsbury.com)

Wexler & Walker Public Policy Associates<sup>\*</sup>  
[wexlerwalker.com](http://wexlerwalker.com)

## Branding & Identity

Addison Group<sup>•</sup>  
[addison-group.net](http://addison-group.net)

BDG architecture + design  
[bdg-a-d.com](http://bdg-a-d.com)

CBA  
[cba-design.com](http://cba-design.com)

Coley Porter Bell  
[cpb.co.uk](http://cpb.co.uk)

Dovetail  
[dovetailfurniture.com](http://dovetailfurniture.com)

FITCH<sup>•</sup>  
[fitch.com](http://fitch.com)

Lambie-Nairn<sup>•</sup>  
[lambie-nairn.com](http://lambie-nairn.com)

Landor Associates<sup>■•</sup>  
[landor.com](http://landor.com)

PeclersParis<sup>•</sup>  
[peclersparis.com](http://peclersparis.com)

Brand Union<sup>•</sup>  
[brandunion.com](http://brandunion.com)

The Partners<sup>•</sup>  
[the-partners.com](http://the-partners.com)

VBAT<sup>•</sup>  
[vbat.com](http://vbat.com)

## Healthcare Communications

Feinstein Kean Healthcare<sup>†</sup>  
[fkhealth.com](http://fkhealth.com)

GCI Health  
[gcihealth.com](http://gcihealth.com)

ghg  
[ghgroup.com](http://ghgroup.com)

Ogilvy CommonHealth Worldwide  
[ogilvychww.com](http://ogilvychww.com)

Sudler & Hennessey<sup>■</sup>  
[sudler.com](http://sudler.com)

Wunderman World Health<sup>†</sup>  
[wundermanworldhealth.com](http://wundermanworldhealth.com)

### Key

- <sup>1</sup> Associate
  - <sup>2</sup> Joint venture
  - <sup>3</sup> Investment
  - A Hill+Knowlton Strategies company
  - <sup>†</sup> An Ogilvy company
  - A Young & Rubicam Group company
  - A member of B to D Group
  - <sup>\*</sup> Part of the Wunderman network
  - <sup>\*</sup> A Commarco company
- As at May 2014.



## Direct, Digital, Promotion & Relationship Marketing

AdPeople Worldwide<sup>+</sup>  
[adpeople.com](http://adpeople.com)

A. Eicoff & Co  
[eicoff.com](http://eicoff.com)

AKQA  
[akqa.com](http://akqa.com)

Barrows<sup>1</sup>  
[barrowsonline.com](http://barrowsonline.com)

Blast Radius<sup>+</sup>  
[blastradius.com](http://blastradius.com)

Brierley+Partners<sup>1</sup>  
[brierley.com](http://brierley.com)

Cerebra  
[cerebra.co.za](http://cerebra.co.za)

Deep Blue<sup>\*</sup>  
[db-n.com](http://db-n.com)

Dialogue  
[dialoguelondon.com](http://dialoguelondon.com)

Digit  
[digitlondon.com](http://digitlondon.com)

EWA  
[ewa.ltd.uk](http://ewa.ltd.uk)

FullSIX<sup>3</sup>  
[group.fullsix.com](http://group.fullsix.com)

Grass Roots<sup>1</sup>  
[grassrootsgroup.com](http://grassrootsgroup.com)

Geometry Global  
[geometry.com](http://geometry.com)

High Co<sup>1</sup>  
[highco.fr](http://highco.fr)

iconmobile<sup>■</sup>  
[iconmobile.com](http://iconmobile.com)

KBM Group<sup>+</sup>  
[kbgm.com](http://kbgm.com)

Mando  
[mando.co.uk](http://mando.co.uk)

Maxx Marketing  
[maxx-marketing.com](http://maxx-marketing.com)

OgilvyOne Worldwide  
[ogilvy.com](http://ogilvy.com)

RTC<sup>■</sup>  
[rtcagency.com](http://rtcagency.com)

SJR  
[groupsjr.com](http://groupsjr.com)

Smollan Group<sup>1</sup>  
[smollan.co.za](http://smollan.co.za)

Smollan/Headcount  
[smollan.co.uk](http://smollan.co.uk)

VML<sup>■</sup>  
[vml.com](http://vml.com)

Wunderman<sup>■</sup>  
[wunderman.com](http://wunderman.com)

## Specialist Communications

### Corporate/B2B

Ogilvy Primary Contact  
[primary.co.uk](http://primary.co.uk)

### Demographic marketing

Bravo<sup>■</sup>  
[bebravo.com](http://bebravo.com)

UniWorld<sup>1</sup>  
[uniworldgroup.com](http://uniworldgroup.com)

Wing  
[insidewing.com](http://insidewing.com)

### Employer branding/ recruitment

JWT Inside  
[jwt.com](http://jwt.com)

### Event/face-to-face marketing

MJM  
[mjmcreative.com](http://mjmcreative.com)

Metro  
[metrobroadcast.com](http://metrobroadcast.com)

Richard Attias & Associates<sup>1</sup>  
[richardattiasassociates.com](http://richardattiasassociates.com)

### Foodservice marketing

The Food Group  
[thefoodgroup.com](http://thefoodgroup.com)

### Sports marketing

9ine Sports & Entertainment  
[9ine.com.br](http://9ine.com.br)

Chime Communications  
PLC<sup>1</sup>

[chimeplc.com](http://chimeplc.com)

GroupM ESP  
[groupm.com/groupm-esp](http://groupm.com/groupm-esp)

PRISM Group  
[prismteam.com](http://prismteam.com)

### Entertainment marketing

Alliance  
[alliance-agency.com](http://alliance-agency.com)

### Real estate marketing

Pace  
[paceadv.com](http://paceadv.com)

## Media & production services

The Farm Group  
[farmgroup.tv](http://farmgroup.tv)

Imagina<sup>3</sup>  
[mediapro.es](http://mediapro.es)

United Visions<sup>\*</sup>  
[united-visions.de](http://united-visions.de)

## WPP Digital

Acceleration  
[acceleration.biz](http://acceleration.biz)

Blue State Digital  
[bluestatedigital.com](http://bluestatedigital.com)

Cognifide  
[cognifide.com](http://cognifide.com)

The Data Alliance  
[thedataalliance.com](http://thedataalliance.com)

Fabric Worldwide<sup>1</sup>  
[fabricww.com](http://fabricww.com)

F.biz  
[fbiz.com.br](http://fbiz.com.br)

Hogarth Worldwide  
[hogarthww.com](http://hogarthww.com)

Interlude<sup>1</sup>  
[interlude.fm](http://interlude.fm)

Johannes Leonardo<sup>1</sup>  
[johannesleonardo.com](http://johannesleonardo.com)

Mutual Mobile<sup>1</sup>  
[mutualmobile.com](http://mutualmobile.com)

POSSIBLE  
[possible.com](http://possible.com)

Rockfish  
[rockfishdigital.com](http://rockfishdigital.com)

Salmon  
[salmon.com](http://salmon.com)

Syzygy<sup>1</sup>  
[syzygy.net](http://syzygy.net)

Visible<sup>1</sup>  
[visibletechnologies.com](http://visibletechnologies.com)

## WPP Digital partner companies

Ace Metrix<sup>3</sup>  
[acemetrix.com](http://acemetrix.com)

eCommera<sup>3</sup>  
[ecommera.com](http://ecommera.com)

Fullscreen<sup>3</sup>  
[fullscreen.net](http://fullscreen.net)

Globant<sup>1</sup>  
[globant.com](http://globant.com)

HDT Holdings Technology<sup>3</sup>  
[hdtmedia.com](http://hdtmedia.com)

In Game Ad Interactive<sup>3</sup>  
[igagroup.net](http://igagroup.net)

Invidi<sup>3</sup>  
[invidi.com](http://invidi.com)

mySupermarket<sup>3</sup>  
[mysupermarket.co.uk](http://mysupermarket.co.uk)

Moment Systems<sup>3</sup>  
[miaozen.com](http://miaozen.com)

Percolate<sup>3</sup>  
[blog.percolate.com](http://blog.percolate.com)

Proclivity Systems<sup>3</sup>  
[proclivitysystems.com](http://proclivitysystems.com)

Say Media<sup>3</sup>  
[saymedia.com](http://saymedia.com)

SFX Entertainment<sup>3</sup>  
[sfxi.com](http://sfxi.com)

Vice Media<sup>3</sup>  
[vice.com](http://vice.com)

The Weinstein Company<sup>3</sup>  
[weinsteinco.com](http://weinsteinco.com)

WildTangent<sup>3</sup>  
[wildtangent.com](http://wildtangent.com)

## WPP knowledge communities

Government & Public Sector  
Practice

[wpp.com/govtpractice](http://wpp.com/govtpractice)

The Store

[wpp.com/store](http://wpp.com/store)

# Sustainability and our business

**Our commitment to sustainability has a direct impact on our financial performance and our ability to achieve our business strategy. It is integral to our relationships with our clients, our people, investors and other stakeholders. As sustainability issues become more important for society and the many clients that we work for around the world, their importance also grows for WPP and our operating companies.**

## **Our business strategy**

---

Our goal is to be the world's most successful communications services advisor and we have identified four strategic priorities to help us achieve this. Our work on sustainability issues is important to our strategy in three main ways: it gives us better access to the skills we need to grow; it opens up new business opportunities and supports the expansion of our digital and data businesses; and it protects our business from reputational risks. This relationship between sustainability and our strategy is illustrated in the diagram opposite.

By making sustainability part of how we work, we can become a stronger and more diverse global business, better able to harness the talents of our people and the potential of big data and new media, to serve the needs of our clients.



Read more about our business strategy in our Annual Report at [wpp.com/ar2013](http://wpp.com/ar2013)

## **OUR GOAL**

To be the world's most successful communications services advisor to multinational, regional and local companies.

## **WHY SUSTAINABILITY MATTERS**

Our commitment to sustainability supports progress on our strategic priorities by attracting talent, opening up new business opportunities, reducing risks to the business and supporting our reputation with key stakeholders.

## STRATEGIC PRIORITIES

1

### NEW MARKETS

**Our target**  
Increase the share of revenues from faster-growing markets to 40-45%

2

### NEW MEDIA

**Our target**  
Increase the share of revenues from new media to 40-45%

3

### DATA INVESTMENT MANAGEMENT

**Our target**  
Increase the share of more measurable marketing services to be more than 50%

4

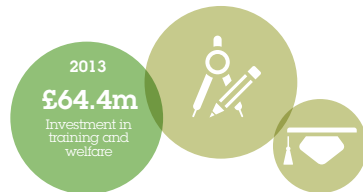
### HORIZONTALITY

**Our target**  
Achieve 'horizontality' by ensuring our people work together for the benefit of clients

### ACCESS TO SKILLS

Leading employment practices, a commitment to diversity and our reputation for sustainability help us to recruit and retain the best people in all our markets.

Investing in skills and education, especially in our growth markets, widens our talent pool and helps us to grow.

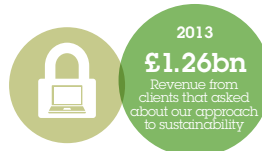


### ACCESS TO NEW BUSINESS

Our clients want to be confident that we meet best practice standards on privacy and data security. This is increasingly important as our digital and data investment management businesses grow.

A growing number of client tender processes include sustainability requirements. Clients that asked about our approach to sustainability were worth at least £1.26 billion to us in 2013.

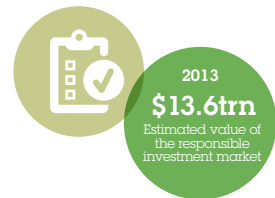
More and more of our global clients are prioritising sustainable business practices, and looking to our companies for their insight on social and environmental issues.



### REPUTATION AND RISK MANAGEMENT

As we continue to grow we must make sure our ethical standards are applied consistently wherever we operate and in our supply chain.

Our commitment to sustainability supports our reputation and enables us to respond to growing investor interest. The responsible investment market is worth at least \$13.6 trillion.



## Our key sustainability issues

Sustainability creates a wide range of risks and opportunities for WPP. Alongside the issues of particular importance to our business strategy, we also take into account the concerns and priorities of our key stakeholder groups. To help us prioritise and to increase the impact of our sustainability work, we identify the issues most important to our business and our stakeholders through our materiality process, incorporating both internal and external stakeholder feedback.

In line with the requirements of the GRI G4 Reporting Principles, we conducted our most recent formal materiality assessment in January 2014. We made the assessment in a workshop attended by a multidisciplinary team of WPP senior managers.

A list of issues and business aspects was provided to the workshop based on the subjects raised by external stakeholders. (Read about our approach to stakeholder engagement on page 66.) Each item was scored for its potential impact on WPP's business. Both positive and negative business impacts were assessed. The output is reflected in the chart below and has been used to define the content of our reporting. All issues identified are covered in this report.

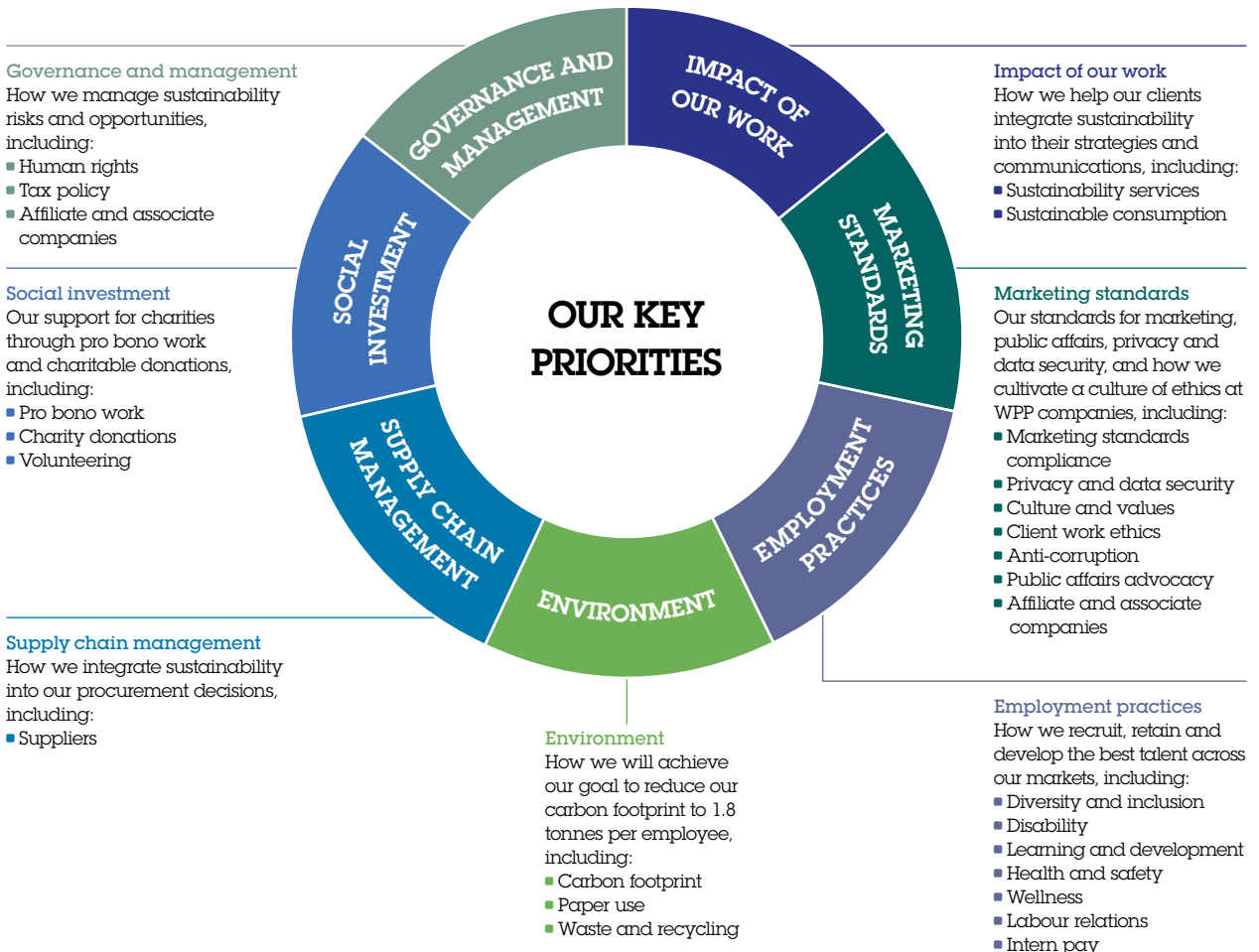
Importance to external stakeholders is plotted on the vertical axis and materiality to WPP is plotted on the horizontal axis. Our materiality assessment identified a number of areas of consensus between WPP and our stakeholders, as well as areas of divergence.

### WPP materiality assessment



## Materiality and our reporting

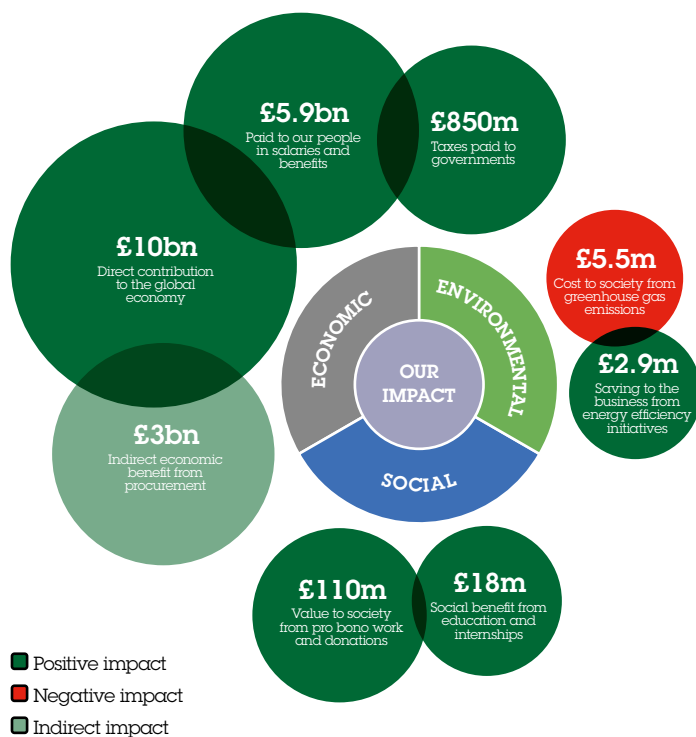
Our reporting is structured around the following priorities. These incorporate all the issues identified as most material by WPP and/or our stakeholders, as well as those identified as medium materiality. The bullet points indicate where the issues on our materiality matrix can be found in the report.



# Understanding our impact

Sustainability for WPP is about maximising our long-term contribution to society, beyond just the profit we make for our share owners. This supports our relationships with our people, investors and clients, who know they are associated with an organisation actively seeking to improve its impact.

## Summary of our impact



To help us do this we are starting to measure and quantify the contribution our business makes, as well as the negative impacts associated with our activities. This will enable us to assess both the value our business brings and where there are opportunities to enhance our contribution. We hope that over time this analysis can help us to monitor progress and become a useful tool in business decision-making.

For our initial analysis we have selected a limited number of indicators across economic, environmental and social areas to demonstrate the impacts of our activities. This work has been undertaken in partnership with an expert consultancy. We are just at the start of this process and the figures included here are our initial estimates. We hope to expand the indicators we use and to report more fully in future years. The findings show a significant positive economic impact, both directly through our business activities, the salaries and benefits we pay to employees and our tax payments to governments and indirectly through the benefits resulting from our spend with suppliers. We also make a significant social contribution beyond the direct value of the pro bono work and charitable donations we make. Among the measures we have used, our main negative impact relates to the cost to society and future generations of greenhouse gas emissions associated with our business activities.

The methodology used to evaluate these impacts is outlined on pages 73 and 74.

## Economic impact

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Our analysis shows a significant positive contribution to the economies in which we operate, through paying salaries to our people, payments to suppliers, taxes to governments and dividends to share owners. Alongside the direct impacts of our activities, there is a significant multiplier effect from the salaries and payments we make which enable our people to buy goods and services and our suppliers to create jobs and spend in the economy, stimulating growth. The communications services we provide for clients create a further indirect economic benefit by helping our clients to increase their revenues, which stimulates growth and helps create jobs, though we have not quantified this.

### Direct economic impacts

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#### Gross value added: £10 billion economic impact

The direct contribution our activities make to the worldwide economy is measured as Gross Value Added (GVA). This is calculated as the financial value of the services we sell minus the cost of all inputs directly related to delivery of these services. We estimate that the value of services we produce stands at more than £10 billion. This income is used to cover operating costs and taxes, and dividends.

#### Payroll: £5.9 billion paid to our people

We are a major global employer, offering many thousands of well-remunerated positions. The almost £6 billion we spend on salaries and benefits provides a cash injection into local economies as people typically spend a large portion of their income on goods and services in their local area.

#### Taxes: £850 million paid to governments

Our companies make a positive contribution to the economies of the 110 countries in which we operate through payments of taxes to national and local governments, including corporation and overseas taxes (£273 million) and social security taxes (£577 million), enabling them to invest in local socioeconomic development. Our total tax contribution was £850 million in 2013.

### Indirect economic impacts

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#### Supply chain: £6 billion spend with £3 billion indirect economic benefit

Our companies provide indirect benefits to economies across the world through procurement of advertising production, research operations, facilities, human resources, IT, telecoms, travel and professional services. This spending provides many indirect benefits to the economy by supporting livelihoods and

job creation. We have just begun assessing the impact of our spend with these suppliers and our initial estimate suggests that the economic benefit can be valued at in excess of £3 billion each year. These calculations exclude our media spend on behalf of clients.

## Social impact

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Our companies support many social and charitable activities by providing direct donations and by undertaking pro bono work, marketing advice and campaigns for little or no fee. By enabling charities to achieve campaign objectives, raise funds and recruit new members, these activities contribute indirectly to improving human health, community cohesion, and protection of human rights and the environment. Our companies also provide internship and apprenticeship opportunities, which equip people with skills and experience that enhance their future life prospects.

### Pro bono work: £80 million social benefit

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We provide pro bono support in all our major markets and regions on campaigns that align with our values. This ranges from small one-off campaigns to major long-term partnerships. The direct value of our pro bono work was £14.7 million in 2013, based on the fees that organisations would have paid for our work. Our initial estimates suggest that the total impact of pro bono work was around £80 million through the wider social benefits created by these campaigns. These benefits include, for example, the contribution made to improving health and well-being in communities. More work is needed to further refine this initial estimate.

### Charitable donations: £30 million social benefit

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In 2013, WPP's charitable donations were £4.9 million. These donations support important work in areas such as education, health, human rights, local community, environment and the arts. We estimate the value of the social benefits resulting from these donations to be around £30 million per year.

### Internships and apprenticeships: £18 million social benefit

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Currently we offer around 4,000 internship positions across the Group. Our initial estimate suggests these create benefits worth £18 million annually, for example by enabling young people to get jobs more quickly. Our support for education can be particularly important in helping to build the local skills base in countries like China, where the communications services sector is less well-established.



## Environmental impact

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We are working hard to reduce our environmental footprint. Climate change is the priority environmental issue for the Group and we are currently focusing our efforts on reducing greenhouse gas emissions. Our business continues to grow and this makes it more challenging to reduce our overall footprint. However, implementing our climate strategy (see page 44) has enabled us to reduce our impact per employee and we have an ambitious target to achieve further reductions by 2020.

### Greenhouse gas emissions: £5.5 million cost to society

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We measure greenhouse gas (GHG) emissions from energy, business air travel, and other estimated impacts such as leased cars, taxis and couriers. Since 2006, our absolute GHG emissions have remained roughly constant, increasing by just 4% to 279,859 tonnes of carbon dioxide equivalents (tCO<sub>2</sub>e). During the same period revenues increased by 87% and headcount by 50%. Emissions per employee are down 31% since 2006 and stand at 2.35 tCO<sub>2</sub>e per person.

Currently, businesses such as ours do not bear the environmental costs of mitigating their greenhouse gas emissions. Our initial estimate suggests that this benefit, which is currently provided for free by nature or at the cost of future generations, is worth £5.5 million per year to WPP in 2013. This takes into account the benefits resulting from our green electricity purchasing and investment in renewable energy offsets, see below. Further work is needed to account for the wider impacts of our GHG emissions.

### Energy consumption: £3 million in avoided cost

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Total energy consumption increased by 24% between 2006 and 2013. However, our energy use per person decreased by 17%, largely due to investments in energy efficiency. As a result the Group avoided over £2.9 million in utility costs and avoided 38,200 tCO<sub>2</sub>e of emissions.

### Business travel: 86 million air miles avoided

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Since 2006, our total air miles have increased by almost 30%, but air miles per person decreased by 14% and, as a result of our activities, we have avoided over 86 million air miles. We invest in renewable energy carbon offsets to mitigate the impact of business air travel. In 2013, we offset 95,879 tCO<sub>2</sub>e and since 2007 we have offset a total of over 1 million tCO<sub>2</sub>e, with an overall investment of £5.1 million.

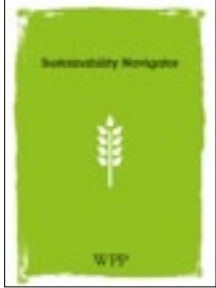
# The impact of our work

More leading brands are incorporating sustainability into their long-term strategies and working practices. Our companies help them to use marketing and communications as powerful tools for engaging stakeholders on these issues, enabling clients to enter new markets for products and services that have social and environmental benefits.

## FAST READ

- Clients looking to WPP companies for advice and insights on sustainability.
- Specialist sustainability offers developed across WPP companies.
- Clients who engaged with us on sustainability worth £1.26 billion.
- Webinars, events and briefings used to build sustainability knowledge in our companies.

**£1.26bn**   
Revenue from clients who engaged  
with us on sustainability



#### WPP's Sustainability Navigator

A handbook and online resource summarising our companies' sustainability offerings, together with contact details for experts around the Group.

Across all sectors, a growing proportion of our work is related to sustainability themes, including topics such as sustainable consumption and other social and environmental issues, as well as our social marketing and cause-related marketing campaigns. We invest in building our companies' expertise.

Our own sustainability program plays a critical role in helping us understand the global social and environmental trends that are impacting our clients' businesses and reshaping the opportunities for sustainable growth.

### Sustainability in marketing

WPP companies in all disciplines advise clients on sustainability-related briefs. Many of our companies have established specialist sustainability offerings. These include Burson-Marsteller's Global Corporate Responsibility Practice, Hill+Knowlton Strategies' CR + Sustainability Communications offering, JWT Ethos, OgilvyChange, OgilvyEarth, P&G's S-Team and PSB Green.

We share expertise across our companies and have tools and events that encourage collaboration in this area. They include:

- **Sustainability Navigator:** a directory of sustainability expertise within WPP that enables collaboration across our companies.
- **Webinars:** regular webinars on sustainability and related topics, featuring expert speakers and Q&A sessions.
- **Big Picture briefings:** background briefings on a wide range of sustainability topics.
- **Sustainability seminar:** annual event for key sustainability leads in our companies to hear from expert speakers and clients.

Our companies also run their own events to inspire and engage their teams on sustainability. At OgilvyEarth, for example, regular events bring employees and clients together with expert speakers to discuss topical sustainability issues.



## Sustainability services in our companies

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WPP companies in every discipline are advising clients on sustainability and helping them to achieve their objectives. These services include:

### Research and insight



Helping clients to understand changing attitudes to sustainability issues and testing the impact of sustainability strategy and communications approaches.

- Cultural insight
- Trends analysis
- Consumer research on sustainability
- Future sustainability scenarios
- Stakeholder mapping and research

### Branding and strategy



Our companies work with clients to embed social and environmental values into brands and business strategy.

- Brand purpose and positioning
- Identification of sustainability issues and impacts
- Sustainable innovation
- Measuring sustainability performance

### Consumer communications



Our advertising, digital and direct communications companies help clients communicate credibly with consumers and customers on sustainability and generate sales of sustainable products.

- Sustainable marketing
- Sustainable packaging design
- Cause-related marketing
- Social marketing

### Employee communications



Engaging employees on social and environmental issues and enabling clients to embed sustainability into their businesses.

- Executive engagement on sustainability
- Change management
- Training on sustainability

### Stakeholder communications



Our public relations and public affairs companies help clients to communicate with regulators, the media, NGOs and the public on sustainability issues.

- Sustainability reporting
- Public policy on sustainability issues
- Issues management on sustainability issues
- Stakeholder engagement and consultation

## Sustainability research and insight

Our research and insight companies undertake studies on behalf of clients, exploring consumer attitudes and behaviour in relation to sustainability issues, and also publish new thinking on topics relating to business and social change. Here we profile two recent examples.

Research case study:  
**Sustain Ability Challenge**

WPP company: **The Futures Company London**  
Client: **Unilever**



On behalf of Unilever, The Futures Company set out to challenge the belief that living sustainably costs UK households more, and to improve understanding of how people can best respond to the challenge of adopting a more sustainable lifestyle. In a six month research experiment, they invited 12 UK households to take on three challenges:

- To reduce the volume of food they wasted each month.
- To reduce water use in the bathroom and when doing laundry.
- To make more sustainable shopping choices.

The households were given tools and tips to help them complete weekly sustainability tasks which were designed to show that sustainable living can be engaging, aspirational and beneficial.

The results were impressive. These households saved £22 a week on average on their grocery bills and were able to reduce water use. Many of the households who were quite cynical about sustainability to begin with, also felt more empowered and able to make a personal difference.

Unilever is using the findings to further integrate sustainability into its brands and to inspire a larger campaign, launched in partnership with the Guardian, challenging and inspiring the whole of the UK population to 'Live Better'.

Research case study:  
**The importance of feminine values**



New research from BAV Consulting's Brand Asset Valuator, a global consumer insights survey, shows that values traditionally considered 'feminine' such as co-operation, long-term thinking, nurturing and sharing and flexibility, are becoming more important in solving some of the major problems we face in modern-day business, government and society.

The findings from the study, encompassing 64,000 people in 13 countries, are elucidated in the book, *The Athena Doctrine: How Women (And The Men Who Think Like Them) Will Rule the Future* authored by John Gerzema and Michael D'Antonio.

“Our research shows that competencies formerly relegated to soft skills, such as inclusion, flexibility, diversity of thought and compassion actually improve a company's bottom line. Leaders who embrace these skills lead more sustainable companies, increase ROI on their firm's human capital, jump-start innovation, are more able to retain key talent and improve employees' well-being.”

[athenadoctrine.com](http://athenadoctrine.com)

John Gerzema is executive chairman and CEO of BAV Consulting.

## Sustainability marketing



Campaign: **Smarter Cities**

WPP company: **Ogilvy & Mather Paris**  
Client: **IBM**



Creating smarter cities will enable future sustainable economic growth. This campaign brings IBM's services for Smarter Cities to life through street furniture that makes life a bit easier for urban residents. Each one uses a billboard with a difference – from benches to rain shelters and stair ramps.

IBM launched the idea in London and Paris, and hopes to take this idea to cities around the world and inspire citizens to think about simple ways they can help make their cities smarter.

### Awards:

- ★ Grand Prix Cannes Lion and two Gold Media Lions.
- ★ LIA 2013 – Gold (Billboard).
- ★ CDA 2013 – Prix en Design d'espace.



Campaign: **Smart Performer**

WPP company: **MediaCom New York**  
Client: **Audi**



Audi TDI clean diesel vehicles use less fuel and emit fewer emissions than standard diesel, but clean diesel amounts to just 1% of the market in the US. This campaign launched during Emmy Awards week featuring award-winning actress Claire Danes in two parallel stories. While Good Day Claire drives the Audi A6 TDI and enjoys her sun-dappled journey on one tank of fuel, Bad Day Claire in another vehicle ends up in jail through a series of unfortunate incidents due to constantly stopping for fuel.

### Results:

3.2 million YouTube views, visits to the Audi TDI website up 74%.

### Awards:

- ★ Internationalist Awards for Innovation in Media – Gold Award.
- ★ Creative Media Awards – Best in Television.



Campaign: **Lifebuoy Roti**

WPP company: **Geometry Global India**  
Client: **Lifebuoy (Unilever)**



Lifebuoy, Unilever's health soap brand, wanted to spread the message that hand washing with soap is one of the best ways to prevent the millions of deaths that occur because of poor hygiene in developing countries. Geometry Global India stamped 2.5 million fresh rotis, an Indian bread served at almost every meal, with the question "Did you wash your hands with Lifebuoy?". The rotis were distributed at Maha Kumbh Mela, India's largest festival of faith, which in 2013 saw over 100 million people coming to Allahabad to pray, live and eat together. Free Lifebuoy soap was provided at washing facilities, and hoardings and banners across the Kumbh area spread awareness.

### Results:

The campaign garnered 80 million global media impressions and \$59.3 million in earned media. Lifebuoy's market share is at a 3-year high.

## Cause-related marketing



Campaign: **Farmers' Club**

WPP company: **Team Red Istanbul**  
Client: **Vodafone**



Team Red Istanbul has been helping Vodafone raise awareness of its Farmers' Club, since it launched four years ago. The mobile service enables farmers, many of whom are smallholders working in remote areas, to improve their harvests and livelihoods through better access to information.

### Results:

800,000 subscribers;  
196,000 educated farmers at Farmers' Club Trucks;  
17,000 downloads of Farmers' Guide app.

Cause-related marketing involves a company and its consumers supporting a particular cause. It usually takes the form of the company making a donation to the cause for every product consumers buy during the campaign. Successful cause-related marketing campaigns benefit brands through increased sales and customer engagement, and charities through donations and awareness of their cause. WPP companies create many of these brand-charity partnerships that resonate with the public and meet client goals.



Campaign: **Bookends**

WPP company: **JWT Dubai**  
Client: **Kinokuniya**



Over 100 million children around the globe do not attend school. JWT Dubai worked for Kinokuniya, a leading bookstore, to engage the public on the importance of education for underprivileged children. Specially-handcrafted bookends were created to illustrate how children can easily fall prey to the dangers of poverty. For each book purchased, a proportion of the sale was donated to charity programs dedicated to schooling in developing countries. A second copy of the same book was placed between the bookends in store, pushing bookends apart, to show how education keeps children away from a life of hardship.

### Awards:

- ★ Dubai Lynx Gold, Silver and Bronze.
- ★ NY Festivals Bronze.
- ★ Prague International Advertising Festival Gold.
- ★ Cannes Bronze Lion.
- ★ Cresta Bronze (Promo & Activation).

## Social marketing

Social marketing campaigns are designed to raise public awareness or bring about behaviour change in areas like health, safety and the environment. Our companies regularly create social marketing campaigns, usually for governments or NGOs, and we have several companies with specialist social marketing units, such as Ogilvy Outreach, Ogilvy PR's social marketing practice, JWT Ethos, Thompson Social and TNS Political and Social.



### Campaign: **OK2TALK**

WPP company: **Ogilvy PR US**  
Client: **National Association of Broadcasters**

This campaign tackled the stigma which often surrounds mental illness and encouraged young adults experiencing mental health problems to share their stories via social media. TV and radio spots encouraged people to visit [OK2TALK.org](http://OK2TALK.org), a specially-designed website.

#### **Results:**

More than 320,000 TV and radio airings; reached 5 million young people via an in-school TV channel; more than 1.2 million page views on campaign website; 7% increase in calls to National Suicide Prevention Lifeline.



### Campaign: **Coffin**

WPP company: **Y&R Shanghai**  
Client: **International Fund for Animal Welfare (IFAW)**

Millions of sharks are killed each year for their fins, the famous ingredient in shark-fin soup. Y&R created an awareness campaign for IFAW, encouraging people to refuse to eat shark-fin soup and restaurants to stop serving it.

#### **Results:**

700,000 people pledged support; 11% of Shanghai restaurants no longer serving shark-fin soup.





Campaign: **Immortal Fans**

WPP company: **Ogilvy & Mather Brazil**  
 Client: **Sport Club Recife**



Sport Club Recife is known for having some of the most passionate fans in Brazil. They are fans from birth to death. This campaign took their passion to the next level, and encouraged them to become a new kind of fan – the immortal fan.

By becoming a registered organ donor, their hearts, eyes, lungs could keep cheering for Sport Club Recife even after their death.

The idea offered a good reason to people who had never thought about donation to donate: their passion for their team.

**Results:**

51,000 organ donation cards distributed; 61% increase in organ donations.

**Award:**

★ Cannes Gold Lion.



Campaign: **Superformula to Fight Cancer**

WPP company: **JWT Brazil**  
 Client: **A.C.Camargo Cancer Center**



Cancer treatment is not easy, especially for children who often do not understand how it can help them. The A.C.Camargo Center, a leading cancer treatment and research centre in São Paulo, Brazil, partnered with Warner Brothers and JWT Brazil to create ‘Superformula to Fight Cancer’, a unique campaign and innovative chemotherapy program designed to help children with cancer better understand the disease while transforming a scary medical treatment into superhero strength. JWT created animations and comic books depicting popular superheroes battling cancer, along with branded IV covers and a redesigned children’s ward.

**Results:**

Since its launch, JWT has received hundreds of requests for the program to be extended to other hospitals.



**G U I D E D O T S**

Campaign: **Guide Dots**

WPP companies: **Y&R Singapore and VML**  
 Client: **Guide Dog Association for the Blind**



This location-based app uses data from Google Maps, Facebook and Beacon technology (for indoor positioning), as well as crowdsourced information from other users and businesses, to help the visually-impaired discover the world around them using an audio-based interface. Guide Dots was created in collaboration with UDKU Australia.

# Marketing standards

In the work that we produce for our clients and the way we work with others, we strive to meet high ethical standards. Data security and privacy have become important issues for the communications services sector and we aim to be at the forefront of emerging good practice.

## FAST READ

- Over 120,000 employees completed our Ethics and Anti-Bribery and Corruption training.
- Global Data Health Checker used to assess privacy standards across all WPP companies.
- Data Code of Conduct launched and global IT security, privacy and social media policies rolled out across the Group.
- 63% of companies have a dedicated privacy lead and have introduced bespoke privacy training.

**>120,000**  
employees completed ethics and  
anti-corruption training



We set great store by maintaining high standards of integrity and honesty. Our agencies take special care in marketing to children, and when producing work for products or sectors that are potentially sensitive. We do not condone ‘greenwashing’ of a client’s or product’s environmental performance.

## Management approach

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The WPP Code of Conduct and Group Sustainability Policy help our people in dealing with a wide range of ethical, social and environmental subjects. They apply to all employees in all locations and are available on our website and intranet. Both are regularly updated.

These policies are implemented by our companies at a local level, with mandatory ethics and anti-bribery and corruption training for all employees (see pages 28 and 29 for more detail). All WPP companies handle data that relates to their business, employees, clients and, in some cases, consumers. WPP is increasing its focus on how this data is collected, used and stored. All companies must comply with WPP data and security policies, and WPP’s Data Code of Conduct. Our IT security (ITS) audit team monitors compliance.

We have a compliance officer to oversee our approach to ethics and compliance, and to provide support and guidance to our companies. She reports to our Group chief counsel and director of Internal Audit. Companies implement additional policies and procedures as needed, depending on their business area.

Attitudes to subjects such as taste and decency evolve, and new issues can arise as technology develops. Our companies participate in industry groups and help to develop and evolve codes of practice for the marketing industry. 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. We monitor any upheld complaints against campaigns by our companies.

**We take action at a Group and operating company level to make sure that consumer privacy is protected and we engage with others to improve privacy practices.**

## Privacy

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The ability to collect and use consumer data online is changing the face of marketing. It is creating opportunities to deliver more targeted advertising and allowing companies to connect more closely with consumers and monitor the effectiveness of their marketing spend. However, these advances must be balanced with the need to protect privacy and to ensure that consumers also benefit from use of their data.

At WPP, data is central to our business as our companies collect, store and use consumer data on behalf of clients. We take action at a Group and operating company level to make sure that consumer privacy is protected and that we engage with consumers, regulators, clients and industry to improve privacy practices.

Our goal is that everyone within WPP companies should view privacy and security best practices as part of how we do business.

Profile:

## Integrating privacy at Xaxis



*“Consumer choice is a key principle for us, and we are investing in information and tools to give people more control on how their data is used. That’s better for consumers and ultimately our clients.”*

**Tim Abraham,**  
Director, Data and Audience,  
EMEA at Xaxis

Xaxis, GroupM’s digital media company, is embedding privacy and consumer choice into the way it operates.

The Xaxis business creates and delivers audience-targeted campaigns for GroupM media agencies across a range of digital platforms. Xaxis uses cookies to deliver these products and help advertisers reach consumers who are more likely to be interested in their products and services. This enables Xaxis’ advertising and publisher clients to improve the effectiveness of their online advertising which in turn helps support the availability of free-at-the-point-of-use internet content.

Although cookies use anonymous browsing data and don’t capture any information that is personally-identifiable, Xaxis’ policy is to provide consumer choice and transparency for cookie data that, where possible, is similar to that used for personally identifiable information.

Its approach starts with a comprehensive privacy policy, designed to be easy to understand without oversimplifying complex topics. Privacy is an area that can change rapidly as new technology develops. To maintain knowledge, employees receive training on privacy, and privacy-related issues are discussed as regular agenda items at management meetings. The business encourages sharing of best practices between offices, for example through a monthly e-privacy working group in the UK.

Senior leaders at Xaxis take part in work by industry bodies to improve standards on privacy. This includes work with the Internet Advertising Bureau (IAB) to develop the technical specification for the AdChoices Icon component of the Online Behavioural Advertising Framework. This icon must be placed into every ad that uses cookie data for targeting, enabling users to get information on cookies. The AdChoices icon is now used on all Xaxis and GroupM ads in the UK, including those collecting cookie data as well as those using cookie data, exceeding the requirements of the IAB program.

The business is looking into development of a ‘consumer transparency portal’ that will make it easier for consumers to see what cookie data is held on them and give them more control to opt out or to specify the type of ads they would like to see.

Xaxis also engages on privacy at the policy level, for example through regular engagement with the Network Advertising Initiative in North America.

## Policies and training

In 2013, we launched the WPP Data Code of Conduct, which provides a clear framework for privacy practices across all WPP agencies. We also launched global IT security, privacy and social media policies that all WPP companies must implement.

We launched the first global WPP Data Health Checker to review the privacy risks within WPP and to assess the privacy practices at each of our operating companies.

# 88%

of the agencies in our Data Health Checker have taken mitigation measures that match or exceed their level of privacy risk

Our Group-wide ethics training includes four scenarios relating to privacy issues. We also run more detailed bespoke training sessions on specific topics. For example, employees in the UK were trained on the EU Cookies Directive during 2013.

## Understanding our privacy footprint

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In 2013, we launched the first global WPP Data Health Checker to review the privacy risks within WPP and to assess the privacy practices at each of our operating companies. It was completed by 73% of all companies and assessed both privacy risks (such as how much data is held and the types of data collected), as well as mitigation measures (the steps taken by companies to secure and protect data).

The results of the Health Checker showed that 88% of the companies involved have taken mitigation measures that match or exceed their level of privacy risk. On average, companies were found to have a risk score of 2.73 out of 5, with 5 being the highest level of risk, with the average score for mitigation measures at 3.39 out of 5 with 5 being the highest level of mitigation. This means our companies had an average level of risk but with a higher than average level of mitigation. Companies showed good understanding of the consent requirements for collecting, using and storing consumer data, and 63% have a dedicated privacy lead and have launched bespoke privacy training. We provided results to the CEOs, chief financial officers and chief information officers of our 16 operating company groups, and maintain an ongoing dialogue with them on this subject. The Health Checker is also enabling our companies to assess how they compare with others in WPP and to understand where further action is needed.

Our internal (ITS) audit team reviews privacy risks and practices as part of its Group-wide audit program, focusing on a selection of companies each year. We have used the Health Checker results to assist in focussing these reviews, and have implemented measures to make sure that audits reflect WPP's global IT security policy.

## Working with others

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We work with peer companies and industry bodies such as the Advertising Association, W3C Tracking Protection Working Group and the Interactive Advertising Bureau on privacy-related issues.

## Ethical decision-making

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The work we do and the clients we work for can raise ethical issues. Examples include work for governments or clients in sensitive countries or sectors, and

Our ethics training includes scenarios to help employees identify ethical risks associated with client work, and raise awareness about referral procedures.

**120,000**

employees completed our ethics training

marketing for sensitive or controversial products. We need to help our people make decisions about new commissions that reflect our standards, and to avoid ethical risks to WPP and our clients.

WPP companies have a review and referral process for work that may present an ethical risk. Before accepting potentially-sensitive work, employees are required to elevate the decision to the most senior person in the relevant office and then to the most senior executive of the WPP company in the country concerned, who will decide if further referral to a WPP executive is required.

Companies also have their own procedures, including 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 that are highly regulated.

Our ethics training includes scenarios to help employees identify ethical risks associated with client work, and raise awareness about referral procedures. We have also undertaken face-to-face training on issues such as intellectual property and copy clearance with some of our companies. Depending on scope, internal audits may incorporate a review of the consideration given by management to possible impacts on the Group's reputation prior to accepting new clients.

We have a Group-level committee that meets at least quarterly to discuss cases of concern, potential compliance issues and new risk areas. Committee members include the Group chief counsel, compliance officer, Group finance director, the head of talent and the head of sustainability. The committee also reviews potential client-related risks such as bribery and corruption, data privacy and competition rules.

A very small number of the campaigns we produce give rise to complaints, some of which are upheld by authorities. We monitor complaints and take action where needed to prevent a recurrence.

## Culture and ethics

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Our ethical standards are explained in the WPP Code of Conduct and we have detailed policies on anti-bribery and corruption, gifts and entertainment and the appointment of third-party advisors. Every year, the senior management of each WPP company are required to sign a statement confirming that they comply with WPP's Code of Conduct and policies.

Employees complete our compulsory ethics training, 'How we behave', which covers topics such as diversity, privacy, responsibility to stakeholders, and avoiding misleading work. It uses scenarios to help people identify and respond appropriately to ethical issues they may encounter in their work. The training was refreshed in 2013 and has since been completed by over 120,000 employees worldwide. Employees must also complete our online training on

54

calls to our Right to Speak employee reporting facility in 2013

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

Employees can report any concerns or suspected cases of misconduct in confidence through our third party-managed Right to Speak facility, overseen by our internal audit department. This is publicised through induction packs, the Group intranet, the WPP Policy Book and our ethics training. There were 54 calls made via Right to Speak during 2013, all of which were followed up.

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. We communicate our expectations to associates and affiliates and we are in the process of extending our ethics training and anti-bribery and corruption training to employees of WPP's associate companies.

## Public affairs

We undertake public policy work for clients, including direct lobbying of public officials and influencing public opinion. The majority of our public affairs work is undertaken for clients in the US, although many of our clients are multinational companies.

Our public affairs companies include:

- Burson-Marsteller, and its affiliates: Prime Policy Group; Direct Impact; and Penn Schoen Berland
- Glover Park Group
- Hill+Knowlton Strategies, and its affiliates: Dewey Square Group and Wexler & Walker Public Policy Associates
- Ogilvy Government Relations
- QGA

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 maximum transparency on client representation and require lobby firms to register the names of clients on whose behalf they contact legislators or executive branch personnel. 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 which 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.

# Employment

There is intense competition for talent in our industry. To make sure we get the best people, we have developed rigorous recruitment processes, attractive working conditions, rewarding training opportunities and the ability to harness the rich diversity that our global workforce offers.

## FAST READ

- £64.4 million investment in training and welfare.
- 47% of senior managers are women.
- 18% of senior managers in the UK and the US from ethnic minorities.
- 4,000 internships globally to support young people.
- 81% of employees involved in a regular appraisal process.

**£64.4m**  
investment in training and welfare  
(2012: £57.8m)

**47%**   
of senior managers are women  
(2012: 47%)



# 175,000

WPP employees  
(including associates)  
(2012: 165,000)

WPP directly employs 119,000 people. When our associate companies are included (those in which we have a minority stake) the figure is over 175,000 people in almost 3,000 offices in 110 countries.

## Management approach

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Our Code of Conduct and Sustainability Policy set out the basic principles that guide us. Our companies use these as the basis for more detailed employment policies that are agreed and implemented at operating company level. The central WPP talent team supports companies to implement and share best practices.

We gather data on diversity, training, sick days and other topics; selected data was externally verified this year.

On labour relations, we support the rights of employees to join trade unions and to bargain collectively. We avoid compulsory redundancies where possible, and when redundancies are necessary we aim to help any employees affected through other opportunities within the Group and employee assistance programs.

## Inclusion and diversity

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Each WPP company is only as good as the creativity and insights of its people. Our emphasis on inclusion and diversity brings us a double benefit. We can widen our talent pool and with a client base that is itself enormously diverse, we are better placed to meet client needs and to understand and connect with consumers in every market and every sector.

Within our companies, leaders set the tone on diversity. Many of our companies have established chief diversity officers and senior level Diversity Advisory Councils. These provide leadership and make sure that our commitment to diversity and inclusion is understood and integrated into how we work. Training, awareness campaigns and employee networks help our people understand the importance and business benefits of an inclusive workplace. Our companies also take a leading role in industry initiatives designed to overcome barriers to diversity such as the 4A's Diversity Steering Committee.

At a Group level we are a member of many organisations working to improve diversity, such as the Business Disability Forum and Stonewall, the UK lesbian, gay and bisexual charity, and our companies work with a number of diversity organisations at the national and regional level.

**Note to tables:** Women make up 29% of the WPP Board, 32% of executive leaders and 47% of senior managers.

### Gender 2009-2013

% female	2013	2012	2011	2010	2009
WPP Board	29%	19%	19%	19%	21%
Executive leaders	32%	32%	31%	31%	32%
Senior managers	47%	47%	47%	48%	46%
Other employees	56%	57%	57%	57%	57%
Total employees	54%	54%	54%	54%	54%

### Gender 2013

	Male	Female	Total	Male (%)	Female (%)
WPP Board	12	5	17	71%	29%
Executive leaders	3,465	1,634	5,099	68%	32%
Senior managers	9,318	8,145	17,463	53%	47%
Other employees	42,341	54,213	96,554	44%	56%
Total employees	55,124	63,992	119,116	46%	54%

### Gender balance

It is essential that women are able to fulfil their potential throughout their careers with WPP companies, including reaching the upper echelons of management in the Group. Already women make up 32% of executive leaders within our operating companies and 47% of senior managers. The WPP Board has 29% female representation. We have launched a number of innovative programs to further enable their development, at both the local and global levels. These include:

- **The X Factor** – a senior mentoring and development program, led by the former global CEO of Ogilvy & Mather and chairman of JWT, Charlotte Beers. The program takes place over several months and prepares senior and high potential WPP female leaders for the next level of leadership.
- **WPP Women** – an executive network for our most senior women in China, led by Bessie Lee, chief executive officer of WPP China and former member of the World Economic Forum’s Gender Council. The network acts as a forum for senior women and helps mobilise resources and action to drive gender parity.
- **Women on Boards** – non-executive roles can enhance womens’ career development at the senior level. Through our support for the Women on Boards not-for-profit organisation, we give senior women in our business opportunities to attend workshops and seminars and build their careers by taking on non-executive directorships.

# 32%

of executive leaders are women

**Note to chart:** We measure ethnic diversity in our offices in the UK and the US using national definitions of ethnic/racial minorities, such as those determined by the Equality and Human Rights Commission in the UK and the Equal Opportunity Commission in the US. In 2013, 25% of employees in these countries were from ethnic minorities.

**Ethnic diversity (UK and US)**

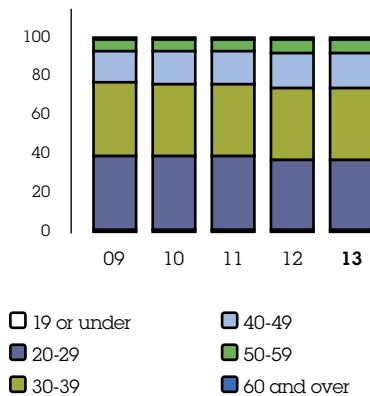
% ethnic minority



**Note to chart:** Over 70% of employees in the Group are under 40. The industry has traditionally employed a young workforce and this trend is reinforced by our growth in faster-growing economies where the communications services sector is relatively new and has a higher proportion of entry-level employees.

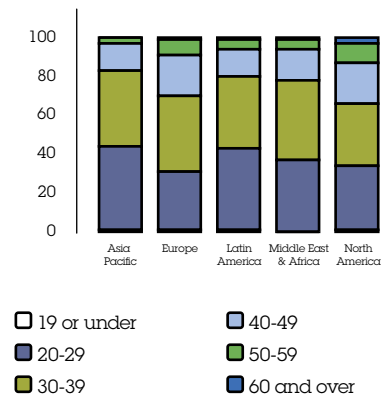
**Age diversity**

%



**Age diversity in 2013**

%



We are members of a number of external initiatives focusing on gender diversity. These include Business in the Community’s Opportunity Now program in the UK and a project with the US-based Centre for Talent Innovation focusing on gender diversity in the healthcare industry. Senior executives support initiatives at the local level. For example, Demet Ikiler, the WPP Country Manager for Turkey, is a member of the Turkish Gender Parity Project and sits on the World Economic Forum’s Global Agenda Council on Women’s Empowerment.

To retain female employees, many companies provide additional support to women returning from maternity leave. This includes part-time and flexible working arrangements and mentoring.

# 230

students in the WPP School of  
Marketing and Communication  
in Shanghai

## Recruitment

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Building a diverse workforce starts with recruitment, and many of our companies use specialist recruitment agencies and publications and attend minority recruitment fairs to reach out to a diverse candidate pool. In the US, many of our companies attend events such as the MAIP Diversity Career Fair, *Advertising Week's* Veterans Job Fair, and Reaching Out MBA (targeting the LGBT MBA community), and conduct on-campus recruitment at universities and colleges known to have a diverse population, such as Howard University.

## Disability

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We support disabled employees and, where appropriate, we provide additional training and services for existing employees who become disabled. Some of our companies work with local disability organisations to encourage and support disabled people to join their workforce.

We are members of the Business Disability Forum in the UK.

## Education, apprenticeships and internships

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Our businesses invest in education to help build the skills we need into our future talent pool and to encourage more young people from all backgrounds to take up careers in marketing services. Internships are structured to encourage students from a wider range of backgrounds to consider a career in marketing services and to identify and foster top diverse talent. Support for education benefits WPP and can help to encourage social mobility.

We have started to collect data on internships at Group companies and estimate that at least 4,000 young people completed internships at our companies during 2013. Internships vary in length and pay is determined by our operating companies. Our data is not complete but shows that most internships are paid placements.

Recent examples include:

- **Z Academy** – Wunderman and Y&R's global apprenticeship scheme employing up to 70 apprentices a year across 30 countries.
- **D&AD's New Blood Program** – Three-month apprenticeships for students at WPP companies who represent the top creative talent of the future.
- **WPP Micro-fellowship** – joint initiative between WPP and Rare Recruitment, encourages ethnic minority candidates to consider a career in marketing communications.
- **Cohn & Wolfe UK apprenticeships** – run in partnership with the PRCA, the professional body for UK PR firms.
- **The Futures Company** – apprenticeship through City Gateway, a charity that provides training and employment opportunities for disadvantaged youngsters.

RKCR/Y&R and Ogilvy & Mather London are participating in this UK initiative which is supporting 100,000 young people to develop the skills and confidence to find a job.

- **Movement to Work** – RKCR/Y&R and Ogilvy & Mather London are participating in this UK initiative which is supporting 100,000 young people to develop the skills and confidence to find a job.
- **IPA Creative Pioneers** – apprenticeships at MEC, Mindshare and JWT UK via this scheme endorsed by the UK Government.
- **MediaCom London apprenticeships** – open to 10 apprentices a year while they study for an NVQ in Marketing and Communications. MediaCom works with charities involved with youth in underprivileged areas to encourage diverse applicants.
- **4A’s Multicultural Advertising Internship Program** – 10-week paid internships for diverse candidates at many of our US agencies. Our companies also support the NY CCIP, Ladders for Leaders and other initiatives that allow minority students to gain experience in the marketing industry.
- **JWTeach** – reaches out to diverse young people who might not otherwise consider a career in marketing through in-school workshops and setting creative challenges. The most passionate students are offered work experience placements.

In China, an important and growing market for WPP, we support the WPP School of Marketing and Communication in Shanghai, a co-operation between the Shanghai Art and Design Academy (SADA) and WPP. SADA provides all facilities and financial resources, whilst WPP is responsible for management and oversight of teaching, faculty and content development. The three-year undergraduate program provides four areas of study: Strategic Planning, Copywriting, Art and Digital Design. Now in its third year of operation and with over 230 students, the WPP School will graduate its first class in June 2014. During 2013, the WPP School was recognised with two gold awards at the China Universities Creative Design Awards.



Photos show young people from The Prince’s Trust who completed the Get Started in Media program as part of the Movement to Work initiative at Ogilvy & Mather London and RKCR/Y&R.

Profile:

### Diversity at Ogilvy & Mather US



“Diversity has always been part of our culture at Ogilvy. As far back as 1968 David Ogilvy said ‘In recruitment and promotion we are all fanatical in our hatred for all forms of prejudice’ and this philosophy continues to inspire us today.”

Donna Pedro,  
Chief diversity and inclusion officer,  
Ogilvy & Mather

Ogilvy & Mather is one of WPP’s largest networks, with over 24,000.

In the US Donna Pedro, chief diversity and inclusion officer, has helped lead a range of initiatives to encourage and celebrate diversity in all its forms.

### Recruiting and training for diversity

At campus level, O&M seeks to introduce students from all backgrounds to the advertising industry, through scholarships and internships. It recruits at historically black colleges as well as at the National Black MBA Association’s annual conference. New recruits receive training on the competitive advantages of diversity. There is mandatory diversity training for managers across O&M North America and a new training program on ‘Unconscious Bias’, is being rolled out during 2014.

### Professional networks

O&M professional networks bring together employees with shared interests, encourage positive attitudes to diversity and create a link between diverse employee groups and senior management. They include networks for black and Hispanic employees and those from the Asia Pacific region, working parents, administrative professionals, young professionals, women, Muslims and lesbian, gay, bisexual and transgender (LGBT) employees.

### Partners and suppliers

Ogilvy partners with other organisations to advance diversity, including: 3% Conference; 4A’s Diversity Roundtable; *Advertising Week’s* Futures Program; American Advertising Federation’s Most Promising Minority Students; Asia Society; Asian Women in Business; City University of New York (CUNY); Center for Urban Professionals; Development School for Youth; Dress for Success; Future Marketers; Gay, Lesbian, Straight Education Network; Grace Institute; Ladders for Leaders; Marcus Graham Project; 4A’s Multicultural Advertising Internship Program; National Gay & Lesbian Chamber of Commerce of NY; and One Club.

Diversity is included in O&M’s supply chain management, with suppliers asked to include a statement of their own diversity practices in responses to Requests for Proposals.

# £64.4m

invested in training and welfare

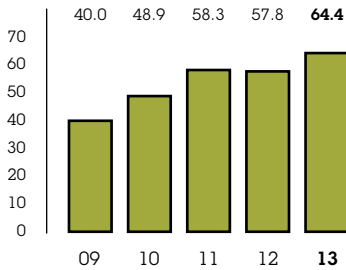
(2012: £57.8m)

## Training and development

We offer a huge range of quality training opportunities to develop our people’s skills, and to help our business grow in areas such as digital marketing. We put significant resources into training our people, developing many of our own bespoke training programs. Our spend on training and welfare programs amounted to £64.4 million in 2013, an increase of 11% on the previous year. This includes training at both Group and agency levels.

**Staff training and welfare**

£m invested



Our Group-wide training programs encourage collaboration across companies, disciplines and regions. They include:

- **Maestro: Orchestrating Client Value** – a week-long program for senior client leaders, held in 26 countries, with more than 3,100 participants from 108 WPP companies since its launch in 2003.
- **The WPP ‘Mini MBA’** – an online and classroom course to build business skills. 1,875 participants have benefited from the program.
- **WPP Spectrum** – a program that connects and develops multidisciplinary global client leaders.
- **First Chair** – aimed at rising talent.
- **Digital Way Forward** – covers what’s new in digital marketing.

Individual WPP companies also have their own schemes to develop business and creative skills. These are delivered online or face-to-face, with some programs delivered by external training partners. Companies evaluate the effectiveness of training programs using follow-up surveys with employees and managers, and by monitoring career progression and talent retention.

**TRAINING OPPORTUNITIES AT OUR COMPANIES FOCUS ON AREAS SUCH AS:**

Industry-specific skills and technical qualifications, including digital and new media, branding, creative writing, design, media relations ■ Business skills such as presenting, time management, sales and negotiation, software, client relationships ■ Functional skills such as financial, legal and compliance ■ Privacy and data security and protection ■ Leadership, strategy and business development ■ Diversity and inclusion training ■ English language training.

Profile:

**Training at Hill+Knowlton Strategies**



Training and development is a priority at Hill+Knowlton Strategies, a WPP PR agency with 2,300 employees across 49 countries. Its programs focus on helping teams to provide the best possible service to the agency’s many global and local clients.

One of its leading programs is Octave: Learning to Listen, focused on building deeper relationships with clients and colleagues through active listening and asking the right questions. Since it was launched in early 2013, 1,230 employees globally have gone through the two-day Octave training.

Also available to employees is H+K Strategies Great Start training program. The Great Start approach enables client and account teams to make decisions and set a clear direction for the H+K Strategies team on deliverables, communications and client expectations.

Alongside classroom learning, H+K Strategies gives employees access to new experiences and perspectives to support their development. The agency’s newly launched Dave Robinson International Scholarship program gives four promising colleagues the opportunity to experience H+K Strategies’ global network first-hand through a three-month international assignment. It has also launched a Global Virtual Mentoring Program that enables employees to get advice and career support from senior colleagues in offices around the world.

# 81%

of employees involved in regular appraisal process

(2012: 95%)

## Employee appraisals

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Performance appraisals enable us to assess the development and contribution of our employees, and help them to build a career at WPP. Employees at all levels receive regular performance appraisals. In 2013, 81% of employees were involved in a regular appraisal process, with an appraisal at least once every two years. Many companies have more frequent appraisals, often up to three times a year. Some employees, particularly at senior levels, take part in 360 degree appraisals. In 2013, 73% of companies undertook these appraisals.

## Health, safety and well-being

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Our companies invest in staff welfare and well-being. Health and safety is managed within our companies. Particular focus is given to reducing risks associated with work-related stress and musculoskeletal injuries from desk work. Following best practice design at our workstations ensures the reduction of difficulties such as repetitive strain injury or back problems.

Companies operate their own health and safety management systems, which may include Health and Safety Committees, regular audits and risk assessments and training for employees. Over 74% of our companies have nominated someone with specific responsibility for health and safety. Our companies generally provide employee advisory programmes which provide help and support on a number of issues including personal well-being.

Each company provides a holistic and integrated set of health, safety and wellness support for employees. This may include:

- Health and safety training and ergonomic assessments.
- Employee assistance programs – a source of confidential advice, support and counselling on topics such as health and parenting skills.
- Flexible benefit programs, including subsidised childcare.
- Flexible work arrangements enabling people to work part-time or from home, as well as career breaks and sabbaticals.
- Medical checks and health screening, often through on-site doctors and nurses.
- Health and well-being advice services on issues such as weight loss, nutrition, healthy living.
- Health insurance.
- Training on stress and time management.
- Subsidised gym memberships or on-site gyms, yoga and exercise classes.
- Special programs for parents with children or dependents with special needs.
- Cancer case reviews.
- Substance abuse case reviews.
- Dedicated/Designated clinical service units supporting our workforce.
- Emergency childcare services.
- Maternity, paternity and adoption benefits.
- Flu vaccinations.
- Health and well-being advice services on issues such as weight loss, nutrition, healthy living and pre- and post-natal care.
- Preventive care considerations/programs along with a Member Health Engagement Plan.
- Health and welfare insurance.
- Vision care programs.

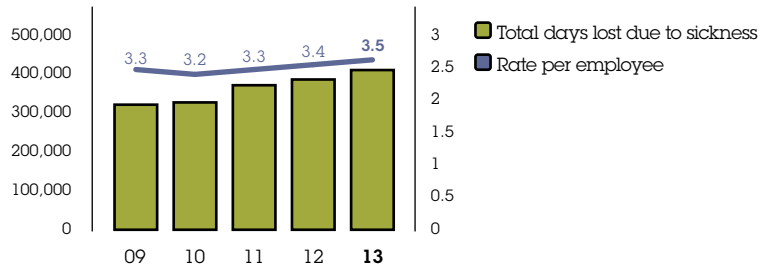


**Note to chart:** In 2013, there were on average 3.5 days per employee lost due to sickness (2012: 3.4). We estimate that the cost to the business from absences due to sickness in 2013 was £59.5 million.

**3.5**

days lost due to sickness  
per employee in 2013  
(2012: 3.4)

**Days lost due to sickness**



**Mental health and well-being**

Work-related stress can arise when employees feel unable to cope with their workload or to balance the demands of work and personal life.

We assess the risk of work-related stress across our companies through regular staff surveys and by monitoring issues raised through our Right to Speak helpline, employee assistance programs and during exit interviews.

Our companies have access to occupational health consultants who help them to manage programs to reduce work related ill-health. For example, our HR directors in the UK underwent training run by the mental health charity, MIND, to help improve awareness of mental health issues and strategies for prevention and treatment.

Recognising the importance and growing prevalence of mental health issues, our companies undertake pro bono campaigns for organisations working in this area.

**Employment infringements**

We always try to treat our employees fairly. Sometimes things go wrong, so we have put in place procedures to resolve problems in a swift and satisfactory way, meeting best practice standards. We are transparent in reporting the number of cases and the outcomes. In 2013, 264 cases were reported, compared to 114 cases in 2012. During the year, 252 cases were finalised. Of these, 35 were withdrawn, 79 agreed between parties, 121 judged against Group companies and 17 judged in favour.

# 50,000

eligible employees received share awards in 2013  
(2012: 48,000)

## Remuneration, benefits and share ownership

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WPP's compensation packages are designed to attract and retain the top talent in our highly-competitive industry. We ensure employees receive a competitive remuneration package by benchmarking what we provide against other companies in the relevant market and in our sector.

Many employees, in addition to their base pay, participate in performance-related incentive plans, while more senior employees may participate in share-based compensation plans. Incentive plans are designed so that they encourage and reward excellent performance in either their operational business area or in the share price performance of the company. The Group also provides a range of other benefits such as retirement provision and well-being benefits in accordance with local practice.

Since 1997, we have operated a Worldwide Ownership Plan that has granted share awards to more than 129,000 employees. In 2013 approximately 50,000 eligible employees received awards in over 69 countries. Read about our approach to executive remuneration in WPP's Annual Report.

Our companies know the importance of financial wellness and can help employees plan for future life events. We offer competitive benefits packages in the area of retirement and savings. Many of our companies offer company-provided or optional life and accident insurance providing additional financial protection. Employee assistance programs may cover financial education, debt management and discounts on financial products such as home mortgages.

## Communication

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Employee surveys are run regularly in our companies and in the majority of cases results are shared with all employees. Managers develop action plans to respond to findings.

Surveys vary by company but we aim for them to include a consistent set of questions enabling us to monitor and compare views across WPP companies. These questions were included in surveys covering 64% of Group employees in 2013.

Exit interviews are a valuable way of gaining feedback on employee views. In 2013, 79% of leavers had exit interviews.

# 79%

of leavers had exit interviews

Employee survey results	% employees who agreed
Attracting and retaining people with a diverse background is encouraged at my location	62
My performance in my job is evaluated fairly and regularly	62
I have the opportunity for personal development and growth at this company	61
My company takes an interest in my well-being	58
My work schedule allows me sufficient flexibility to meet my personal/family needs	61
I could discuss ethical concerns with my managers without worrying that my job would be affected	75
My company is trying to cut its carbon footprint	45
Generally we are encouraged to be 'green' in our office (e.g. recycling, switching off equipment when not in use, etc.)	59
The support my company gives to charities and good causes is appropriate	61

### Employment awards and accreditations

Our companies are frequently recognised for their leading employment practices. Employment awards and accreditations include:

#### EMPLOYMENT AWARDS AND ACCREDITATIONS INCLUDE:


GroupM – Best Companies to Work for Spain (*Actualidad Económica*) ■ MEC UK – Best Companies two stars accreditation and IPA CPD Platinum Accreditation ■ MEC US – Project Isaac Award (*Ad Week*) ■ Mindshare UK – Investors in People and IPA CPD Accreditation ■ GroupM Uruguay – Great Place to Work ■ Hill+Knowlton Strategies China – China Employer’s 2013 corporate culture award (Taihe Consulting) ■ JWT Brazil – Great Place to Work (Great Place to Work Institute) ■ JWT Mexico – Great Place to Work (Great Place to Work Institute) ■ Kantar Health Germany – Fair Company and Logib-D ■ Kantar Worldpanel EMEA – Best Companies one star accreditation and *Sunday Times* Top 100 Best Companies to work for ■ Kantar Worldpanel Spain – Great Place to Work (Great Place to Work Institute) ■ Millward Brown Australia – Aon Hewitt Best Employer 2013 ■ Millward Brown Mexico – Great Place to Work (Great Place to Work Institute) ■ TNS Germany – Fair Company and Logib-D ■ Ogilvy & Mather UK – *Sunday Times* Top 100 Best Companies to work for and IPA CPD Gold Accreditation and Top Companies for Graduates to Work For (The Job Crowd) ■ Cohn & Wolfe UK – PRCA Consultancy Management Standard ■ Young & Rubicam Group US – Atlanta Best and Brightest Companies to Work For Award ■ Y&R UK – Highly commended in the category of Work Placement of the Year (National Council For Work Experience) ■ MEC UK – *Sunday Times* Top 100 Best Companies to work for ■ Cohn & Wolfe – Best Place to Work (*PRWeek*, *PR News* and *Crain’s New York*).

# Environment

Reducing our environmental impact is a priority for WPP. We are working to make WPP a low-carbon and resource-efficient Group, with benefits to the environment, our own costs and our credibility with clients.

## FAST READ

- 31% reduction in carbon emissions per employee since 2006.
- 10% of floor space certified to green building standards such as BREEAM or LEED.
- 75 new videoconferencing units were installed.
- Offset 100% of our carbon emissions from air travel.
- Included in the CDP's Climate Disclosure Leadership Index with a score of 95B.

**2.35**   
tonnes of CO<sub>2</sub>e emitted  
per person in 2013  
(2012: 2.45)

**672**   
videoconferencing units installed  
(2012: 542)



*“By reducing our carbon footprint, we are better aligned with some of our most important global clients, and able to reduce costs and risks to the business. We have made good progress, but have a lot more to do to reach our ambitious 2020 target.”*

**Paul Richardson,**  
Group finance director, WPP

Many clients are prioritising sustainability, seeking to reduce their impact on the environment and to communicate with consumers and stakeholders on these issues. Implementing our own environmental strategy enhances our credibility with clients and enables us to meet the environmental requirements included in a growing number of client procurement processes.

### Management approach

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We put in place an environmental strategy and carbon reduction target in 2006, which has been revised during 2013. We aim to reduce waste, recycle more and source paper more sustainably. We measure our carbon footprint and environmental performance and publish the results. Our carbon data is externally verified.

Our carbon reduction and environmental strategy is set at Group level and implemented by our regional Environmental Action Teams, in partnership with our companies. These include members of key Group functions, such as IT, real estate and procurement. Progress is regularly reviewed by our Group finance director who is responsible for WPP’s sustainability initiatives.

Our companies implement environmental management systems, of which a small percentage are accredited to standards such as ISO 14001. We participate in the CDP Climate Change program, a collaboration of institutional investors, and were ranked in the B band for performance and received a disclosure score of 95 out of 100 (81B: 2012). WPP was included in the CDP’s Climate Disclosure Leadership Index. We also take part, as a responding company, in the CDP Supply Chain program.

### Empowering our companies

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We provide information and tools to help our companies manage and reduce energy use. Carbon footprint reports and scorecards are issued to 200 senior decision-makers in Group companies enabling them to compare performance between agencies and to identify and prioritise lower-performing offices.

We hold regular workshops with facilities managers to help them understand and use energy and carbon footprint data to manage performance. We also have an environmental toolkit to give companies access to information on policies, best practices, case studies and other resources.

# 1.8

tonnes of CO<sub>2</sub>e per person – our revised 2020 reduction target

## Energy and climate change

Our most significant greenhouse gas emissions come from energy use in our offices and business air travel. Our strategy to reduce our footprint focuses on:

- **Office energy use** – improving the energy efficiency of our buildings and IT systems.
- **Air travel** – reducing non-essential flights by promoting videoconferencing and collaboration tools and offsetting carbon emissions, equivalent to those from our business air travel, by supporting renewable energy generation in faster-growing economies.
- **Renewable energy** – purchasing green-tariff electricity for our offices where available.

### Our revised carbon target

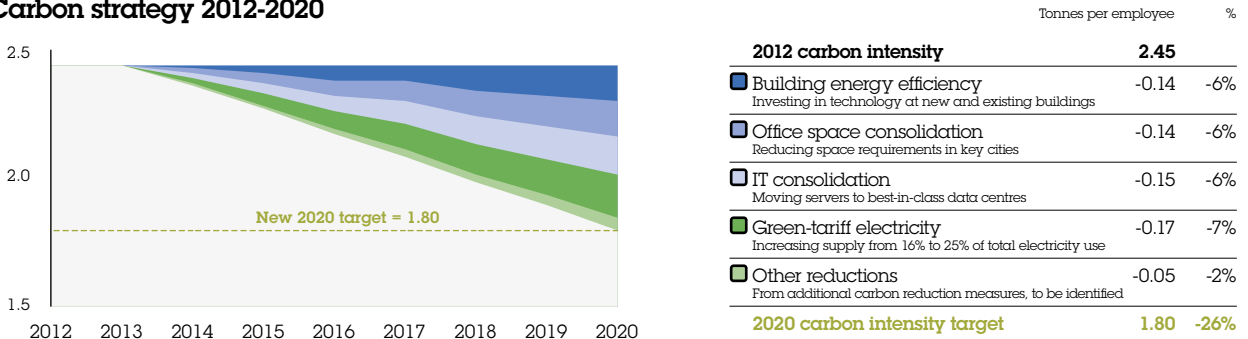
Since setting our carbon reduction target in 2006, we have reduced our per head emissions by 31% towards our very ambitious goal of 1.2 tonnes of CO<sub>2</sub>e per person by 2020 (a 65% decrease). Despite this progress – achieving reductions at the rate required to meet our 2020 target has proved more challenging than expected.

In 2013, we reviewed our carbon strategy and revised our 2020 carbon reduction target to 1.8 tonnes of CO<sub>2</sub>e per person, a 47% reduction from 2006. In support of our longer-term goal, we have set a 4% annual reduction target for emissions from our buildings and air travel, each year up to 2020.

The revised target is in line with others in our industry and with professional services firms in other sectors. We believe it sets the right balance between being challenging, but achievable and, in combination with the annual targets, will make it easier to communicate with and direct our businesses successfully to make carbon reductions. We remain committed to becoming a low carbon Group and to further reducing our emissions beyond 2020.

**Note to chart:** We will achieve our new carbon target through a focus on office energy use and green-tariff electricity.

### Carbon strategy 2012-2020



# 2.35

tonnes of CO<sub>2</sub>e emitted per person in 2013  
(2012: 2.45)

# 279,859

tonnes of CO<sub>2</sub>e emitted in 2013  
(2012: 283,321)

### Carbon footprint in 2013

%



- Stationary fuel combustion 4
- Purchased electricity 49
- Business air travel 34
- Other estimated impacts 13

### Performance in 2013

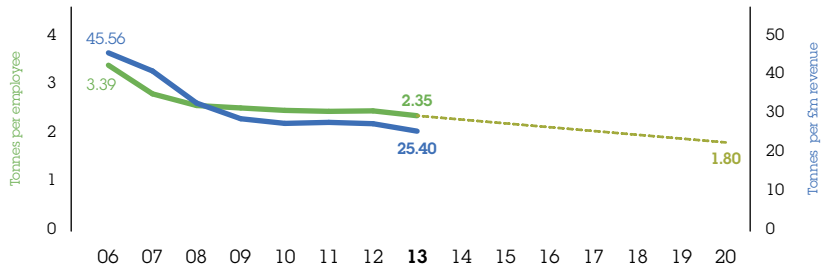
In 2013, our carbon footprint per person was 2.35 tonnes, down 4% on 2012 and 31% lower than 2006.

We use a per person carbon intensity target as headcount is closely linked to levels of business activity and allows us to reflect the impact of acquisitions and disposals without needing to adjust our baseline. We also measure carbon intensity against revenue, which also shows a decrease on last year.

Our absolute carbon footprint in 2013 was 279,859 tonnes of CO<sub>2</sub>e (rating renewable electricity as zero emissions), a decrease of 1% over 2012 despite a 3% growth in headcount. If the renewable electricity we purchase globally is rated using the same emissions factors as standard grid electricity, our total carbon footprint in 2013 was 301,158 tonnes of CO<sub>2</sub>e.

### Carbon intensity 2006-2013

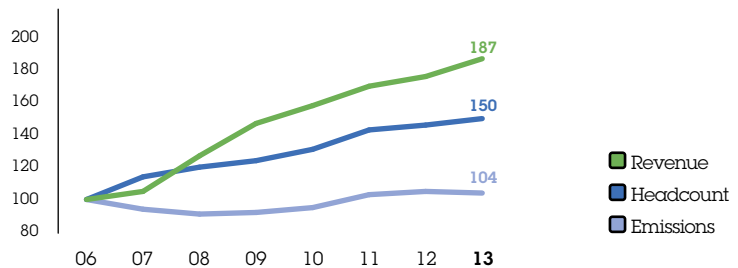
tonnes of CO<sub>2</sub>e



- Headcount intensity
- Target headcount intensity
- Revenue intensity

### Decoupling emissions from business growth

Index (2006 = 100)



**Note to chart:** Since 2006, our absolute carbon footprint has increased by 4%, compared to a growth in reported headcount of 50% and revenue growth of 87%.

# 10%

of global floor space certified to advanced green building standards such as BREEAM and LEED  
(2012: 8%)

## Office energy use

---

We aim to improve energy efficiency in existing buildings, to select new buildings that meet high environmental standards and to consolidate our real estate portfolio and IT infrastructure to reduce energy demand. These measures could help to reduce our carbon intensity by 18% from 2012 levels by 2020 (see chart on page 44).

### Building energy use

Energy efficiency is part of our property acquisition and capital expenditure process and, where possible, any property we lease, purchase, fit out or renovate should meet advanced energy and environmental standards, such as Leadership in Energy and Environmental Design (LEED) and Building Research Establishment Environmental Assessment Method (BREEAM). We estimate that 10% of our total floor space is now certified (2.4 million square feet), compared with 8% in 2012.

We have our own scorecard that is used to assess the environmental performance of new offices over 25,000 square feet which have not been certified to standards such as LEED or BREEAM.

In 2013, we commissioned independent energy surveys at 15 of our largest locations where we have long-term leases. These identified a number of cost-effective and scalable energy-saving measures, which can reduce emissions by up to 20% at each location. These include energy metering, building controls health-checks (that assess the efficiency of air conditioning and heating systems, for example) and daylight sensors to reduce use of lighting. During 2014 and 2015 we will test this approach at a number of key locations in London, and if the results are successful we will extend these measures to our largest locations by 2020.

Detailed energy-use data can help us improve efficiency and reduce energy use. When acquiring or retrofitting buildings, access to energy data is one of the factors considered. We aim to integrate this into lease agreements with landlords and/or to install sub-metering. We already operate metering at some key locations.

We aim to use office space more efficiently and to encourage flexible working where possible. This enables us to minimise the amount of space we need overall, and to reduce costs and carbon emissions. Office space consolidation could help to reduce our per person carbon emissions by 6% from 2012 levels by 2020.



### IT energy use

In 2013, we conducted a strategic review of our IT infrastructure and established a new approach to managing IT systems across the Group. Implementation starts in 2014 and includes environmental targets to ensure we realise the potential carbon reduction opportunities from improving IT efficiency. The new approach will also help us to reduce energy use and consumables such as paper and cartridges and electronic waste.

As part of our new strategy we will move our server and storage infrastructure into best-in-class external data centre services by the end of 2015. We are also expanding our managed print program, with a goal to cut energy and consumables used by 30%. We aim to have one-third of our printers in the UK, US and Germany in the program by the end of 2014.

15%

electricity purchased from renewable sources

(2012: 16%)

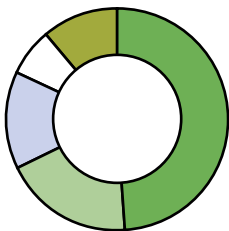
### Renewable energy

We purchase green-tariff electricity where we can and regularly review electricity sourcing across all markets to identify new opportunities. This helps to reduce our footprint and stimulate green energy generation.

We have established preferred suppliers of renewable electricity contracts in all major markets, where this was appropriate. Around 15% of our total electricity is purchased via green-tariff contracts. Purchasing this renewable electricity reduces our carbon footprint by 21,299 tonnes of CO<sub>2</sub>e. We aim to increase our use of green-tariff electricity to 25% by 2020.

### Total green-tariff electricity purchased

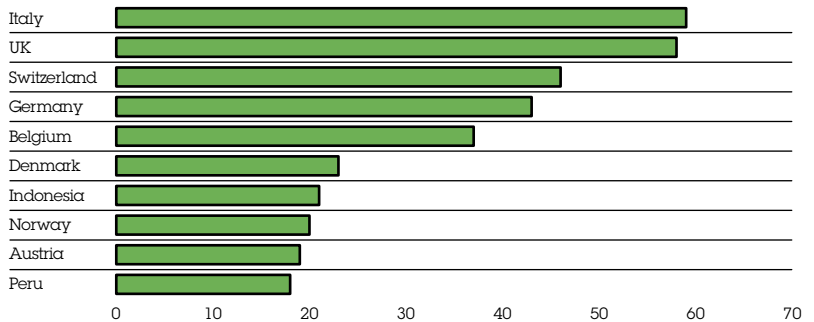
% breakdown by country, 2013



UK	49	Italy	7
USA	19	Other	11
Germany	14		

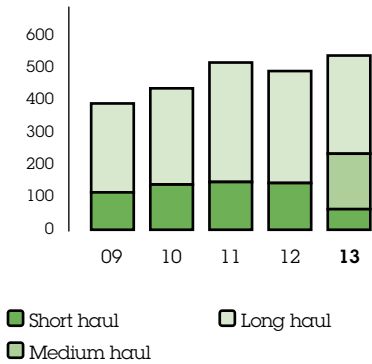
### WPP top buyers of green-tariff electricity

as % of total electricity purchased in each country, 2013



## Business air travel

Total miles travelled (millions)



**Note to chart:** There was an increase in air miles travelled in 2013. We began collecting data for short-, medium- and long-haul flights to help improve the accuracy of our carbon footprint data for air travel. Employees travelled an average of 4,519 miles per person in 2013, equivalent to one return flight from San Francisco to Toronto.

## Air travel

Air travel is essential to our business. There is a limit to how far we can reduce flights without impacting the services we provide to our clients. However, we aim to reduce non-essential flights by encouraging our teams to use videoconferencing where possible.

## Videoconferencing

We continue to invest in our videoconferencing network, which now incorporates 672 units, including four telepresence rooms, in over 150 cities worldwide. During 2013, 75 new units were installed and usage increased by over 12% from 2012. The long-term aim is to integrate this service with other platforms enabling us to extend video services to all users within the Group. We have a 24-hour, five-day-a-week helpdesk to support the increased number of people and teams using these services.

**672**   
**videoconferencing units**  
 (2012: 542)

## Worldwide videoconferencing network (key cities)



**95,879**

carbon credits bought, offsetting 100% of carbon emissions from air travel in 2013

**Offsetting our air travel**

We offset our unavoidable emissions from air travel via our offset provider, South Pole Carbon Asset Management. We invested £250,000 in 2013 to support four renewable energy-generation projects in China and other faster-growing economies. We select projects that support socioeconomic development in local communities, alongside environmental benefits. Our current portfolio of projects is summarised below.

Our companies cover the cost of offset equivalent to their annual air travel emissions, providing an incentive to reduce flights. Since 2007, we have purchased and permanently retired over 1 million carbon credits.

In focus: **Key offset projects 2013**



**China, hydropower**

**53,379**

tonnes of CO<sub>2</sub>e offset

**Project**

95 small run-of-river hydropower plants across 4 Chinese provinces

**Standards**

- Verified Carbon Standard (VCS)
- Social Carbon Standard

**Benefits**

WPP's support for the project has directly enabled the:

- generation of 198,337MWh of renewable energy for 38,471 people
- creation of 158 jobs
- agricultural training for 457 farmers
- educational support for 30 children



**India, solar power**

**27,500**

tonnes of CO<sub>2</sub>e offset

25 MW solar photovoltaic plant in the Thar Desert in north-west India

- Verified Carbon Standard (VCS)

- renewable electricity for the regional grid
- employment and vocational training, medical camps, vaccination campaigns and new bore wells for the local community



**Taiwan, wind power**

**10,000**

tonnes of CO<sub>2</sub>e offset

2 wind parks on the west coast of Taiwan

- Gold Standard

- renewable electricity to 130,000 households
- jobs and scholarships for the local community



**Turkey, geothermal power**

**5,000**

tonnes of CO<sub>2</sub>e offset

Geothermal plant in the Çanakkale region in western Turkey

- Gold Standard

- jobs and improved skills among the local workforce
- improved road infrastructure

## WPP's carbon emissions statement 2013

This data covers the year ended 31 December 2013 in line with the Group's financial reporting period.

### CO<sub>2</sub>e emissions breakdown (in tonnes)

Emission source		2013	2012	2011	2010	Base year 2006
Scope 1	Natural gas combustion	8,757	7,584	7,486	7,666	1,946
	Heating oil combustion	2,548	2,256	2,228	2,301	682
	<b>Total scope 1 emissions</b>	<b>11,305</b>	9,840	9,714	9,967	2,628
Scope 2	Total purchased electricity at grid average intensity (gross)	157,471	164,212	152,968	149,055	149,728
	Less purchases of renewable electricity (see note 6)	(21,299)	(23,765)	(22,572)	(23,028)	–
	<b>Total scope 2 emissions (net)</b>	<b>136,172</b>	140,447	130,396	126,027	149,728
Scope 3	Business air travel	95,879	96,079	100,960	86,340	81,714
	Other estimated scope 3 emissions (see note 4)	36,503	36,955	36,161	33,350	35,111
	<b>Total scope 3 emissions</b>	<b>132,382</b>	133,034	137,121	119,690	116,825
<b>Total CO<sub>2</sub>e emissions (net)</b>		<b>279,859</b>	283,321	277,231	255,684	269,181
<b>Total CO<sub>2</sub>e emissions (gross)</b>		<b>301,158</b>	307,086	299,803	278,712	269,181

### WPP's carbon intensity (in tonnes of CO<sub>2</sub>e)

Intensity metric	2013	2012	2011	2010	Base year 2006
<b>Tonnes per employee (net)</b>	<b>2.35</b>	2.45	2.44	2.46	3.39
Percentage change from 2006	-31%	-28%	-28%	-27%	–
<b>Tonnes per £m of revenue (net)</b>	<b>25.40</b>	27.31	27.66	27.40	45.56
Percentage change from 2006	-44%	-40%	-39%	-40%	–

### Office energy use (in megawatt hours)

Energy type	2013	2012	2011	2010	Base year 2006
Direct energy use (natural gas and heating oil)	52,532	45,673	45,090	46,244	12,099
Indirect energy use (purchased electricity)	328,374	323,582	307,245	303,456	295,396
<b>Total energy use</b>	<b>380,906</b>	369,255	352,335	349,700	307,495
<b>% of electricity from renewable sources</b>	<b>15%</b>	16%	16%	16%	0%

Notes to WPP's carbon emissions statement 2013

**1. Reporting standard**

Our carbon emissions statement 2013 has been prepared in accordance with the World Resource Institute (WRI) and World Business Council for Sustainable Development (WBCSD) Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, Revised Edition (the GHG Protocol).

**2. Greenhouse gases**

All greenhouse gases emissions figures are in metric tonnes of carbon dioxide equivalents (CO<sub>2</sub>e). They include three of the six greenhouse gases covered by the Kyoto Protocol – carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>) and nitrous oxide (N<sub>2</sub>O). Perfluorocarbons (PFCs), hydrofluorocarbons (HFCs) and sulphur hexafluoride (SF<sub>6</sub>) emissions have been omitted from our reporting as they are not a material source of greenhouse gases for WPP.

**3. Organisational boundary**

Emissions data is included for all operations for which WPP and its subsidiaries have operational control. This covers 119,116 employees. Associate companies are excluded.

**4. Operational boundary**

We include the following emissions in our reporting:

- Direct emissions (scope 1):
  - Fuel used to heat WPP premises (combustion of natural gas and heating oil).
- Indirect emissions (scope 2):
  - All purchased electricity, including electricity purchased at grid average carbon intensity and renewable electricity purchased under specific green-tariff contracts.
- Other indirect emissions (scope 3):
  - Employee business air travel.
  - An estimate for other scope 3 emissions that we do not currently measure, including emissions from leased cars, taxis and couriers. This estimate is an additional 15% that we add to our carbon footprint and is shown under 'other estimated scope 3 emissions'.

**5. Geographic scope**

Our CO<sub>2</sub>e emissions data covers our worldwide operations.

**6. Emission factors**

CO<sub>2</sub>e emissions have been calculated on the basis of measured or estimated energy use, fuel use and miles travelled, multiplied by the relevant carbon emission factors. In 2013, we updated our emission factors for scope 1, scope 2 and scope 3 emissions, and our data is based on the following emissions factors:

Emission scope	Emission factors used
<b>Scope 1</b> (fuel used to heat WPP premises)	IPCC 2006 Guidelines for National Greenhouse Gas Inventories (using global warming potentials from the 2007 IPCC Fourth Assessment Report).
<b>Scope 2</b> (purchased electricity)	International Energy Agency, CO <sub>2</sub> Emissions from Fuel Combustion, 2013 edition.
<b>Scope 3</b> (business air travel)	UK Department for Environment, Food & Rural Affairs (Defra), Conversion Factors for Company Reporting (2013).

When calculating our carbon footprint, we rate purchased renewable electricity as zero emissions. For full transparency, we also disclose total electricity purchased at grid average carbon intensity.

**7. Data collection methodology**

Data used to calculate CO<sub>2</sub>e emissions is collected quarterly through WPP's financial reporting system, and includes some estimated data (e.g. in some locations electricity usage is estimated based on headcount or floor space). In 2013, our data covered 99% of our operations by employee headcount. The remaining 1% was extrapolated based on the Group's total headcount at year-end.

**8. External assurance**

Our carbon data is reviewed by Bureau Veritas, an independent assurance provider. Following its review of our 2012 data, Bureau Veritas made a number of recommendations for improving our approach. We have implemented many of these in our 2013 reporting process. This includes updating our reporting guidelines and issuing a reporting tool to help our companies use data during the year to manage performance. The assurance statement is available on pages 75 and 76.

# 5,106

tonnes of waste recycled in 2013

(2012: 4,886)

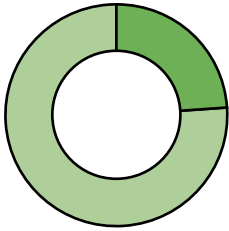
## Resource use and waste

As an office-based company, our resource use and waste generation are relatively low. We aim to reduce this further by:

- Using resources efficiently and reducing unnecessary consumption.
- Promoting the use of sustainable and renewable resources by encouraging our companies to use preferred suppliers selected by WPP.
- Reducing the amount of waste sent to landfill.

### Paper sourcing

%



- Paper purchased with recycled content 24
- Paper purchased without recycled content 76

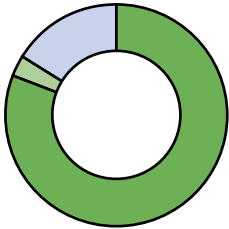
### Paper sourcing and use

Our managed print program (see page 47) helps us to reduce paper use by up to 30% per location. It is challenging to collect data on paper usage, but we estimate that in 2013, our total paper usage was 6,584 tonnes.

Our target is to source 50% of paper for copying and printing from recycled sources by 2015. In 2013, 24% of the paper purchased by WPP companies contained at least 50% post-consumer recycled fibre. We have established preferred suppliers of recycled paper in all major markets. However, take-up among our companies is still relatively low and we are looking for ways to increase this.

### Waste recycling

%



- Paper and cardboard 81
- IT equipment 3
- Other waste recycled 16

### Waste and recycling

Our key waste streams are electronic waste and office consumables (e.g. paper, card, cans, plastic bottles and toner cartridges).

We have established preferred suppliers of recycling services for waste paper, standard office consumables and mobile phones in all major markets, where appropriate. In 2013 we recycled 5,106 tonnes of waste, of which 81% was paper and cardboard.

Our goal is for obsolete IT equipment to be refurbished and sold for reuse, or if this is not possible, to be broken down for recycling. Disposal is a last resort, and must be done in compliance with local environmental regulations and data security best practice (see pages 25 to 27 for information on privacy).

We work with our global providers of IT waste disposal services to increase reuse and recycling and to dispose of our IT equipment safely.

14%

reduction in water use per person since 2010 in our conservation pilot

Water use

As an office-based company, we are not a major water user but our companies take steps to reduce water use in their offices; this is particularly important for offices located in water-scarce areas.

We are running a water conservation pilot in our 11 largest locations in areas of water scarcity (which account for around 20% of floor space in these areas). Our target, at these locations, is to reduce water use per head by 20% by 2015 by:

- identifying and repairing leaks;
- upgrading water fixtures and fittings during renovations; and
- reusing rainwater and wastewater where feasible.

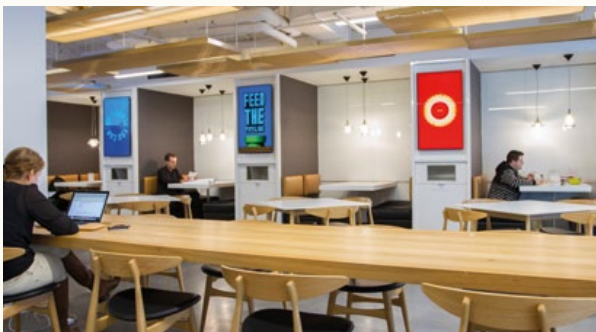
In 2013, water use per head was 12.6 cubic metres, down 6% on 2012 and 14% lower than our 2010 baseline. Total water use was 72,503 cubic metres, a decrease of 9% over 2012.

Our companies are primarily based in urban areas and source their water from municipal water suppliers. We also include water conservation in our property environmental scorecard (see page 46).

Profile:  
**Y&R Group**  
 3 Columbus Circle



Y&R Group’s new offices in New York achieve high environmental standards, and is aiming for LEED Gold certification. Features include low-flow water fixtures, energy efficient lighting and fewer printers, as well as more recycling to cut waste.



# Supply chain

We purchase goods and services from thousands of suppliers around the world. Sustainability is one of the five priorities in our supply chain management strategy.

## FAST READ

- £6 billion spend with over 180,000 suppliers, excluding media spend on behalf of clients.
- Sustainability included in global Procurement Leadership Team objectives.
- Simplified supplier selection process fully aligned with the WPP Code of Business Conduct and the Group's anti-bribery and corruption policies.
- Pilot project run with Sedex to assess supply chain sustainability risks.

## £6bn

spend with over 180,000 suppliers





*“Our approach to assessing and managing risk in our supply chain is of growing interest to WPP clients and investors. We reviewed and strengthened our approach in 2013, including updating our policy and Supplier Code of Conduct to clarify our expectations, both internally, and of our suppliers.”*

**Tom Kinnaird,**  
Chief procurement officer, WPP

We aim to select suppliers that protect the environment, meet high standards on employment practices and commit to acting ethically in all aspects of their business. Managing environmental, social and governance risks in our supply chain is important both for ourselves and for our clients.

## Management approach

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Managing sustainability in our supply chain is the responsibility of our global Procurement Leadership Team (PLT). Sustainability is included in the personal objectives for all PLT members.

The PLT communicates our sustainability requirements to local Group and operating company procurement teams. We raise awareness through quarterly reporting and our regular cross-Group sourcing team activities and newsletters.

We have implemented a spend analytics system that enables us to monitor around £3.8 billion out of £6 billion of external procurement across our nine largest markets. This provides greater visibility of spend with individual suppliers, enabling us to reduce costs, consolidate our supply base and better integrate sustainability.

At a Group level we focus our sustainability efforts on WPP preferred suppliers that provide goods and services to our companies such as IT, travel, telecommunications, professional services (e.g. consultancy and recruitment) and facilities management. These represent half of our external spend and many contracts are negotiated centrally by WPP.

For goods and services used in client work, contracts are usually smaller and negotiated by budget holders within our companies. Our companies are expected to apply the approach and principles for sustainability laid out in the WPP Code of Business Conduct and Group Procurement Policy.

In 2014, we are launching The Bridge Advantaged Production Buying (APB), a new WPP initiative in advertising production procurement and the first of its kind in our business sector, see below for details.

## Supplier selection and risk management

---

In 2013, we reviewed our approach to supplier selection, simplifying our assessment and documentation requirements and aligning our supplier selection process with WPP's anti-bribery and corruption policies.

As part of our supplier selection process, all WPP companies are expected to:

- Conduct due diligence.
- Assess operational, commercial and sustainability criteria.
- Apply our anti-bribery and corruption policies.
- Have suppliers read and sign the WPP Code of Business Conduct.
- Include a right-to-audit clause in purchase orders where appropriate.


We piloted a supplier risk assessment process in partnership with Sedex, the Supplier Ethical Data Exchange, to better understand sustainability risks among advertising production suppliers in the UK and China.

**88%**

of suppliers included in our pilot carry a medium sustainability risk as defined by Sedex

We evaluate all potential new suppliers against a set of business requirements before they can become a WPP supplier. These include assurance of supply, quality, service, cost, innovation and sustainability. Our sustainability criteria cover six areas: policy, senior responsibility, materiality and issues identification, reporting, supply chain and anti-bribery and corruption.

Once selected, all our business partners and suppliers are asked to sign a copy of the WPP Code of Business Conduct to confirm they will abide by its principles. These include requirements relating to labour practices (such as wages, anti-harassment and discrimination and health and safety), human rights (including no child, forced or bonded labour), social impacts (such as anti-bribery and corruption) as well as other sustainability criteria. In 2013, we launched an updated version of this Code which explains our expectations of suppliers.

 see [wpp.com/sustainabilityreports/2013/quicklink/code-of-business-conduct/](http://wpp.com/sustainabilityreports/2013/quicklink/code-of-business-conduct/)

## Supplier risk assessment pilot project

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In 2013, we piloted a supplier risk assessment process in partnership with Sedex, the Supplier Ethical Data Exchange, to better understand sustainability risks among advertising production suppliers in the UK and China. The project was coordinated at Group level and involved our top four advertising networks (Grey, JWT, Ogilvy & Mather and Y&R). It is based on an approach used by many of our top clients, but we believe it is the first such project in the marketing services sector.

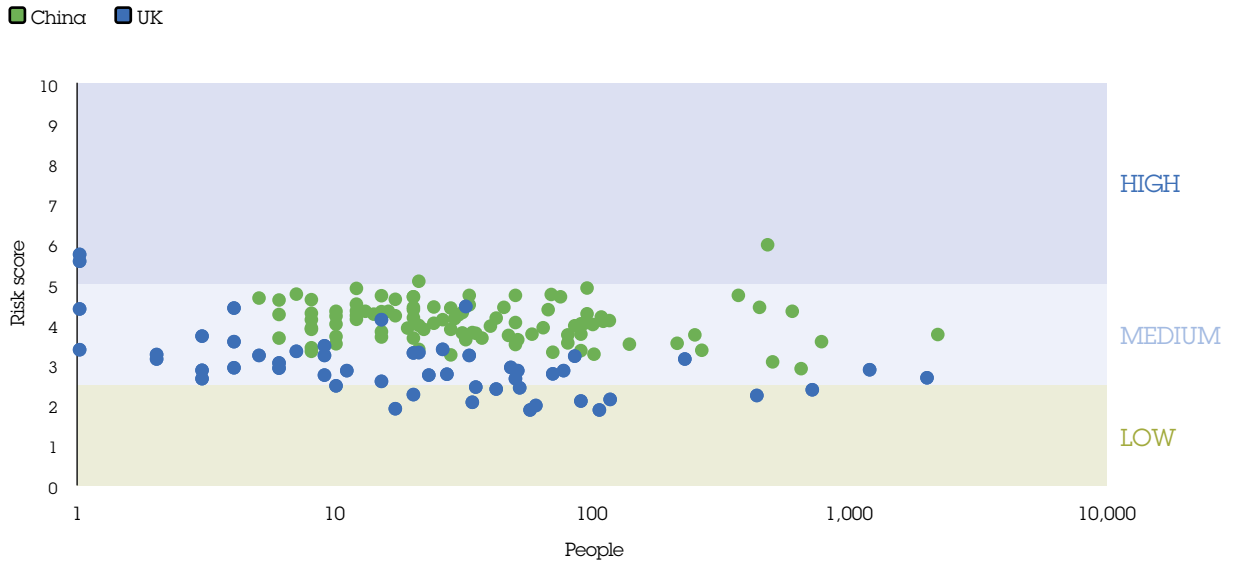
Suppliers were asked to complete a self-assessment questionnaire covering labour standards, health and safety, business ethics and environmental management, and to confirm that they have read and understood the WPP Code of Business Conduct.

Over 400 suppliers were contacted representing 80% of our advertising production spend in each country. Of these suppliers, 77% responded positively to our request for information and 40% provided us with complete responses. Responses were analysed using the Sedex risk tool, enabling us to assess the level of potential sustainability risk associated with each supplier.

Results show that the majority of suppliers carry a medium sustainability risk (as defined by Sedex) with overall risk levels relatively lower in the UK than in China. The advertising production supply chain is relatively fragmented with services provided primarily by small companies of up to 100 employees in size. In 2014, we will use the findings to establish a process for sustainability risk management among our top suppliers of advertising production services, starting with our biggest markets for ad production – the UK and the US. This will include:

- Supplier workshops to provide basic training on our core requirements.
- Management proficiency survey and guidance on practical steps needed to meet WPP's Code of Business Conduct objectives.
- Audits for selected higher risk suppliers.

## Size and risk category of suppliers in the supplier risk assessment pilot



**Note to chart:** Most suppliers included in the pilot have less than 100 employees. Risk levels were found to be relatively lower in the UK than in China. The majority of advertising production suppliers carry a medium sustainability risk, as defined by Sedex.

We will implement this approach through The Bridge APB, WPP's new advertising production initiative. In 2014, we will also assess other areas of our supply chain where sustainability risks may be high.

### Supporting WPP's sustainability objectives

By integrating sustainability into procurement decisions, we also support progress on other WPP sustainability objectives, particularly in the areas of diversity and environmental management.

#### Green goods and services

We encourage our operating companies to use preferred suppliers who provide goods and services with improved environmental credentials, see Environment, page 42.

#### Supplier diversity

Our companies include many women and minority-owned businesses in their supply chains. This can bring advantages to WPP, helping our companies to reflect diverse consumers and to enhance innovation and creativity. We aim to increase the number of diverse suppliers we work with.

# Social investment

WPP companies undertake pro bono work and make charitable donations to good causes around the world. We provide services to many charities, NGOs and voluntary groups on a pro bono basis, forgoing a commercial fee. These campaigns are an opportunity for exceptionally creative, and often award-winning, work.

## FAST READ

- £19.6 million social investment.
- Social investment equivalent to 1.5% of pre-tax profits.
- £19.8 million in negotiated free media space.
- Total social contribution worth £39.4 million.
- Value of pro bono work up by 31%.

**£19.6m**

social investment  
(2012: £16.2m)

**£19.8m**

in negotiated free media space  
(2012: £14.3m)



Read more about our work at [wpp.com/sustainabilityreports/2013/quicklink/pro-bono/](http://wpp.com/sustainabilityreports/2013/quicklink/pro-bono/)

Our pro bono campaigns are valued by our pro bono clients and well liked by our people who find them a source of professional and personal satisfaction. This year we have produced a separate pro bono book to showcase our work. We also make charitable donations and encourage employee volunteering.

### Our performance in 2013

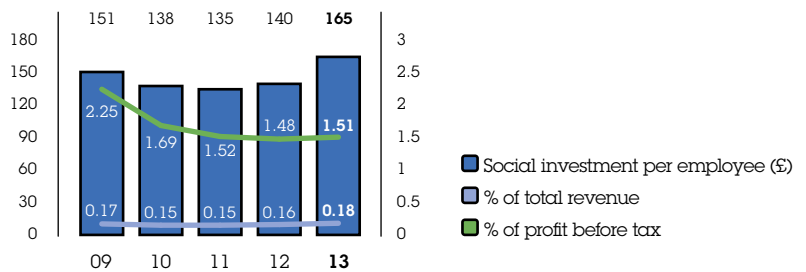
In 2013, our social investment was worth £19.6 (£16.2 million: 2012). This is equivalent to 1.5% of reported profit before tax. It includes cash donations to charities of £4.9 million and £14.7 million worth of pro bono work based on fees the organisations would have paid for our work. In addition, WPP media agencies negotiated free media space worth £19.8 million on behalf of pro bono clients, making the total social contribution £39.4 million.

The value of pro bono work increased by 31% on the previous year, while charitable donations saw a small decrease of 2%.

**Note to chart:** Our social investment, the value of pro bono work and charitable donations, increased this year in both absolute terms and as a percentage of revenue and profit before tax.

#### Social investment 2009-2013

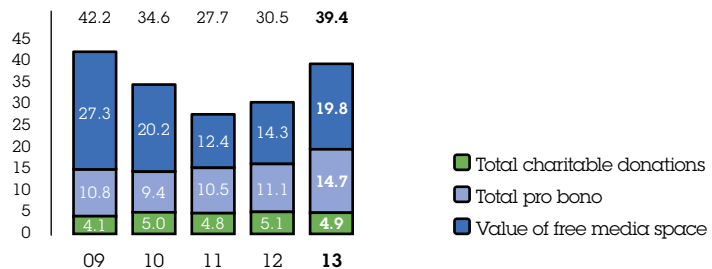
Excluding value of free media space (£m)



**Note to chart:** Our total social contribution includes the pro bono work and charitable donations made by our companies, as well as the free media space negotiated by our media agencies on behalf of charity clients. It does not include the value of volunteering undertaken by employees.

#### Total social contribution

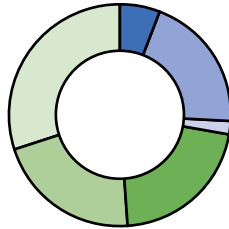
Including value of free media space (£m)



**Note to chart:** Our companies supported a wide range of charities and community organisations with a particularly strong focus on those working in the areas of health, local community and human rights.

### Charitable donations 2013

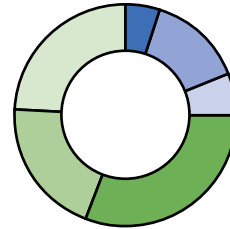
%



■ Arts	6	■ Health	21
■ Education	20	■ Local community	21
■ Environment	2	■ Human rights	30

### Pro bono work 2013

%

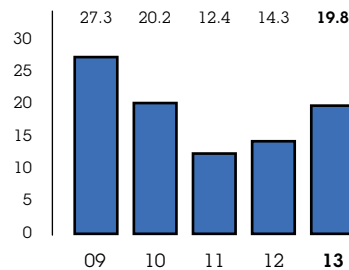


■ Arts	5	■ Health	31
■ Education	14	■ Local community	20
■ Environment	6	■ Human rights	24

**Note to chart:** Our media agencies negotiate free media space on behalf of charities. This is critical to helping campaigns achieve their objectives.

### Value of free media space

£m



**£19.8m**

### The parent company

The parent company supports charities and non-profit organisations, with a particular focus on education, the arts and young people. Our support includes advice on strategy and communications as well as financial donations.

### RECENT ORGANISATIONS WPP HAS SUPPORTED INCLUDE:

The British Museum ■ The City UK ■ Education and Employers Task Force UK ■ FIA Road Safety Campaign ■ Gates Cambridge Scholarships ■ Henry Jackson Initiative ■ IESE Business School ■ National Citizen Service ■ National Equality Standard ■ The Prime Minister's Dementia Challenge ■ The Prince's Foundation ■ The Queen Elizabeth Diamond Jubilee Trust ■ Royal College of Music ■ The Royal Foundation ■ World Economic Forum Sustainability Board ■ British Red Cross Typhoon Haiyan Appeal ■ Central Saint Martins College of Art and Design ■ Coram (UK children's charity) ■ NABS (which offers financial, practical and emotional support to those in the advertising industry) ■ St Gabriel College ■ The National History Museum ■ The National Portrait Gallery ■ The Outward Bound Trust ■ Place2Be (school-based counselling service, dedicated to improving the emotional well-being of children).

## Pro bono work – PR companies

Some of the many pro bono campaigns by our advertising agencies and our branding, direct marketing and digital companies are featured in our *Pro bono book*. Here we share a few examples of pro bono work by our PR companies:

### Campaign: **Same-sex Marriage**

WPP companies: **Ogilvy Public Relations and Ogilvy & Mather France**  
Client: **Google+**



Ogilvy partnered with Google+ and the association Tous Unis pour l'Égalité to hold the first same-sex marriage in France using Hangout, Google+'s videoconferencing facility. French gay couples connected to a Mayor in Belgium (where same-sex marriage is legal) who conducted the ceremony. The campaign generated great visibility (with an equivalent of €400,000 in free media space) and engaged millions of people via Google+ Hangout.

#### Awards:

- ★ Gold Cannes Lion.
- ★ Prix d'Honneur at the Grand Prix de Communication & Enterprises.
- ★ PR Cristal at the Cristal Festival.
- ★ Seven Webby awards.

### Campaign: **Shame On Us**

WPP company: **Ogilvy PR Bangkok**  
Client: **WWF Thailand**

In Thailand, the legal ivory trade from local elephants resulted in illegal African ivory being laundered through the country. This three-pronged campaign was aimed at changing public indifference, winning round the business community and propelling the government into banning the local ivory trade.

#### Result:

The Thai Prime Minister formally announced to amend the national legislation aiming to ban all ivory trading in Thailand.

#### Awards:

- ★ Sabre Awards APAC.
- ★ Promotion Marketing Awards of Asia.

### Campaign: **Clean the World Partners with Sands China**

WPP company: **Cohn & Wolfe Hong Kong**  
Client: **Clean the World**

Infant mortality from diarrhoea and acute respiratory infections is high in the developing world. But many lives could be saved by washing with soap. Clean the World obtains used soap bars for recycling from the hospitality sector. This targeted PR campaign in Hong Kong sought new partners for the social enterprise.

#### Result:

Secured the support of SKAL International, an organisation representing travel professionals.

## Pro bono work – PR companies continued

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### Campaign: **TECHO**

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WPP company: **Burson-Marsteller Latin America**  
Client: **TECHO**

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Burson-Marsteller has a long-standing partnership with TECHO, a charity working in Latin America, the US and the Caribbean to overcome poverty in slums. B-M supports TECHO through strategic counsel to its regional leadership teams as well as developing its communications strategy, messaging platform and media relations plans. Where relevant, they provide spokesperson training, media relations and crisis support on the ground. B-M employees also donate their personal time, joining TECHO volunteers in house-building and fundraising activities.

### Campaign: **PAM**

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WPP company: **Hill+Knowlton Strategies Mexico**  
Client: **Perros de Asistencia Mexico**

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Perros de Asistencia Mexico is a charity pairing disabled people with specially-trained dogs to assist them in their daily lives. H+K Mexico is a founding partner of the charity and provides on-going pro bono public affairs assistance with the aim of raising awareness and funds for the charity, and developing partnerships with similar organisations around the world.

## Pro bono work – media agencies

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Our media agencies make a major contribution by negotiating free media space for charity campaigns. These are just a few examples from 2013:

### Campaign: **MY World**

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WPP company: **MediaCom International**  
Client: **United Nations**

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The United Nations aims to engage citizens around the world to take part in shaping the future global development agenda through the MY World online survey. MediaCom supported the UN in developing a media strategy and obtained free media space worth over \$1 million. Its efforts were recognised with a UN special partner award for communications.

### Campaign: **Soup with Sense**

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WPP company: **MEC Austria**  
Client: **Wiener Tafel**

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Wiener Tafel provides meals to people in need from food that otherwise would go to waste. Free media space negotiated by MEC enabled Wiener Tafel to launch a new campaign to secure donations from diners at restaurants across Vienna. Participating restaurants increased by 40% and unique visitors to the home page increased by 15%.

### Campaign: **Make it Visible**

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WPP company: **MEC US**  
Client: **Intrepid Fallen Heroes Fund**

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MEC negotiated over 131 million free media impressions for Make It Visible, a campaign to raise awareness and drive donations to build rehabilitation clinics for US veterans suffering from post-traumatic stress and other 'invisible' wounds of war. In three months, the digital media campaign delivered over 110,000 clicks on banner ads and an upswing in donations.



## Volunteering

As a large employer, we are members of the communities where our companies are based. Our companies operate volunteering schemes at many of our locations. Volunteering can support employee engagement, team building and professional development.

Many of our executives support charities by providing advice and support or by serving as trustees, see below.

### A SELECTION OF THE ORGANISATIONS OUR PEOPLE SUPPORT AS ADVISORS AND TRUSTEES:

AAAA Advisory Council ■ AACD ■ Ad Council ■ Advertising Education Foundation ■ Advertising Research Foundation ■ Aldeas Infantiles SOS ■ Allan Gray Orbis Foundation ■ American Heart Association ■ American Museum of Natural History ■ Arab Forum for Environment and Development (AFED) ■ Army Salvation ■ Ashoka ■ ASRA ■ Australian Childhood Foundation ■ Autism Speaks ■ AVANCE Inc. ■ AWNY ■ Berlin School of Creative Leadership Steinbeis University ■ Bhagwan Mahaveer Viklang Sahayata Samiti (Jaipur Foot) ■ BONA Foundation ■ Calcutta "de la rue à l'école" ■ CancerCare ■ Caritas Lebanon ■ CASA ■ Casa de la Amistad ■ Casa dos Rapazes ■ Catch 22 ■ Centre for Social Action Innovation Fund ■ Charity Navigator ■ Childline India Foundation ■ CIN Museum Center ■ CLIC Sargent ■ CMDC ■ Coalition for Healthcare Communications ■ Committee to Encourage Corp ■ Communities in Schools - Georgia ■ Comunidade Vida e Paz ■ Congressional Hispanic Caucus Institute ■ Cornell school of business mentoring ■ Council of Urban Professionals Leadership Institute ■ De Refuge ■ Department for International Development ■ Direct Marketing Association ■ DMEF ■ Down Syndrome Association ■ East London Business Alliance ■ Emirati-Lebanese Friendship Association (ELFA) ■ Engage For Success ■ Five Talents ■ Friends of Hermione-La Fayette in America ■ Fundação Rui Osório de Castro ■ Fundación Hazlo posible ■ Genesis Foundation ■ Goodwill Industries of NY ■ Haverstock City Academy ■ Head for the Cure ■ Hole in the Wall Gang Camp ■ India Foundation for the Arts ■ Kansas City Zoo ■ Lab School of DC ■ Latino Commission on AIDS ■ Lehigh University ■ Leonard Cheshire Disability & Development Programme ■ Leontinka Foundation ■ Les Turner ALS Foundation ■ Liga Solidária ■ Lincoln Center ■ Loerie Awards ■ March of Dimes ■ Marketing Advisory Committee to the American Heart Association ■ McGill University ■ Medical Faculty University Freiburg ■ Minnesota Ovarian Cancer Alliance ■ Multicultural Advisory Board on Diversity and Inclusion (MADI) at the Metropolitan Museum of Art ■ Museum of Art & Design (NYC) ■ National Advertising Benevolence Society ■ New Alternatives for Children ■ Madison Square Park Conservancy ■ New York City Youth Board ■ NY Presbyterian Hospital ■ NYC Partnership ■ ONEWATER ■ Pain and Palliative Care Society ■ Pangea ■ Peace Games ■ Personal Democracy Forum and E-Voter Institute ■ PR Chamber of Commerce ■ Ronald McDonald House Charities ■ Norway ■ Starlight Starbright Children's Foundation ■ Stephen Sills Foundation ■ Street Child Africa ■ Sustainable Business Network NZ ■ Taylor Institute ■ The Alarm Charity Foundation ■ The Association of Professional Futurists ■ The Chicago Sunday Evening Club ■ The Darlington School ■ The Parent House. Tommy's ■ Tsinghua (China) School of Journalism ■ Tsinghua-Ogilvy Programme for Public Branding ■ TTSL Charitable Foundation ■ UNICEF ■ UnLtd ■ War Child USA ■ Women in Leadership Initiative - Hofstra University ■ Working for Change ■ WWF ■ Yellowstone Park.

Profile:

**Dig Deeper. Imagine More –  
Cohn & Wolfe**

**cohn&wolfe**

Every two years, Cohn & Wolfe holds a concentrated employee think-tank supporting a global cause, while celebrating and reinvigorating the agency's research-driven creative firepower. Most recently, employees developed innovative ways to activate the imaginations of underprivileged and at-risk children around the globe. In 2013, each office partnered with a local non-profit for the project and created campaigns such as partnering with PRERANA, an organisation working to eliminate the trafficking of children of prostitutes in India; creating a video for the 20th anniversary of the Theodora Foundation, a Swedish non-profit that funds visits to children's hospitals by clowns and entertainers; and running a social media campaign to highlight the work of the Fondazione Meyer children's hospital foundation in Italy.

# Governance and management

We have a global network of companies, with 3,000 offices in 110 countries. We are embedding sustainability into our working practices, at both Group and operating company level.

## **WPP's Sustainability Committee**

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Paul Richardson, WPP's Group finance director, is the Board director responsible for corporate sustainability. Reflecting our decentralised structure, the practical work of implementation is devolved to WPP companies around the world, with strategic direction and policy principles – notably the WPP Code of Conduct and Group Sustainability Policy – set at Group level.

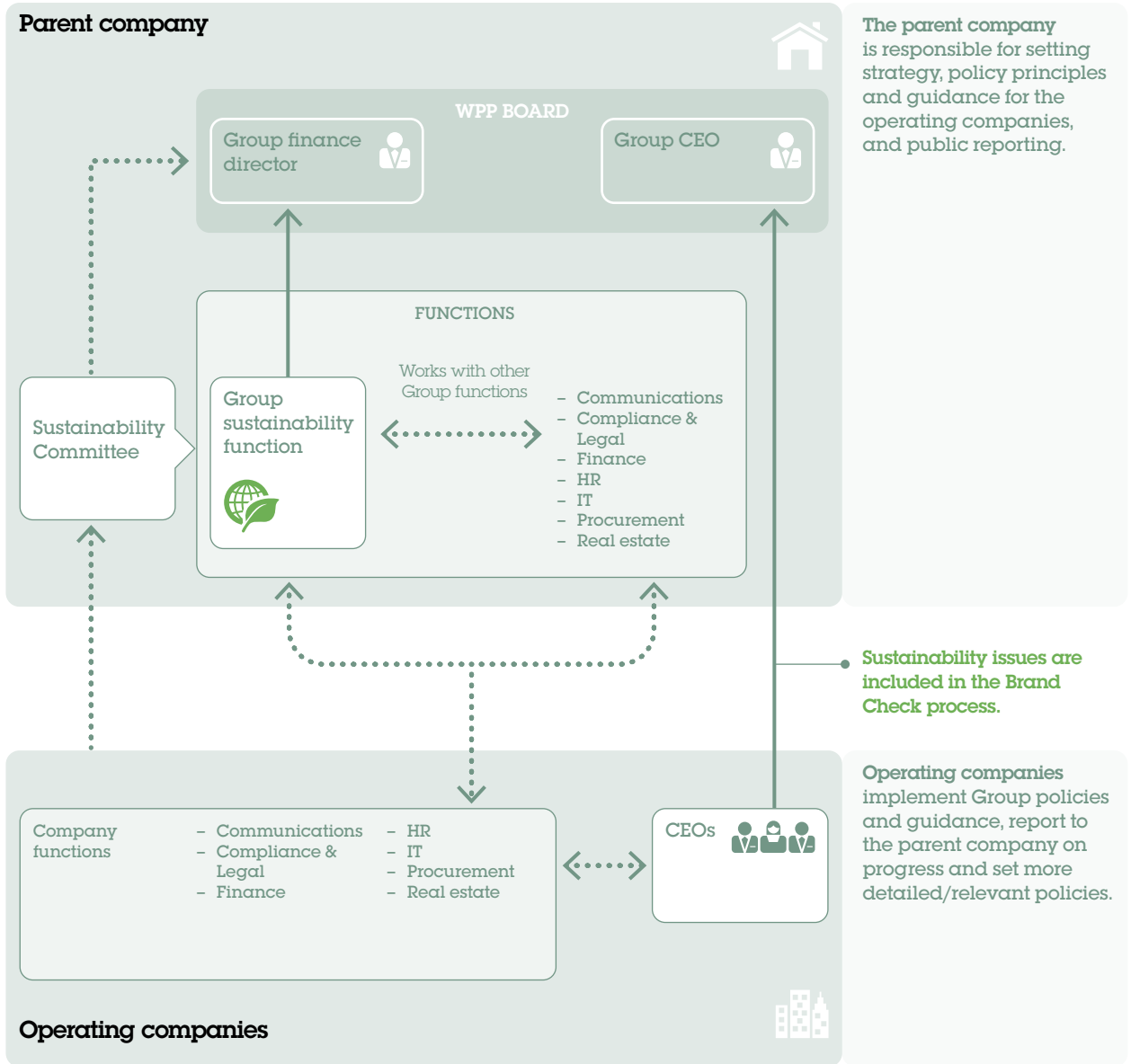
The WPP Sustainability Committee is made up of senior representatives from our companies and Group functions. The committee meets on our Sustainability Strategy Day each September to review progress on a variety of sustainability issues. Paul Richardson shares outcomes from this meeting with WPP's Nomination and Governance Committee and Board of Directors.

Our central sustainability function develops strategy and coordinates data collection. It communicates on sustainability matters on behalf of the whole Group and works with Group functions (such as our talent team, legal, real estate, IT and procurement), to further our sustainability priorities. The head of sustainability reports directly to the Group finance director.

We have established key performance indicators to help us review and improve our performance. Sustainability data is collected quarterly through our Group financial reporting system, which supports integration into operating company management systems.

Our carbon and employment data is verified by Bureau Veritas, an independent assurance provider.

## How we manage sustainability issues



Sustainability risks (including social, environmental and ethical risks) are integrated into the Group's risk identification, management and monitoring processes.

## Risk management, audit and assurance

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Sustainability risks (including social, environmental and ethical risks) are integrated into the Group's risk identification, management and monitoring processes. This includes:

- Annual assessment of sustainability risks and performance (presented by Paul Richardson).
- Brand Check process – a review of WPP business operations and risk profiles (presented by Group chief executive Sir Martin Sorrell at Board meetings).
- Selected internal audits that cover sustainability risks.
- Due diligence process for acquisitions – a review of risks relating to bribery and corruption or ethical issues associated with client work. We have a process to make sure that acquired businesses embed our policies and undertake our ethics training.

See our Annual Report for more detail on our risk management process, our audit process and a list of our principal risks.

## Stakeholder engagement

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Our business relies on engagement with our people, clients, consumers, investors, the media and government representatives. These stakeholders have the greatest potential to influence our ability to operate efficiently and to generate a profit, and we prioritise engagement with them.

WPP's research businesses are expert in tracking and analysing social trends on a global basis. These same skills help us to communicate our approach to sustainability and obtain feedback and insights from external stakeholders. Periodically, we hold focus groups bringing together sustainability thought leaders from socially responsible investment organisations, leading client companies, business sustainability groups and non-governmental organisations. The discussion topics raised in the most recent meeting informed the focus of our program and provided input to the materiality assessment (see page 10).

Clients and potential clients regularly request information on our approach to sustainability, particularly during tender processes and we willingly partner with our clients on issues of mutual interest.

We see value in communicating with our investors on sustainability, and submit the sustainability section of our Annual Report for share owner voting at our AGM. In 2013, we engaged with investors and rating agencies including Amundi, Chevreux, Dow Jones Sustainability Index, Ethibel, FTSE4Good, Natixis, oekom, Trucost and Vigeo on sustainability issues and performance. WPP is included in the DJSI World and Europe Indices and the FTSE4Good Index.

Our Code of Business Conduct states our commitment to respect human rights. Our most senior managers and all our business partners and suppliers are asked to sign a copy to confirm they will abide by its principles.

We communicate with our people through regular meetings, employee surveys (conducted at operating company level, usually on an annual basis), the Group intranet and regular newsletters and publications. We distribute our Sustainability Report to over 2,000 senior managers and employees.

Stakeholder feedback is shared with the executive team where relevant, via our Group finance director, who has responsibility for sustainability, and through our risk management processes (see page 66).

## Human rights

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We aim to respect human rights wherever we operate, in line with the principles of the UN Universal Declaration on Human Rights, the International Labour Organisation's fundamental conventions on core labour standards and the UN Guiding Principles on Business and Human Rights.

Our Code of Business Conduct, which applies to all WPP employees, companies and suppliers, states our commitment to respect human rights. It sets requirements for both our own potential human rights impacts in areas such as non-discrimination and labour practices as well as those potentially associated with our work for clients. Our most senior managers and all our business partners and suppliers are asked to sign a copy of the WPP Code of Business Conduct to confirm they will abide by its principles.

We comply with all relevant sanctions regimes.

Our companies create pro bono campaigns for human rights organisations, see our *Pro bono book* for examples:

 [wpp.com/sustainabilityreports/2013/quicklink/pro-bono/](http://wpp.com/sustainabilityreports/2013/quicklink/pro-bono/)

## Corporate governance

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The Board of Directors is committed to the principles of corporate governance set out in the UK Corporate Governance Code and to comply with the laws, regulations and guidelines applying in the countries where we operate, for example the US Sarbanes-Oxley Act 2002, the NASDAQ rules and their related regulations. We also seek to comply with guidelines issued by institutional investors and their representative bodies, wherever this is practicable.

WPP operates a system of internal control, which is maintained and reviewed in accordance with the UK Corporate Governance Code and the guidance in the Turnbull Report as well as the relevant provisions of the Securities Exchange Act of 1934.

# £273m

The Group paid corporation taxes  
of £273 million in 2013

## Tax policy

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Tax has repercussions for sustainability as tax revenues sustain national economies. We recognise our obligation is to pay the amount of tax legally due in the territory in which the liability arises and to observe all applicable rules and regulations. At the same time we have an obligation to maximise share owner value, which includes controlling our overall liability to taxation. However, we do not condone either personal or corporate tax evasion under any circumstances.

Our aim is to have a constructive relationship with tax authorities on an ongoing basis. Where disputes arise with tax authorities, in areas of doubt or where legal interpretations differ, we aim to tackle the matter promptly and resolve it in a responsible manner.

The Group paid corporation taxes of £273 million in 2013. Estimated employer and employee taxes (e.g. payroll and social security-related taxes) paid during 2013 were around £850 million.

The WPP Audit Committee, which is made up of independent non-executive directors, is responsible for overseeing our policies on tax and regularly reviews our tax strategy.

## Lobbying and political contributions

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WPP does not make political contributions from corporate resources with the occasional exception of very small, lawful contributions to local candidates in the US.

In countries where it is consistent with applicable law, individuals working at WPP make personal voluntary political contributions directly to candidates for office. Several of our businesses, including Burson-Marsteller, Glover Park Group, Hill+Knowlton Strategies, Prime Policy Group and Wexler & Walker, also maintain political action committees (PACs) which accept voluntary donations from employees to support political candidates.

On occasion, WPP engages in the debate on public policy issues relevant to our business, sometimes operating through our public affairs companies. Our companies also contribute to public debate in areas where they have expertise and a special interest – our digital and research companies, for example, get involved on privacy and data protection issues.

Several WPP companies have public affairs practices which lobby governments on behalf of clients.

See 'Public affairs' (page 29).

# About this report

**Our 12th Sustainability Report explains our approach to social, ethical and environmental issues and our performance during 2013.**

## **Data**

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Data is for the calendar year 2013 and covers 119,000 employees. Data covers all subsidiaries of the Group. A subsidiary is an entity which we control and/or have a majority shareholding. Associates and joint ventures, where the Group may have influence or joint control, but not outright control, are not included. This reporting scope is aligned with WPP's financial reporting. Our main operating and associate companies are listed on pages 6 and 7.

Data is collected quarterly through our financial reporting system. Case studies and examples from our companies are collected via an annual survey. Each WPP company has nominated a sustainability representative to compile this, and surveys are signed off by the company CEO before submission to WPP.

The carbon footprint and employment data has been externally assured by Bureau Veritas.

This report contains Standard Disclosures from the GRI Sustainability Reporting Guidelines. A list of the Standard Disclosures and their location in the report is provided at: [wpp.com/sustainabilityreports/2013/quicklink/gri-table/](http://wpp.com/sustainabilityreports/2013/quicklink/gri-table/)

We have not restated any data provided in previous reports, with the exception of some carbon footprint data which has been restated to reflect updated emission factors.

We aim to make our website, including our online Sustainability Report, as accessible as possible. In Q1 2014, our site was rated second for accessibility out of over 500 company sites assessed by Sitemorse. See [sitemorse.com](http://sitemorse.com).

# Data summary

## Key data

	2013	2012	2011	2010	2009
Number of countries	110	110	107	107	107
Number of offices	3,000	3,000	2,500	2,400	2,400

## Benchmarks

	2013	2012	2011	2010	2009
Dow Jones Sustainability Index	member	member	member	member	
FTSE4Good	member	member	member	member	member
CDP	95 B	81 B	65 D	65 C	56

## Economic

	Units	2013	2012	2011	2010	2009
Billings	£m	46,209	44,405	44,792	42,684	37,919
Revenue	£m	11,019	10,373	10,022	9,331	8,684
Headline PBIT	£m	1,662	1,531	1,429	1,229	1,017
Market capitalisation at year-end	£m	18,613	11,237	8,554	9,982	7,658
Staff costs	£m	6,477	6,106	5,872	5,439	5,117
Taxation	£m	284	197	92	190	156

## Social investment

	Units	2013	2012	2011	2010	2009
<b>Charitable donations</b>	£m	4.9	5.1	4.8	5.0	4.1
Arts	%	6	6	6	5	4
Education	%	20	19	20	20	22
Environment	%	2	1	1	1	1
Health	%	21	17	18	16	15
Human rights	%	30	33	34	43	39
Local community	%	21	24	21	16	19
<b>Pro bono</b>	£m	14.7	11.1	10.5	9.4	10.8
Arts	%	5	7	9	8	11
Education	%	14	15	12	12	11
Environment	%	6	5	8	5	5
Health	%	31	18	20	21	25
Human rights	%	24	29	27	30	31
Local community	%	20	26	24	24	18
<b>Free media space</b>	£m	19.8	14.3	12.4	20.2	27.3
<b>Total social investment (excluding free media)</b>	£m	19.6	16.2	15.3	14.4	14.9
as a proportion of revenue	%	0.18	0.16	0.15	0.15	0.17
as a proportion of profit before tax	%	1.51	1.48	1.52	1.69	2.25
<b>Total social investment (including free media)</b>	£m	39.4	30.5	27.7	34.6	42.2



## Employment

	Units	2013	2012	2011	2010	2009
<b>Headcount</b>						
Excluding employees from associate companies		<b>119,000</b>	116,000	114,000	104,000	99,000
Including employees from associate companies		<b>175,000</b>	166,000	159,000	147,000	139,000
<b>Age</b>						
19 or under	%	<b>1</b>	1	1	1	1
20-29	%	<b>36</b>	36	38	38	38
30-39	%	<b>37</b>	37	37	37	38
40-49	%	<b>18</b>	18	17	17	16
50-59	%	<b>7</b>	7	6	6	6
60 and over	%	<b>1</b>	1	1	1	1
<b>Gender</b>						
WPP Board	% female	<b>29</b>	19	19	19	21
Executive leaders	% female	<b>32</b>	32	31	31	32
Senior managers	% female	<b>47</b>	47	47	48	46
Other employees	% female	<b>56</b>	57	57	57	57
All staff	% female	<b>54</b>	54	54	54	54
<b>Ethnicity in the UK and US</b>						
Executive leaders	% minority	<b>10</b>	11	11	11	8
Senior managers	% minority	<b>18</b>	18	17	16	16
Other employees	% minority	<b>27</b>	25	26	26	26
All staff	% minority	<b>25</b>	23	23	23	23
<b>Training and welfare</b>	£m	<b>64.4</b>	57.8	58.3	48.9	40.0
<b>Days lost due to sickness per employee</b>	day/FTE	<b>3.5</b>	3.4	3.3	3.2	3.3

## Environment

	Units	2013	2012	2011	2010	2009
<b>Carbon footprint*</b>						
Total CO <sub>2</sub> e emissions	tonnes	<b>279,859</b>	283,321	277,231	255,684	248,344
Scope 1 emissions from stationary fuel combustion	tonnes	<b>11,305</b>	9,840	9,714	9,967	6,681
Scope 2 emissions from purchased electricity	tonnes	<b>136,172</b>	140,447	130,396	126,027	132,753
Scope 3 emissions from business air travel	tonnes	<b>95,879</b>	96,079	100,960	86,340	76,517
Scope 3 emissions from other estimated impacts	tonnes	<b>36,503</b>	36,955	36,161	33,350	32,393
Total CO <sub>2</sub> e emissions per employee	tonnes/FTE	<b>2.35</b>	2.45	2.44	2.46	2.51
Scope 1 emissions from stationary fuel combustion	tonnes/FTE	<b>0.10</b>	0.09	0.08	0.10	0.07
Scope 2 emissions from purchased electricity	tonnes/FTE	<b>1.14</b>	1.21	1.15	1.21	1.34
Scope 3 emissions from business air travel	tonnes/FTE	<b>0.80</b>	0.83	0.89	0.83	0.77
Scope 3 emissions from other estimated impacts	tonnes/FTE	<b>0.31</b>	0.32	0.32	0.32	0.33
Total CO <sub>2</sub> e emissions per £m revenue	tonnes/£m	<b>25.40</b>	27.31	27.66	27.40	28.60
Scope 1 emissions from stationary fuel combustion	tonnes/£m	<b>1.03</b>	0.95	0.97	1.07	0.77
Scope 2 emissions from purchased electricity	tonnes/£m	<b>12.36</b>	13.54	13.01	13.51	15.29
Scope 3 emissions from business air travel	tonnes/£m	<b>8.70</b>	9.26	10.07	9.25	8.81
Scope 3 emissions from other estimated impacts	tonnes/£m	<b>3.31</b>	3.56	3.61	3.57	3.73
<b>Office energy use</b>						
Total energy use	megawatt hours	<b>380,906</b>	396,255	352,335	349,700	340,648
Direct energy use (natural gas and heating oil)	megawatt hours	<b>52,532</b>	45,673	45,090	46,244	31,090
Indirect energy use (purchased electricity)	megawatt hours	<b>328,374</b>	323,582	307,245	303,456	309,558
Energy use per employee	kilowatt hours/FTE	<b>3,198</b>	3,191	3,101	3,361	3,449
% of electricity from renewable sources	%	<b>15</b>	16	16	16	16
<b>Business air travel</b>						
Total business air travel	million miles	<b>538</b>	490	516	437	390
Long haul	million miles	<b>303</b>	346	369	297	275
Medium haul	million miles	<b>171</b>	-	-	-	-
Short haul	million miles	<b>64</b>	144	147	140	115
Business air travel per employee	miles/FTE	<b>4,519</b>	4,237	4,548	4,199	3,951
<b>Paper</b>						
Total paper purchased	tonnes	<b>6,584</b>	5,879	9,327	7,373	6,329
Paper purchased with recycled content	%	<b>24</b>	31	35	32	36
<b>Recycling</b>						
Total waste recycled	tonnes	<b>5,106</b>	4,886	5,681	4,740	4,594
Breakdown by category:						
Paper and cardboard	%	<b>81</b>	82	83	84	75
IT waste (computers, mobile phones and cartridges)	%	<b>3</b>	3	3	3	4
Other waste recycled	%	<b>16</b>	15	14	13	21

\* Renewable electricity rated as zero emissions.

# Methodology – Understanding our impact

This section explains the principles, methods and data used in quantifying the economic, social and environmental impacts associated with our operations; see pages 12 to 15 for the findings. This analysis was carried out with the Anthesis Consulting Group, and is based on established social and environmental accounting techniques.

This is our first attempt to assess and quantify our impacts and the findings should be viewed in light of the following considerations:

- **Impacts:** We have captured only a limited selection of the important sustainability impacts associated with our business and there is an opportunity to expand this further to enable more comprehensive reporting.
- **Methods:** To calculate our impacts we have used, wherever possible, recognised methodologies, models and academic research.
- **Data:** In a diverse and decentralised organisation such as WPP the timely collection of high quality data is a challenge and we have used proxy data, from secondary sources and extrapolations, to address any data gaps. This means that findings in some areas are based on estimated figures.

We will take what we have learnt from conducting this assessment to improve data collection and analysis in future years. Below we explain in more detail our approach to calculating each measure.

## **Economic impact**

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In the economic impact category we have reported Corporate Gross Value Added, supply chain impacts, tax contribution and contribution to our employees.

### **Corporate Gross Value Added**

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Corporate Gross value Added (GVA) represents gross profit as disclosed in the Group's audited financial statements for 2013. The direct GVA was calculated using primary data and no assumptions were made.

### **Supply chain**

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In 2013, we spent an estimated £6 billion with our suppliers. This figure was derived from data from our spend analytics system which tracks direct costs

(advertising production and research operations) and indirect costs (facilities, IT, telecoms, travel and professional services) across £3.8 billion of spend. Our media spend on behalf of clients is excluded from these figures.

The impact of our supply chain, our indirect economic impact, was calculated as the total value of expenditure with suppliers broken down by sector and type of spend. The spend for each sector was converted into GVA using gross value added data from relevant sectors obtained from national statistics such as the UK's Office of National Statistics Annual Business Survey (ABS).

There are two limitations associated with this approach. Firstly, data on supplier spend was incomplete for some WPP markets. Data was extrapolated to address these gaps. In addition GVA sector estimates are not available for all countries and in these cases we have based calculations on UK data. To reflect the impacts arising in different countries we have also used purchasing power parity indexes from IMF datasets. We are reviewing this approach to understand how we might improve the accuracy of our reporting in future, particularly outside the UK.

## **Contribution through taxes**

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Our contribution through taxes is calculated as corporation and overseas tax paid plus social security costs as disclosed in the Group's audited financial statements for 2013.

## **Payroll**

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Payroll figures include the amount spent on employee remuneration and benefits, calculated as staff costs less social security costs, as disclosed in the Group's audited financial statements for 2013.

## **Social impact**

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Our social impact category covers the impact of charitable donations, pro bono work and the value of internships and apprenticeships.

## Charitable donations

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To understand the wider benefits of charitable donations we have used secondary data from independent research reports that have assessed the social return on investment (SROI) of similar projects. These provide an estimate of how much benefit is delivered for each £ of investment. For example, one study suggests that each £ invested in educational projects generates £7 of wider social benefit. We reviewed SROI case studies for all the charitable donation categories relevant to WPP. The SROI values, by category, were multiplied by donated amounts to determine the social value delivered.

We recognise that individual projects can deliver very different returns. However, in the absence of project-by-project reporting, this method provides a useful order-of-magnitude indication of SROI.

## Pro bono work

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The benefits of pro bono work (primarily undertaken for the benefit of charities) are difficult to quantify. Outcomes are often not measured and, if they are measured by the charity, results are not often shared with WPP. For the purposes of this assessment, we have assumed that pro bono work has an impact similar to that of charitable donations and the same assessment approach was used.

We believe this to be a conservative assumption, since pro bono work (costed on a time-sheet basis) is often worth more than the equivalent cash donation as WPP expertise is leveraged to create additional value above and beyond the time spent.

## Internships & apprenticeships

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The value of internships and apprenticeships is hard to estimate as there is no established method for valuing these work placements. To calculate the benefits of internship schemes we assumed that interns are able to find jobs faster and therefore able to earn a monthly salary faster. We multiplied the number of interns worldwide with the average additional income that the person would have earned as a result of the work placement. Further work is needed to calculate these benefits more accurately and to capture regional variation.

## Environmental impact

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We looked at environmental impacts related to greenhouse gas (GHG) emissions, primarily carbon dioxide, the main contributors to man-made climate change, as well as a energy use and business air travel.

### GHG emissions

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Each tonne of GHG released into the atmosphere damages society, the environment and the economy by impacting on, for example, climate, health, and the built environment. The economic costs of this damage is called the social cost of carbon (SCC).

Many studies have identified a range of estimates for the social cost of carbon. The estimates span from 0 to over £400/tCO<sub>2</sub>e as they take into account uncertainties in climate and climate change impacts. In the report we have used a value of £29.2 per tonne of CO<sub>2</sub>e published by Defra and derived from the Stern Review on the Economics of Climate Change. We have used a net emissions figure, which means our calculations take account of the positive impact of carbon offsets and green electricity purchased.

We have been recording our emissions in line with international standards since 2006 and as part of our reporting process we capture scope 1, scope 2 and a number of scope 3 emissions.

### Energy consumption

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We have been measuring our energy consumption since 2006 and this data was used to estimate potential savings.

### Business travel

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The business travel data was taken from our corporate GHG results.

# Assurance statement

## Independent Verification Statement

Bureau Veritas UK Limited (Bureau Veritas) was engaged by WPP to conduct limited assurance for scope 1, 2 and certain scope 3 greenhouse gas (GHG) emissions and certain indicators of WPP's employment data reported by WPP subsidiaries for the period 1 January 2013 to 31 December 2013. Stated emissions and employment data were included for all global operations under WPP's control.

### Scope of verification

#### GHG emissions

Bureau Veritas was asked to verify the accuracy of:

- Scope 1 and scope 2 emissions from WPP's global operations; and
- Scope 3 emissions from business air travel.

#### Employment data

Bureau Veritas was asked to verify the accuracy of:

- Age and gender data;
- Ethnicity data (UK and US); and
- Health and safety data.

Excluded from the scope of assurance are associate companies of WPP, GHG emissions outside the defined reporting period and scope 3 GHG emissions not stated above.

## Methodology

Bureau Veritas conducted the verification against the main requirements of *ISO 14064-3: Greenhouse gases – Part 3: Specification with guidance for the validation and verification of greenhouse gas assertions*.

WPP's GHG emissions were calculated by WPP using its own internal methodology that applies the criteria of the WBCSD/WRI Greenhouse Gas Protocol<sup>1</sup>.

- As part of the assurance, Bureau Veritas undertook:
- Interviews with relevant personnel of WPP responsible for employment data and GHG emissions accounting;
  - A review of WPP data and information systems and methodology for collection, aggregation, and analysis;
  - A review of information and calculations used to determine GHG emissions;
  - Sampling of source data from 15 of WPP's locations Worldwide. The sample was selected based on air travel, energy consumption, geographical location and head count;
  - Audit visits to four of WPP's locations: WPP head office in London, JWT London, Grey New York and Ogilvy & Mather India, to review underlying systems for collecting and reporting employment and emissions data; and
  - A review of the consolidated 2013 data to check end of year accounting and reliable transposition.

#### Note

<sup>1</sup> A Corporate Accounting and Reporting Standard (Revised Edition).

## Conclusion

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Based on the verification conducted by Bureau Veritas, there is no evidence to suggest that the GHG emissions assertions shown below, and the age, gender, ethnicity and health and safety employment KPIs as stated by WPP in its 2013/2014 Sustainability Report:

- Are not prepared in accordance with WPP's relevant internal methodologies; and
- Are not materially correct and a fair representation of the GHG emissions and employment data for WPP.

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### Environment

**Scope 1:** 11,305 tonnes of CO<sub>2</sub>e

**Scope 2:** 136,172 tonnes of CO<sub>2</sub>e (net of green-tariff electricity)

**Scope 2:** 157,471 tonnes of CO<sub>2</sub>e (gross, including green-tariff electricity)

**Scope 3:** 95,879 tonnes CO<sub>2</sub>e (air travel)

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A full analysis is set out in the management report provided to WPP.

## Limitations and exclusions

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- A proportion of reported energy data is estimated due in part to the occupation by WPP of business premises where consumption is paid for via a service charge and is not directly metered or billed.
- Two of the 15 of WPP's locations selected for data sampling and review were omitted from the sample during the verification process due to lack of availability of data relevant to the reporting period.
- WPP estimates its other scope 3 emissions, including from leased cars, taxis and couriers, as an additional 15% of its total emissions figure, added to the carbon footprint and reported as 'other estimated scope 3 emissions'. This estimation was not subject to verification.

## Statement of independence, impartiality and competence

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Bureau Veritas is an independent professional services company that specialises in Quality, Health, Safety, Social and Environmental management with over 180 years' history in providing independent assurance services. No member of the verification team has a business relationship with WPP, its directors or managers beyond that required of this assignment. We conducted this verification independently and to our knowledge there has been no conflict of interest. Bureau Veritas has implemented a Code of Ethics across the business to maintain high ethical standards among staff in its day-to-day business activities. The verification team has over 20 years' combined experience in conducting assurance over environmental, social, ethical and health and safety information, systems and processes, including the verification of greenhouse gas emissions data.



**BUREAU  
VERITAS**

**Bureau Veritas UK Limited**  
March 2014

# Get in touch

We'd like to know what you think about our report and sustainability at WPP. Please get in touch with Vanessa Edwards, head of sustainability: [vedwards@wpp.com](mailto:vedwards@wpp.com).

To talk to our companies about sustainability, contact:

## Added Value

[added-value.com](http://added-value.com)

## Landor

[landor.com](http://landor.com)

## Addison Group

[addison-group.net](http://addison-group.net)

## MEC

[mecglobal.com](http://mecglobal.com)

## Burson-Marsteller Global Corporate Responsibility Practice

[burson-marsteller.com](http://burson-marsteller.com)

## Millward Brown

[millwardbrown.com](http://millwardbrown.com)

## OgilvyChange

[ogilvychange.com](http://ogilvychange.com)

## Cohn & Wolfe

[cohnwolfe.com](http://cohnwolfe.com)

## OgilvyEarth

[ogilvyearth.com](http://ogilvyearth.com)

## The Futures Company

[thefuturescompany.com](http://thefuturescompany.com)

## PSB Green

[psbresearch.com](http://psbresearch.com)

## Grey

[grey.com](http://grey.com)

## TNS

[tnsglobal.com](http://tnsglobal.com)

## Hill+Knowlton Strategies CR + Sustainability Communications

[hkstrategies.com](http://hkstrategies.com)

## VML

[vml.com](http://vml.com)

## Wunderman

[wunderman.com](http://wunderman.com)

## JWT Ethos

[jwt.com/jwtethos](http://jwt.com/jwtethos)

## Y&R

[yr.com](http://yr.com)

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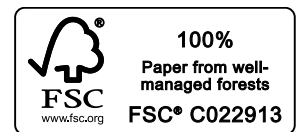


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