# WPP

Sustainability Report 2014/2015



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Throughout this report this icon denotes that case study campaign footage can be viewed in the Sustainability Report online at wpp.com/sustainabilityreport2014-15

# Introduction

# WPP awards and rankings 2014/15

Dow Jones
Sustainability Indices
In Collaboration with RobecoSAM





For the fourth year running, WPP was named Holding Company of the Year at the 2014 Cannes Lions International Festival of Creativity.



WPP was named Most Effective Holding Company for the fourth year in a row in the 2015 Effice Effectiveness Index.







Welcome to our Sustainability Report.

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.

We were named Holding Company of the Year at the 2014 Cannes Lions International Festival of Creativity for the fourth year running and ranked Most Effective Holding Company, globally, in the 2015 Effie Effectiveness Index for the fourth consecutive year.

We directly employ 124,000 people and, when associate companies are included, we have almost 179,000 full-time people working in 3,000 offices in 111 countries. We serve 355 of the Fortune Global 500 companies, all 30 of the Dow Jones 30, 71 of the NASDAQ 100 and nearly 830 national or multinational clients in three or more disciplines. WPP is quoted on the London Stock Exchange and NASDAQ in New York (WPPGY).

This report details how we manage the social, ethical and environmental impacts of our business and the contribution we make to society and economies through our activities. It shows how we are working with clients to help them respond effectively to social and environmental change and how our commitment to sustainability creates value for WPP through better access to skills, new business opportunities and reduced financial and reputational risks.

We also integrate information on our sustainability performance into our Annual Report and Accounts, to enable investors to assess our progress.

WPP USA: Named one of America's Best Employers by *Forbes* magazine.

# From our CEO



There's no greater certainty than change. The world is still adjusting to the transformative impact of technology and globalisation over the last two decades yet, by 2030, major demographic, social and environmental forces look set to reshape our world once again.

As the world's population grows, ages and becomes increasingly urbanised, and the impact of water scarcity, climate change and competition for natural resources is felt, the implications for business will be significant. On the one hand, there will be major opportunities from a larger middle-class consumer base as well as new markets in areas like smart technology and alternative energy. But the challenges can't be underestimated – from rising costs and resource scarcity, to significant infrastructure constraints and supply chain instability. As Andrew Curry notes in his article in this report, the changes will be accompanied by continued rising and changing expectations of the role of business in society.

As businesses adjust, we will see disruptive innovation in products and services and the emergence of new business models and closed-loop supply chains. If today's brands want to remain relevant to the consumers of the future they need to start preparing now for these changes.

At WPP, we're proud to work with many of the world's leading companies. Many of our clients have already begun the process of putting sustainability at the heart of their business strategies, with major implications for their sourcing, their products and services, their business models and their relationships with customers, partners and society. Our companies are helping them on this journey by providing insights, advice and communications to help clients reshape their businesses to be sustainable for the long term.

In our own business we know that lasting success is also reliant on us operating in a way that creates value for share owners, for our clients, our people and the world at large. Our clients increasingly want to know about our social and environmental performance. In 2014, 12% of our revenues – £1.35 billion – came from clients who have engaged with us on sustainability.

I am pleased to report we are making good progress. We have set an ambitious carbon reduction target, aiming for a 47% reduction to 1.8 tonnes per employee by 2020. To achieve this, we are investing in improving energy efficiency in our buildings and IT, reducing non-essential air travel and purchasing renewable energy. We have cut the carbon footprint of our business by 33% per employee since 2006. We are the first in our sector to measure carbon emissions across our value chain, which will enable us to work with clients and suppliers to achieve wider reductions.

Our companies succeed or fail on the skills of our people, and we continue to invest in the best training and development opportunities, as well as reaching out to a diverse pool of candidates to ensure our business reflects our clients and consumers all over the world. Women account for almost half of senior managers in our companies, but we still have further to go to achieve gender balance among our executive teams.

All businesses have a role to play in creating opportunities for young people in the job market, and our companies offered nearly 6,000 internships and apprenticeships during 2014. We also partnered with many schools and universities to help equip young people with skills and secure a sustainable talent pipeline for our industry.

Our companies make a major contribution to organisations working in areas such as education, human rights, health and the environment through pro bono work – creative campaigns for little or no fee. In 2014, our total social contribution, including the value of free media space negotiated by WPP agencies on behalf of pro bono clients, was worth £46.9 million.

One of the most exciting pro bono campaigns from the year was 'Why? Why Not?' created by seven WPP companies on behalf of Al Gore's Climate Reality Project. This successfully engaged hundreds of thousands of young people on the issue of climate change in the lead-up to the UN Summit in New York and reached 160 heads of state at the UN Summit opening ceremony.

We will continue to work on these issues with our clients and in our businesses during 2015.



Sir Mortin Sorrell Group chief executive sirmartinsorrell@wpp.com

2014 Highlights



33%

reduction in carbon emissions per employee since 2006



£73.9m

investment in training and welfare



160,000

employees completed our Ethics and Anti-Bribery and Corruption training



£21.8m

contribution through pro bono work and charitable donations



£1.35bn

revenue from clients who engaged with us on sustainability



46%

of senior managers in the Group are women Who we are





# Our companies & associates

# **Advertising**

ADK<sup>1</sup>

adk.jp

Bates CHI&Partners

bateschi.com

Berlin Cameron

bcunited.com

Blue Hive

thebluehive.com

CHI&Partners1

chiandpartners.com

Cole & Weber

coleweber.com

Grey

grey.com HS Ad<sup>1</sup>

hsad.co.kr

J. Walter Thompson

Worldwide

jwt.com

Ogilvy & Mather Advertising

Santo

santo.net

Scangroup

scangroup.biz

Scholz & Friends\*

s-f.com

Sra. Rushmore starushmore.com

Soho Square

sohosquareasia.com

TAXI<sup>■</sup>

taxi.ca

Team Detroit

teamdetroit.com

The Jupiter Drawing Room<sup>1</sup> the jupiter drawing room.com

Y&R■

yr.com

#### Key

- <sup>1</sup> Associate
- <sup>2</sup> Joint venture
- 3 Investment
- \* A Hill+Knowlton Strategies company
- † An Ogilvy company
- A Young & Rubicam Group company
- A member of B to D Group
- <sup>+</sup> Part of the Wunderman network
- \* A Commarco company
- $^{\Omega}\mathrm{A}\ \mathrm{J}.$  Walter Thompson company
- \*Partnership with Kantar
- ▲ Partnerships with GroupM/Kantar As at June 2015.

# Media Investment Management and Data Investment Management

#### GroupM:

groupm.com

Catalyst

groupm.com/global/catalyst

KR Media

krmedia-france.com

Maxus

maxusglobal.com

MediaCom

mediacom.com

MEC

mecglobal.com

MetaVision Media

metavisionmedia.com

Mindshare

mindshareworld.com

QUISMA

quisma.com

Xaxis

xaxis.com

AppNexus<sup>3</sup> appnexus.com

tenthavenue:

lennavenue.

tenthavenue.com

Forward

theforwardgroup.com

Joule

jouleww.com

Kinetic Worldwide

kineticww.com

Spafax

spafax.com

TMARC

tmarcweb.co.za

#### Other media agencies

Gain Theory

gaintheory.com

m/SIX<sup>2</sup>

msixagency.com

#### Kantar:

kantar.com

Added Value

added-value.com

Benenson Strategy Group

bsgco.com

IMRB International

imrbint.com

Kantar Health

kantarhealth.com

Kantar Japan

kantar.jp

Kantar Media (including IBOPE)

kantarmedia.com

Kantar Retail kantarretail.com

Kantar Worldpanel

kantarworldpanel.com Lightspeed GMI

<u>lightspeedgmi.com</u> Millward Brown

millwardbrown.com

The Futures Company thefuturescompany.com

TNS

tnsglobal.com

comScore<sup>3,\*</sup>

comscore.com Rentrak³.▲

Rentrak.com

# Public Relations & Public Affairs

Blanc & Otus\*

blancandotus.com

**Buchanan Communications** 

buchanan.uk.com

Burson-Marsteller

■

burson-marsteller.com

BWR■

bwr-pr.com

Clarion Communications

clarioncomms.net

Cohn & Wolfe■

cohnwolfe.com

Dewey Square Group deweysquare.com

Finsbury

finsbury.com

Glover Park Group

gpg.com

HERING SCHUPPENER

heringschuppener.com

Hill+Knowlton Strategies

hkstrategies.com
Ogilvy Government Relations<sup>†</sup>

ogilvygr.com

Ogilvy Public Relations<sup>†</sup> ogilvypr.com

Penn Schoen Berland

psbresearch.com

Prime Policy Group prime-policy.com

QGA

qga.com

Wexler & Walker Public
Policy Associates\*
wexlerwalker.com

# **Branding & Identity**

Addison Group

addison-group.net

BDG architecture + design

bdg-a-d.com

Brand Union brandunion.com

CBA<sup>†</sup>

cba-design.com

Coley Porter Bell<sup>†</sup>

coleyporterbell.com

Dovetail dovetailfurniture.com

FITCH•

<u>fitch.com</u>
Lambie-Nairn

•

lambie-nairn.com

Landor Associates<sup>■,●</sup>

landor.com
PeclersParis

peclersparis.com

The Partners●

the-partners.com

VBAT<sup>●</sup>
vbat.com

# Healthcare Communications

Feinstein Kean Healthcare<sup>†</sup>

fkhealth.com

GCI Health gcihealth.com

ghg

Ogilvy CommonHealth

Worldwide<sup>†</sup>
ogilvychww.com

Sudler & Hennessey
sudler.com

Wunderman World Health\* wundermanworldhealth.com

# Direct, Digital, Promotion & Relationship Marketing

AdPeople Worldwide adpeople.com

A. Eicoff & Co eicoff.com

ĀKQA

akqa.com

Barrows1

barrowsonline.com

Blast Radius+

blastradius.com

Brierley+Partners1 brierley.com

Cerebra

cerebra.co.za

deepblue networks\*

db-n.com Digit•

digitlondon.com

**EWA** 

ewa.ltd.uk

FullSIX3

fullsix.it/en

Grass Roots1 grassrootsgroup.com

Geometry Global

geometry.com

HighCo1

highco.fr

iconmobile. iconmobile.com

KBM Group+

kbmg.com

Mando

mando.co.uk

Maxx Marketing maxx-marketing.com

 $Mirum^{\scriptscriptstyle\Omega}$ 

mirumagency.com

OgilvyOne Worldwide<sup>†</sup>

ogilvy.com

SJR

groupsjr.com

Smollan Group<sup>1</sup>

smollan.co.za

VML■

vml.com

Wunderman<sup>■</sup>

wunderman.com

# Specialist Communications

### Corporate/B2B

OgilvyOne dnx<sup>†</sup> ogilvyonednx.com

Demographic marketing

Bravo<sup>®</sup>

bebravo.com

UniWorld1

uwg.is

Wing

insidewing.com

Employer branding/ recruitment

JWT INSIDE<sup>Ω</sup>

jwtinside.com

Event/face-to-face marketing

MJM

mjmcreative.com

Metro

metrobroadcast.com

Richard Attias & Associates<sup>1</sup> richardattiasassociates.com

Foodservice marketing

The Food Group

thefoodgroup.com

Sports marketing

9ine Sports & Entertainment 9ine.com.br

Bruin Sports Capital<sup>3</sup>

bruinsportscapital.com

Chime Communications PLC1

GroupM ESP

groupmesp.com

PRISM Group

prismteam.com

Real estate marketing

PACE

Media & production services

The Farm Group

farmgroup.tv

H+O

hogarth-ogilvy.com

MediaPro3

mediapro.es

Pointblank

pointblankproductions.com

United Visions\*

uv.tv

# Policy & regulation

Global Counsel<sup>1</sup>

global-counsel.co.uk

# **WPP** Digital

Acceleration

acceleration.biz Blue State Digital

bluestatedigital.com

Cognifide

cognifide.com

The Data Alliance thedataalliance.com

F.biz

fbiz.com.br

Globant1

globant.com

Hogarth Worldwide

hogarthww.com

Interlude<sup>1</sup>

interlude.fm

Johannes Leonardo<sup>1</sup>

johannesleonardo.com Mutual Mobile1

mutualmobile.com

**POSSIBLE** 

possible.com

Rockfish rockfishdigital.com

Salmon salmon.com

Syzygy<sup>1</sup>

syzygy.net

# **WPP** Digital partner companies

Ace Metrix3

acemetrix.com

CMC Capital<sup>3</sup>

Domo<sup>3</sup>

domo.com

Fullscreen3

fullscreen.com HDT Holdings Technology<sup>3</sup>

hdtmedia.com

Indigenous Media<sup>3</sup> indigenousmedia.com In Game Ad Interactive<sup>3</sup>

igagroup.net Invidi3

invidi.com

mySupermarket3

mysupermarket.co.uk Moment Systems<sup>3</sup>

miaozhen.com MRC<sup>3</sup>

mrcstudios.com

OrderDynamics3

orderdynamics.com Percolate<sup>3</sup>

percolate.com

Polestar<sup>3</sup>

Proclivity Media<sup>3</sup>

proclivitysystems.com

Sav Media<sup>3</sup>

saymedia.com

SFX Entertainment<sup>3</sup>

Vice Media<sup>3</sup>

vice.com

Visible World<sup>3</sup> visibleworld.com

The Weinstein Company<sup>3</sup>

weinsteinco.com

WildTangent3 wildtangent.com

# WPP knowledge

communities

Government & Public Sector **Practice** 

wpp.com/govtpractice

The Store wpp.com/store

# Sustainability and our business

WPP companies help their clients succeed in an extremely competitive global market, by providing high-quality information, strategic advice and specialist communications skills. As sustainability issues increasingly impact our clients' businesses, strategies and communications, they are becoming more important to WPP too.

"As more clients look to integrate sustainability into their brand strategies, marketing and communications. they need service providers with the right expertise and who share their values"

As our clients adapt to social and environmental challenges they look to our companies for the best advice and insight. By developing our sustainability expertise and by improving our own social and environmental performance, we can forge stronger relationships with our clients and generate value for our business and society.

Our work to identify, manage and reduce our sustainability impacts while maximising our positive contribution is an important enabler to our strategy today and essential to preparing our business to succeed in the longer term.

### The business value of sustainability

WPP is becoming an increasingly horizontal Group, serving many of our largest clients through multi-agency teams, with a balanced global presence between mature and faster-developing markets, and with a greater share of our revenues coming from our data-led and digital businesses.

Our work to improve our sustainability performance and integrate consistently high ethical, social and environmental standards is an intrinsic part of our strategy as it addresses business risks and creates new opportunities:

- Improving access to skills WPP is a people business, and to best serve our clients we need a diverse workforce, with the most talented and creative people. We need to make sure we have the right people in all our markets, including faster-growing economies where our industry is less well-established, and in all our disciplines. Our work to implement leading employment practices, to create inspiring, inclusive workplaces and to develop skills both inside and outside our business, help us to do this.
- Supporting access to new business Managing and improving our sustainability performance enables us to meet changing client expectations and to open up new sources of revenue. A growing number of client tender processes include sustainability requirements as standard, as well as detailed requirements in areas like privacy. Demonstrating our credentials helps us to win this business. As more clients look to integrate sustainability into their brand strategies, marketing and communications, they need service providers with the right expertise and who share their values.

"To succeed in this new environment, brands will have to make fundamental changes to business models, supply chains, products and services and to the way they engage with customers and stakeholders"

This is creating new opportunities for our companies. Clients who engaged with us on sustainability were worth at least £1.35 billion to the Group in 2014, equivalent to 12% of revenues, a 7% increase on the previous year.

Efficiency, risk and reputation – Implementing consistent ethical standards and selecting suppliers who share our values, managing our environmental footprint and investing in communities helps to protect our reputation and that of our clients, while cutting costs and reducing legal, financial and operational risks.

### Preparing for the long term

By 2030, a predicted 4.9 billion-strong global middle class¹ will drive demand for consumer goods and services. But to meet the needs of this huge market, brands will have to overcome significant social and environmental challenges. The impact of climate change, ecosystem decline and water scarcity will limit supplies of natural resources, increase material and manufacturing costs, and disrupt supply chains.

As the world's population reaches 9 billion<sup>2</sup>, there will be unprecedented strains on food resources, infrastructure and public services. Access to employment and the need for equality of opportunity will continue to be major concerns. Society will look to business to play a major role in addressing these challenges, while technology will continue to transform the way consumers and citizens engage with brands, and keep the spotlight on business practices and values.

To succeed in this new environment, brands will have to make fundamental changes to business models, supply chains, products and services and to the way they engage with customers and stakeholders. They will look to our businesses for the strategic insight, research and communications services they need to make this change happen.

Today's leading businesses have already started on this journey and our companies are working with many of these pioneers. As these longer-term trends become more important for our clients, their significance will grow for WPP too. Increasingly, we will need to demonstrate to our clients that we have the insights and knowledge they need to succeed in this new era for business, and that within our own businesses we also apply high standards and values to the way we operate. The work our companies are doing today will lay the groundwork for success in the business environment of the future.

<sup>1</sup> The Emerging Middle Class in Developing Countries, Homi Kharas, The Brookings Institution. http://www.oecd.org/development/pgd/44798225.pdf

<sup>2</sup> World Population Prospects: the 2012 Revision, UN Department of Economic and Social Affairs, http://esa.un.org/unpd/wpp/index.htm

#### Our business strategy

Our goal remains to be the world's most admired and respected communications services advisor to global, multinational, regional and local companies. To that end we have four strategic priorities:

1

### **NEW MARKETS**

Increase the share of revenues from faster-developing markets to 40-45%

2

### **NEW MEDIA**

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

3

# DATA INVESTMENT MANAGEMENT

Maintain the share of more measurable marketing services at 50% of revenues

4

#### **HORIZONTALITY**

Advance 'horizontality' by ensuring our people work together for the benefit of clients

### Why sustainability matters

#### Access to skills

Leading employment practices, an inclusive workplace and our reputation for sustainability help us to recruit and retain the best people.

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

#### Access to new business

Leading privacy and data security standards enable us to meet client expectations and to grow our digital and data investment management businesses.

A significant number of client tender processes include sustainability requirements that we must meet to access this business.

More global clients are prioritising sustainable business practices. This is a growing source of revenue for our businesses able to provide insight on social and environmental issues and longer-term business risks and opportunities.

#### Efficiency, risk management and reputation

To protect our reputation and reduce legal and financial risks we must apply consistent ethical standards in all our businesses and new acquisitions and increasingly monitor standards in our supply chain.

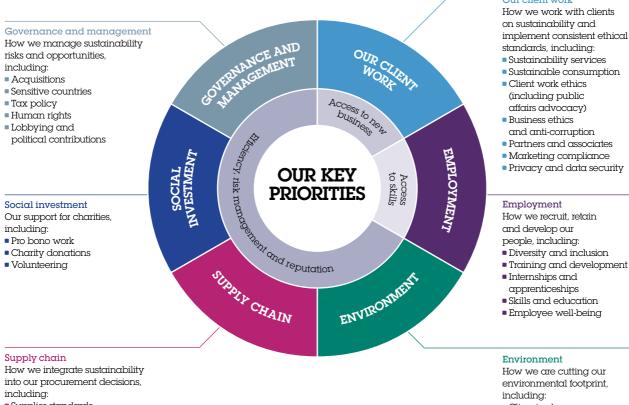
Our commitment to sustainability supports our reputation and enables us to respond to growing investor interest. The responsible investment market is worth at least \$13.6 trillion.

Improving our sustainability performance improves efficiency, reducing operating costs and enabling us to focus more on what matters most.

# Our sustainability priorities

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 stakeholders including clients, investors, our people and suppliers.

We focus on six priority sustainability themes that are important for WPP and support our stakeholder relationships. These bullet points indicate how issues on our materiality matrix (page 12) relate to these themes and where they can found in this report.



#### Our client work

 Supplier standards, including human rights

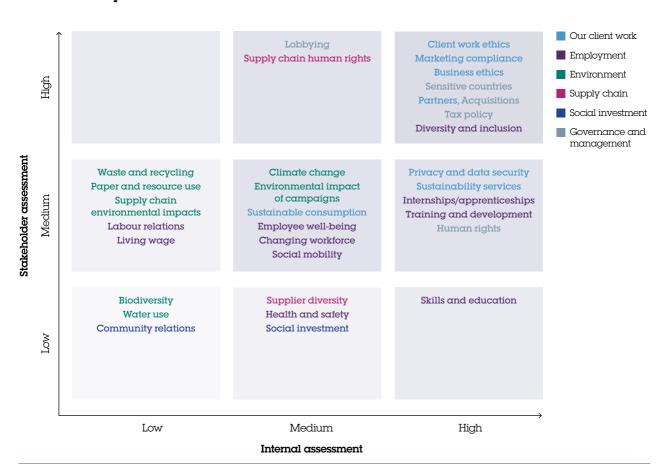
- Climate change
- Environmental impact of campaigns
- Paper and resource use
- Waste and recycling

# Prioritising our material issues

In establishing our sustainability priorities we seek the views of our clients, investors and other stakeholders, as well as considering how sustainability relates to our own business priorities. In addition to informal dialogue and discussion, we have a structured materiality process that incorporates both internal and external stakeholder feedback. We updated our materiality assessment in December 2014. This process included interviews with clients, investors, NGOs and sustainable business experts and also gathered views from senior executives in our Group functions and our operating companies.

The process looked at the significance for WPP of a range of issues, and took into account both the positive and negative impacts of our business, and the risks and opportunities created by sustainability issues for WPP. In the chart below, importance to external stakeholders is shown on the vertical axis and materiality to WPP is plotted on the horizontal axis. The issues of high importance are all addressed within our reporting.

#### WPP materiality assessment



# How we create value

Our business generates value for share owners, clients, our people and for wider society. We aim to maximise this positive value where possible, as well as minimising negative impacts.

We measure our success in generating value using direct measures, such as returns to share owners and, for the last two years, we have also undertaken research to assess the wider social and economic contribution our business makes to society. This work is undertaken in partnership with an expert consultancy.

# How WPP generates value for its share owners, clients, people

We draw on our
resources and
relationships

- 124,000 employees
- 55,000 associate employees
- 355 of the Fortune 500 companies are clients of WPP companies
- 180,000 suppliers

- Share owner equity £7,500 million
- 14,508 share owners
- Natural resources 371,354 MWh energy use

# To provide services across all marketing and communications disciplines

- Advertising
- Media Investment Management
- Data Investment Management
- Public Relations & Public Affairs
- Branding & Identity

- Healthcare Communications
- Direct, Digital, Promotion & Relationship Marketing
- Specialist Communications
- Sustainability Services

# Developing our business to help clients meet their goals

- Global presence, local insight
   3,000 offices in 111 countries
- Full-service agency cross-company teams serve our 46 largest global clients
- Horizontality 53% of revenues from clients served in four or more disciplines
- Creativity and effectiveness for four consecutive years, WPP has been ranked Creative Holding Company of the Year at the Cannes International Festival of Creativity and ranked Most Effective Holding Company in the Effe Global Effectiveness Index
- Shared values sustainable business practices integrated into our services, operations and procurement. Clients that engaged with us on sustainability worth £1.35 billion in revenues

# Generating value for our investors, people, suppliers and society

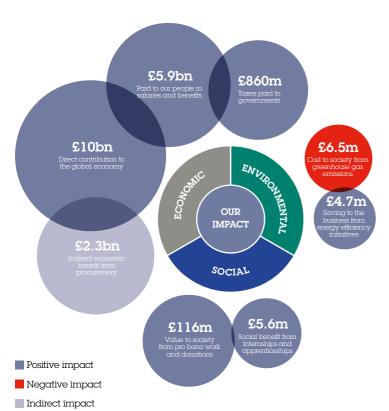
- Share owner return 84.9p per share
- Total tax contribution £857.7 million
- Employee reward £5,835 million
- Supplier spend £6 billion

- Training and welfare £73.9 million
- Community investment £21.8 million, creating a benefit to society worth £116 million

# Valuing our impacts

Sustainability for WPP means maximising our positive long-term contribution to society as well as the value we generate for share owners. This underpins our relationships with our people, clients, suppliers and other stakeholders. We seek to measure our impacts so we can communicate our progress and identify opportunities for improvement.

#### Summary of our impact



We quantify the impacts of our business in terms of the financial cost or benefit to society. This enables us to compare the relative significance of different impacts and over time could help us to assess the value our business brings and where there are opportunities to enhance our contribution.

Our research this year shows 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 through the direct value of our pro bono work and charitable donations and indirectly through the impact of this support. 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.

### Note:

The methodology used to evaluate these impacts is outlined on pages 15 and 16

# **Economic impacts**

We looked at the benefits associated with our economic activities including employee salaries, payments to suppliers, taxes to governments and dividends to share owners.

Our analysis shows a significant direct positive contribution to economies as well as 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.

### 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 in salaries and employee benefits

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 in the 111 countries in which we operate.

#### Taxes: £860 million paid to governments

experience that enhance their future life prospects.

Payments of taxes to national and local governments, including corporation and overseas taxes (£290 million) and social security taxes (£570 million), enables them to invest in local socioeconomic development.

#### Supply chain: £2.3 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. These calculations exclude our media spend on behalf of clients.

### Clients: Not quantified

The communications services we provide create a further indirect benefit by helping our clients to increase their revenues, which stimulates growth and helps create jobs. We aim to explore ways of measuring this.

# Social impacts

Our companies support social and charitable activities through cash donations and by undertaking pro bono work (marketing advice and campaigns for little or no fee). This has an impact by helping charities to achieve campaign objectives, raise funds and recruit new members, and indirectly contributes to improving human health and community cohesion, and the protection of human rights and the environment. Our companies also provide internship and apprenticeship opportunities, which equip people with skills and



#### Pro bono work: £91 million social benefit

The direct value of our pro bono work was £17.0 million in 2014, based on the fees that organisations would have paid for our work. Estimates suggest that this work created benefits to society worth around £91 million, for example, by helping to improve health and well-being in communities. We have not calculated the benefits of free media space negotiated on behalf of pro bono clients.

#### Charitable donations: £25 million social benefit

In 2014, WPP's charitable donations were £4.8 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 £25 million per year.

### Internships and apprenticeships: £5.6 million social benefit

Currently we offer nearly 6,000 paid internship and apprenticeship positions across the Group. We estimate these create benefits worth £5.6 million annually, because some interns will be offered a position in a WPP company at the end of their internship and others are likely to find jobs elsewhere 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. See more information on page 46.

in avoided costs from improved energy efficiency

# **Environmental impacts**

Climate change is our most significant environmental issue and we have a strategy and ambitious target to reduce our carbon emissions per employee. We have made significant progress; however, achieving an overall reduction is challenging as our business grows.

### Greenhouse gas emissions: £6.5 million cost to society

Currently, businesses such as ours do not bear the environmental costs of mitigating their greenhouse gas (GHG) emissions. This service is provided for free by nature or at the cost of future generations. The hidden cost of our emissions is £6.5 million per year in 2014. This calculation takes into account our GHG emissions from energy, business air travel, and other estimated impacts such as leased cars, taxis and couriers as well as the benefits resulting from our green electricity purchasing and investment in renewable energy offsets, see below.

#### Energy consumption: £4.7 million in avoided utility costs

As our business has grown, our total energy consumption increased by 21% between 2006-2014. However, energy use per employee decreased by 22%, largely due to investments in energy efficiency. As a result, the Group avoided over £4.7 million in utility costs and avoided  $72,000 \text{ tCO}_{2}$ e emissions.

#### Business air travel: 88 million air miles avoided

Since 2006, our total air miles increased by almost 35%, but air miles per employee fell by 14% and, as a result of our activities, we avoided over 88 million air miles and 31,000 tCO $_2$ e emissions. We invest in renewable energy carbon offsets to mitigate the impact of business air travel. In 2014, we offset 96,577 tCO $_2$ e and since 2007 we have offset over 1 million tCO $_2$ e.



# Opinion

# New sustainability, new values

Andrew Curry
The Futures Company

Over the last two decades, sustainability has moved from the edge of the business to its heart. There are multiple reasons, but the biggest is that the world has changed. Fundamental shifts in resources, technology and social values, are transforming the business landscape.

Some of these changes are more obvious that others. Every business has adapted, by now, to a world of ubiquitous personal digital technology and devices. Most have taken some steps to reduce energy and resource use and to improve the sustainability of their supply chains. The response to the third big shift, towards well-being (physical and psychological, individual and social) is less well-developed.

But the next stage in sustainability for business is about embracing all three legs of the famous Brundtland definition\*: environmental, economic *and* social sustainability. It is this shift that underpins many critiques of market behaviours that were seen in the decades before the financial crisis, and which inform the critiques of markets and capitalism that have been written since.

As Michael Porter and Mark Kramer memorably observed in the *Harvard Business Review*, "The concept of shared value ... recognizes that societal needs, not just conventional economic needs, define markets. It also recognizes that social harms or weaknesses frequently create *internal* costs for firms."

In the UK, Geoff Mulgan, CEO of innovation charity, NESTA, argues in his book *The Locust and the Bee* that we are seeing a shift in the balance of market behaviour towards the creation of new or productive value (the bee) and away from the more extractive value (the locust) that dominated in the years leading up to the financial crisis.

This isn't just a matter of businesses taking a different view of the world. When the external environment changes, business has to change too. The companies which respond first to the 21st century will gain competitive advantage by being better networked, more open, and more fluid. The reason: it is the best way to serve customers in the new business world.

From Our Common Future, also known as the Brundtland Report, from the United Nations World Commission on Environment and Development, 1987.

But the structure and behaviour of many businesses is still shaped by the assumptions of the 20th century – about easy energy and resources, about 'command and control' management styles, and attitudes to the purpose of work. Nonetheless, in all sectors, the market leaders are already on a journey to make themselves less inward-looking and more responsive to their external environment.

Our report, *The 21st Century Business*, co-written with Jules Peck, outlines six significant shifts that will shape these competitive businesses:

- From disconnected to networked: Businesses are often internally disconnected silos separated by function. The networked business understands that its different parts form a single system, and acts on that.
- From closed to open: The closed business locks down ownership of knowledge. The open business is more porous, letting the outside world in and building mutual advantage.
- From fixed to fluid: 20th century planning and control models make businesses unresponsive and internally-focused. The fluid business uses management and budget processes that respond to external change.
- From volume to value: Mass production is giving way to businesses that tailor products and services to users. By wrapping products in a network of services they can provide more while using less.
- From risk to opportunity: Businesses will treat the external environment not as a series of threats but as a set of signs about the boundaries that society places on markets. Regulation becomes a platform for innovation and change.
- From consumers to citizens: Customers are more than consumers. Companies will succeed by understanding and delivering against needs that reflect their customers' whole lives, as citizens as well as consumers.

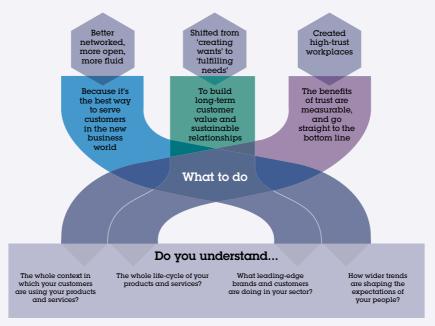
The most important of these shifts is the last one, because it connects to the deep social change we are currently seeing towards well-being and 'Post-Materialist' values, originally proposed by Ronald Inglehart. Hardin Tibbs, who documented the links between these values and sustainability in a significant article in the *Journal of Futures Studies*, suggests that in the United States and in Europe we are at the transition point at which half of the population hold these post-materialist values, with the 'Traditionalist' and 'Moderns' groups slowly shrinking. People with these values, Tibbs notes, "like to think in terms of the whole system, … are concerned about future generations and the fate of the planet, and want to do business with responsible corporations."

One of the ways we see this change is in a shift in social expression from 'extrinsic' or external values to 'intrinsic' or internal values. Although on the face of it, companies might think that extrinsically-oriented customers are more attractive – they are more interested in consumption and material display, after all – this would be a mistake.

As Jules Peck notes, an individual with strong extrinsic values "has a lower well-being than others, lowers the well-being of those around them, has a higher than average environmental footprint and is more closed than others to pro-social and environmental behaviour change messaging." A business that has sustainability objectives involving any kind of behaviour change or sustainable response from customers will fail if its positioning and marketing is directed towards extrinsically-motivated customers.

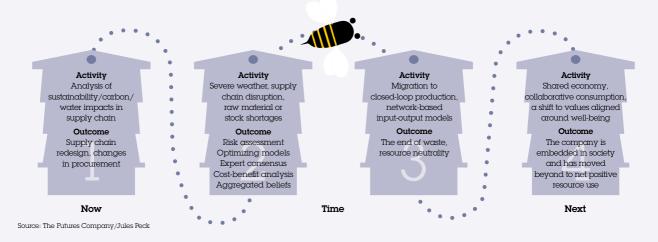
### Snapshot of the 21st century business

The 21st century business is being reshaped by a combination of resource pressures, shifting social values and ubiquitous technology. The businesses that win will have redesigned themselves.



# The sustainability journey

A sustainability journey typically starts as a defensive response to a changing business context, stages 1 and 2 on the diagram. At stages 3 and 4 of the journey, we see disruptive innovation that reconfigures current business models and businesses reimagining their markets as being about delivering against real well-being needs rather than creating wants. Taken together, stages 3 and 4 on the matrix represent the 21st century business.



"The 'intrinsic business' that is talking to customers as citizens, not consumers, is thinking about the whole of its customers' lives, not just the path to purchase"

The same is true of employees. Extrinsically-motivated employees are motivated almost entirely by the deal: salary, bonuses, benefits. They have little loyalty and low levels of commitment. Intrinsically-motivated employees are more likely to respond to the purpose of the work and engage with the business on an emotional level. Since employee engagement is one of the main drivers of performance and profitability, the benefits of being an intrinsically positioned business go straight to the bottom line.

So, the 'intrinsic business' that is talking to customers as citizens, not consumers, is thinking about the whole of its customers' lives, not just the path to purchase. These customers, in turn, expect businesses to help them solve problems rather than simply to sell them something.

With Unilever, for example, one of the goals of Project Sunlight is to build a world "where every home has enough water to drink and to wash, cook and clean." This means thinking through the impact of personal care products, and others, in the everyday lives of its customers, many of whom live in increasingly water-stressed areas.

The same principles apply in richer parts of the world and in sectors where engagement is regarded as a tougher proposition. In Spain, the supermarket Mercadona has prospered by paying its staff higher wages and training them extensively, while focusing on understanding the needs of its customers. In contrast, others that have concentrated largely on price and logistics have floundered since the financial crisis.

What all of these examples have in common is that sustainability – in its widest sense – has moved out of the corporate affairs department and has become a source of strategic differentiation. Sustainability is rapidly becoming part of business as usual. More importantly, it's becoming an essential part of competitive advantage.

Andrew Curry is a director of WPP's strategic planning consultancy, The Futures Company. Jules Peck is a leading expert on sustainable corporate change.

Extract from *The 21st Century Business* report, written by Andrew Curry and Jules Peck.

Read more at http://thefuturescompany.com/free-thinking/

# Our client work

Marketing is a powerful tool that can change people's views and behaviour. This brings important responsibilities but also creates opportunities for us to have a positive influence by helping our clients engage customers and citizens on sustainability.

£1.35bn

revenue from clients who engaged with us on sustainability

160,000
people have completed
our ethics and anti-bribery
and corruption training
since 2012

# Fast read

# Why this is important

We work with tens of thousands of clients, providing services that help their businesses to succeed and grow. Marketing, public relations and lobbying services can change opinions and behaviour. We have a responsibility to implement high ethical standards and an opportunity to help clients use marketing to positively impact society and the environment.

# Sustainability impact

With the right advice and communications support, we can help our clients increase the market for sustainable products and services and engage consumers on sustainability issues.

#### **Business value**

Sustainability-related marketing services are a growing source of revenue for our business as more major brands integrate sustainability into sourcing, manufacturing and product service design.

Meeting high ethical standards and implementing safeguards in areas such as privacy and data security protects our reputation and relationship with clients, and reduces financial, legal and other risks.

# Challenges and dilemmas

It is challenging to implement consistent standards across our 3,000 companies, operating in 111 countries with different cultures and legal frameworks. We acquire or invest in new companies every year and must make sure our standards are applied here too. Ethical dilemmas relating to client commissions are not always straightforward to identify or resolve.

Consumer data is increasingly central to marketing. However, there are privacy concerns relating to the use of customer data and rapid changes in technology continue to create challenges for our companies in implementing data security practices.

# Management approach

Our ethical standards are implemented by our operating companies and overseen by our deputy general counsel, litigation and compliance, working with WPP's Internal Audit function and legal team.

#### What is the issue?

The impact of the work we do for clients is our most important sustainability issue. As trusted advisors to leading brands around the world, our companies have an opportunity to help clients understand what sustainability means for their business and to integrate social and environmental values into their brands, products and services. By developing our own sustainability expertise, and using this for the benefit of our clients, we can have a positive impact beyond our own operations, while generating revenue for our business.

At the same time, marketing work can raise ethical issues that we must manage carefully – from debates on taste and decency in advertising, to the risk that one of our companies could undertake commissions for clients implicated in unethical practices. As our digital and marketing research businesses continue to grow we must also implement robust privacy and data security standards to protect consumer and client data.

We are a truly global company and we value the creativity that comes from our many unique and different operating brands, each with their own culture. However, there is a need to ensure that we implement consistent standards across our many locations, even where local cultures and regulations differ.

WPP is a decentralised group, and our companies make their own decisions on the campaigns they undertake and the clients they work with. At a parent company level, we need to create the right framework so that the decisions our companies make reflect our Group values.

# How we manage

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. 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.

Our deputy general counsel, litigation and compliance, oversees our approach to ethics and compliance, and provides 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.

# Integrating sustainability into marketing campaigns

Many leading companies are already responding to the impact of sustainability issues such as climate change, water scarcity, poverty and inequality by improving the social and environmental performance of their products and services and engaging their customers and stakeholders on sustainability.

Our companies work with clients on these issues, and can play a role in helping businesses and governments to encourage and enable more sustainable patterns of consumption. Examples include:

- Research and insight: Helping clients to understand changing attitudes to sustainability issues and testing the impact of sustainability strategy and communications approaches.
- Branding and strategy: Our companies work with clients to embed social and environmental values into brands and business strategy, and to foster sustainable innovation.
- 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.
- **Employee communications:** Engaging employees on social and environmental issues and enabling clients to embed sustainability into their businesses.
- 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 expertise is increasingly integrated across our companies' client teams and in addition many of our companies have established specialist sustainability offerings. These include Burson-Marsteller's Global Corporate Responsibility Practice, Hill+Knowlton Strategies' CR + Sustainability Communications, J. Walter Thompson Ethos, OgilvyChange, OgilvyEarth, P&G's S-Team and PSB Green. In 2014, Young & Rubicam Group companies established INSPIRE, a multi-agency, cross-discipline service helping brands to understand the social responsibility landscape and create communications, marketing campaigns and partnerships to communicate their sustainability stories credibly.

At the parent company level we support the development of sustainability expertise and encourage collaboration between our companies. This includes providing access to background briefings on a wide range of sustainability topics via the Group intranet and publishing our Sustainability Navigator, a directory of sustainability expertise within WPP that enables collaboration across our companies. We help our companies respond to the growing number of client tender processes and supplier programs which include sustainability requirements.

"Our companies...
can play a role in
helping businesses
and governments
to encourage
and enable more
sustainable patterns
of consumption"

# Social marketing

We also work with brands, campaign groups and governments on social marketing campaigns, using the influence of marketing to help raise public awareness or bring about behaviour change in areas like health, safety and the environment. We have several companies with specialist social marketing units, such as Ogilvy Outreach, J. Walter Thompson Ethos, Thompson Social and TNS Political and Social.

Effective communications play a key role in helping governments to tackle major issues such as public health, to engage with citizens and to deliver services to growing populations. Many of the social marketing campaigns we undertake are for government clients. WPP companies work for the public sector in more than 60 countries and we have established a global Government & Public Sector Practice to drive excellence in public sector communications and help governments better understand and engage citizens.



Michelle Harrison Head of WPP's Government & Public Sector Practice

# Opinion

"Marketing communications can change the world for the better. Our government clients need the best communications services to help bring about behaviour change, whether that's communicating about how people need to access public services digitally or getting people in remote areas of Africa to use their malaria nets. The new WPP Government and Public Sector Practice will make it easier for them to access our expertise and to measure, monitor and evaluate their impact"

We are also establishing partnerships with academic institutions to develop and deliver executive education on communications for current and future policy makers. Leaders from WPP companies are directly involved in delivering training which is designed to raise awareness of the role and potential impact of communications in public policy delivery and behaviour change. Current partnerships include, for example, a teaching collaboration in Singapore with the Lee Kuan Yew School and a partnership with the Blavatnik School of Government at the University of Oxford.

### Responsible brands - recent client work

We work with a growing number of clients on campaigns that are designed to engage customers and citizens on sustainability issues. These are just a few examples from 2014.

### Engaging consumers and citizens on sustainability

# Campaign: Climate Reality Project

WPP companies:
WPP Group, George
Patterson Y&R Sydney,
Blue State Digital NYC,
Maxus Global, Y&R NYC,
The Futures Company,
The Glover Park Group,
GroupM Trading Group,
PPR Australia, JWT NYC,
Hogarth, Ogilvy & Mather
Shanghai, Grey London,
and affiliate company VICE.

Client: Al Gore



wpp.com/climatereality



#### Results

- ★ Global reach of 95 million
- ★ Thousands of videos received from 87 different countries
- ★ Young people addressed 160 heads of state at the opening ceremony of UN Summit

WPP is working on a pro bono basis with former US Vice-President Al Gore and his Climate Reality Project (CRP) on an integrated communications campaign to engage citizens and put pressure on world leaders to commit to carbon emissions reductions. The idea? To address world leaders, not as politicians, but as parents.

# Campaign: Collectively.org – a new platform for

sustainable living

WPP companies: WPP and affiliate company VICE

Client: Collectively



wpp.com/collectively



#### **Results:**

- ★ 190,000 views of the Collectively.org video
- ★ 72,000 followers on social media

WPP is sponsor and communications advisor on a pro bono basis to Collectively, a global online platform designed to engage young consumers and help make sustainable living the new normal.

The site is a space for people to share examples of sustainable innovation in action, and to connect and inspire each other. It aims to stimulate the marketplace for more sustainable products and services.

Collectively was developed through a partnership of leading businesses and not-for-profit organisations including Unilever, Marks & Spencer, Nike, BT Group and Carlsberg.

### Campaign:

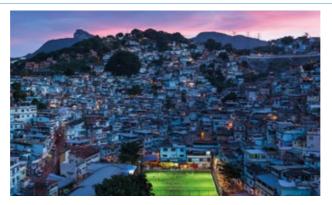
# Power of Sport

WPP company: J. Walter Thompson London

Client: Shell



wpp.com/powerofsport



#### **Results:**

- ★ Reached 10.2 million young people
- ★ 5.4 million views of the campaign video

Eleven million Brazilians live in favelas – shanty towns with little infrastructure and few community facilities. During the World Cup, J. Walter Thompson helped Shell build a football pitch in Morro da Mineira favela in northern Rio de Janiero – the world's first pitch where the floodlights are powered by solar panels and kinetic tiles that capture the energy from the players' footsteps. The initiative is part of Shell's #makethefuture campaign that aims to address sustainable energy challenges by inspiring young people to pursue science studies and careers. The pitch was opened by football legend Pelé.

### Supporting women's empowerment

# Campaign: Power of 49

WPP company: Maxus Bangalore

Client: Tata Tea



wpp.com/powerof49



#### Results

- ★ 1.2 million women created the world's first crowdsourced political manifesto
- ★ Tata Tea sales increased by 13.4%
- ★ Number of women intending to vote increased by 300%, a total of 8 million people

#### Awards:

★ Grand Envie 2014: 7 awards

In India, women still experience high levels of sexual discrimination and violence. Yet, though women make up 49% of the population many Indian women don't vote in national elections. Tata Tea and Maxus Delhi launched Power of 49 to encourage more women to have a voice on issues that affect their lives and to use their vote to bring about change. The campaign included empowerment stories integrated into India's daytime TV soap operas, interventions by 50 leading Bollywood stars and a mobile app and website, which enabled women to highlight issues affecting them.

# Campaign: Vodafone Red Light

WPP company: Team Red Istanbul

Client: Vodafone



wpp.com/redlight



#### Results:

★ Over 200,000 women watched and shared the tutorials

#### Awards:

- ★ Crystal Apple Awards: 3 Crystal, 2 Silver
- ★ Felis Awards: Best Digital Integrated Campaign
- ★ Eurobest Awards: Silver

Vodafone is committed to using mobile technology to help empower women and address challenging issues such as domestic violence.

Domestic violence affects many women in Turkey. WPP's Team Red helped Vodafone Turkey create a new app to make it easier for these women to get help. During an attack a woman can simply shake her phone and the app will send an SMS to three nominated contacts, along with her location. The app is disguised as a flashlight and the creative campaign was designed to raise awareness among women without alerting men. This included messages hidden in clothing labels and video tutorials on topics such as applying make up.

# Campaign: Inner Thoughts

WPP company: Ogilvy & Mather Paris

Client: Dove



wpp.com/innerthoughts



Only 10% of French women have positive thoughts about their beauty. Many are very self-critical and these negative thoughts can affect their self-esteem. Dove France and Ogilvy & Mather Paris created the video 'Mes Pensées' ('Inner Thoughts') to encourage women to silence their inner critic. A sample of women were asked to keep diaries and record their negative and positive thoughts about their appearance. They then overheard a conversation in a coffee shop in which a woman appears to be berating her friend's appearance using the same phrases. The shock of hearing these thoughts shared out loud asks us to consider – if it's not acceptable to say it to someone else, why say it to ourselves?

### Promoting healthier behaviour

#### Campaign:

# Turning Packaging into Education

WPP company: Red Fuse Communications Hong Kong

Client: Colgate-Palmolive



wpp.com/packaging



#### Awards:

- ★ Clio Awards 2014: Gold
- ★ Cannes Lions 2014: 1 Gold, 2 Silver, 1 Bronze
- ★ Adstars 2014: 1 Gold, 1 Silver, 1 Bronze and 1 Crystal
- ★ Spikes Asia: 1 Gold, 3 Silver, 1 Bronze
- ★ Golden Maestro: Winner of Best IMC

Schools in rural Myanmar often have few resources and awareness of oral health is relatively low in rural areas. As it expands its business in Myanmar, Colgate wanted to build trust in its brand by tackling these issues and providing services of value to communities. Working with Red Fuse, it launched a campaign that brings information on the importance of good oral health to children while providing free lesson plans for schools.

Educational posters were printed inside the large cardboard boxes used to deliver Colgate toothpaste to rural stores. Each poster included a toll-free phone number that teachers can call for a free lesson plan tailored to the Myanmar syllabus.

# Campaign: Jump Pump Campaign

WPP company: Geometry Global India

Client: Lifebuoy (Unilever)



wpp.com/jumppump



#### Results:

- ★ Jump Pumps installed in 1,500 rural schools
- ★ 25.000 kids reached

#### Awards:

★ PMAA Award: Bronze

Every two minutes a child dies from diarrhoea in India, which simple hand-washing with soap could prevent. To make hand-washing fun and encourage use of the Lifebuoy soap brand, Geometry Global India made rocking horses out of water pumps, encouraging more kids to wash their hands.

# Campaign: I Touch Myself Campaign

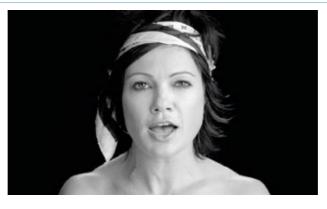
WPP company:

J. Walter Thompson Sydney

Client: NSW Cancer Council



wpp.com/itouchmyself



#### Results:

- ★ 4.2 million Australian women reached in the first 48 hours
- ★ 500,000 YouTube hits since launch

#### Awards:

- ★ Cannes Lions 2014: Silver, 3 Bronze
- ★ Spikes Asia Festival of Creativity 2014: Gold, Silver and Bronze

The #itouchmyselfproject was launched in memory of Australian singer Chrissy Amphlett to raise awareness of the importance of self-examination in early detection of breast cancer. It featured leading female Australian musicians covering Chrissy's iconic song, I Touch Myself.

### Highlighting social issues

# Campaign: Coffee vs Gangs

WPP company:
J. Walter Thompson London
Client: Kenco Coffee



wpp.com/coffeevsgangs



#### Results:

- ★ 80,000 visits to the website in the first two months
- ★ 340,000 YouTube views

Kenco, one of the world's largest coffee brands, is committed to supporting coffee growers and communities. J. Walter Thompson London developed a pioneering campaign for Kenco to raise awareness of this commitment among the UK public.

The campaign follows 20 young people in Honduras, where gang violence is a major problem. They are taking part in a year-long training program to help them build a better life as coffee farmers, away from the gangs.

# Campaign: Say Stop

WPP company: VML Warsaw

Client: PZU Foundation



wpp.com/saystop



#### **Results:**

- ★ 4 million hearts distributed
- ★ Tens of thousands of drive safely slogans posted to the campaign website
- ★ 75% of Poles have heard of the campaign

#### Awards:

- ★ MIXX Award
- ★ Golden Drum Gold award

Poland's roads are some of the most dangerous in Europe with thousands killed in accidents each year. This integrated campaign took a new approach to the issue, getting people to create and pass on their own safety messages, reminding the drivers they love to take care on the roads. Several million hearts designed to hang on car rear-view mirrors were distributed around Poland, with space for people to add their message for friends and family.

# Campaign: **Vroom Ring Boom**

WPP company: Ogilvy & Mather Guatemala City

Client: Claro



wpp.com/vroomringboom



#### Results:

- ★ Over 40,000 children reached
- ★ 20% decline in fines for texting and talking

#### Awards:

★ Cannes Lions 2014: Gold and Bronze

Ogilvy & Mather helped telecoms company Claro create Vroom Ring Boom, a catchy new song that children can sing to remind their parents not to use a cell phone when driving. The message is simple and direct – texting or calling while driving is dangerous. The campaign was so successful, Vroom Ring Boom will now be included in the Guatemalan Ministry of Education's national curriculum.

#### Highlighting social issues

# Campaign:

# Ta No Mapa (on the map)

WPP company: J. Walter Thompson São Paulo

Client: Afroreggae



wpp.com/tanomapa



#### Results:

- ★ 100 favelas mapped benefiting 200,000 people
- ★ The success of the project led to new partners, such as Google, joining the initiative

#### Awards:

- ★ Cannes Lions 2014: Silver and Bronze
- ★ 2014 Webby Award

Although millions of Brazilians live in favelas (shanty towns), maps of these areas don't exist, leaving residents without an address and unable to access basic services like getting their mail delivered, or applying for a bank account. J. Walter Thompson Brazil helped charity Afroreggae launch Ta No Mapa to literally put Brazil's favelas on the map, getting local residents involved in mapping their local communities.

### Cause-related marketing

Cause-related marketing is one way that consumer companies can engage their customers on social issues. Successful cause-related marketing campaigns benefit brands through increased sales and customer engagement, and charities through donations and awareness of their cause.

#### Campaign:

### Tattoo Artists Against Skin Cancer

WPP company: Ogilvy & Mather São Paulo

Client: Sol de Janeiro



wpp.com/tattooartists



#### **Results:**

- ★ 450 tattoo artists trained
- ★ 18,900 people getting their tattoo and skin check every week

#### Awards:

★ Cannes Lions 2014: 2 Silver, 2 Bronze

Skin cancer accounts for over 50% of cancer diagnoses in Brazil, but young people often don't look out for the signs. Ogilvy & Mather Brazil helped youth sunscreen brand Sol de Janeiro find a new way to reach young people on this issue – by training tattoo artists to spot the early signs of skin cancer.

# Embedding an ethical framework

The WPP Code of Conduct establishes the values and ethical standards that all our companies must implement. It is supported by our Group Sustainability Policy and detailed policies on anti-bribery and corruption, gifts and entertainment and the appointment of third-party advisors. Senior executives in all our companies and all our business partners and suppliers are asked to sign a copy of the WPP Code of Business Conduct each year to confirm they will abide by its principles.

Our companies must all achieve standards that are consistent with those in our Code of Conduct, but have the freedom to develop their own policies and procedures, suited to their business and operating environment.

160,000 employees completed our ethics training during 2013-2014

# Business ethics training and engagement

Employees are required to complete both our ethics training, 'How we behave', which covers topics such as diversity, privacy, responsibility to stakeholders, and avoiding misleading work and our online training on anti-bribery and corruption, which covers the Foreign Corrupt Practices Act and UK Bribery Act on issues such as hospitality and gifts, facilitation payments and the use of third-party advisors. Training is updated every two to three years and employees are required to repeat the training following each update. The training is compulsory for all employees (not including associates) and over 160,000 employees completed it during 2013–2014. This figure is higher than our current number of employees (not including associates) as it includes those who have left the business during the last two years.

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 52 calls made via Right to Speak during 2014, all of which were followed up.

### Associates and partners

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 and affiliate companies. Online training will be made available to associates and affiliates in 2015.

#### Ethical decisions in our work

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 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. We will turn down work which presents an unacceptable ethical risk to WPP or 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. Employees are trained on this referral process during our ethics training.

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 raises 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 regularly to discuss cases of concern, potential compliance issues and new risk areas. Committee members include the Group chief counsel, deputy general counsel, litigation and compliance, 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. The committee met on three occasions in 2014.

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.

### Public affairs and lobbying

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

# Compliance with marketing standards

We set great store by maintaining high standards of integrity and honesty. Our companies take special care in marketing to children, and when producing work for products or sectors that are potentially sensitive.

# Privacy and data security

Consumer data is increasingly used to shape and inform marketing campaigns, enabling companies to create highly-tailored marketing, to engage more effectively with consumers and to accurately measure the impact of marketing. However, alongside this opportunity we have a responsibility to protect consumer privacy and give people control over if and how their data is collected and used.

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.

We work closely with our clients on these issues and 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.

### Policies and training

All WPP companies must implement the WPP Data Code of Conduct, launched in 2013, which provides a clear framework for implementing privacy best practice and our global IT security, privacy and social media policies.

We bring our Code and policies to life for employees through Group-wide ethics training, which features four privacy-related scenarios. We also run more detailed, bespoke training sessions on specific topics. In 2014, this included sessions on social media, privacy, data security and supplier and client contracts.

In 2014, we also developed and introduced the WPP Client Contract Toolkit, together with guidance on data privacy and security terms in contracts. This is designed to help WPP companies understand how privacy and data protection criteria should be integrated into client contracts.

We have a central team of legal, audit and compliance professionals who support WPP agencies on privacy, while our internal audit team reviews privacy risks and practices as part of its Group-wide audit program, focusing on different companies each year. Audits are conducted in line with our global IT security policy, and we use our data risk management tool, the WPP Data Health Checker, to help focus these reviews.

#### Performance in 2014

In 2014, we used our Data Health Checker to review privacy risks and practices in our businesses for the second year running. Our operating company chief information officers (CIOs) played a key role this year in the 2014 survey and we received responses from 91% of our businesses. 2014's survey focused on practices governing the collection, storage and use of personal data and included a question on encryption of laptops.

88%

of WPP companies have taken mitigation measures which match or exceed their level of privacy risk

770/0
of WPP companies have a dedicated privacy lead

The results showed us that 88% of the WPP 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 2.7 out of 5, with 5 being the highest level of risk, with the average score for mitigation measures at 3.4 out of 5 with 5 being the highest level of mitigation. Of those companies surveyed, 77% have a dedicated privacy lead and 45% of WPP companies have trained all of their employees on data privacy in addition to Group training.

We work with a number of suppliers who collect, manage and store consumer and client data on behalf of WPP companies and our clients. It is essential that all these suppliers have the right data security and privacy standards in place, to protect consumer privacy and to reduce legal and contractual risks to our companies and our clients. In 2014, we ran a pilot project with Sedex to gain a better understanding of sustainability and data security risks in our data supply chain, see page 70.

# Looking ahead to 2015

As we continue to embed privacy best practices across the Group, we will develop a 'Safer data' campaign in 2015, using humour to further engage employees on consumer privacy issues. We will also launch new training on online data security and privacy, making this compulsory for new joiners.



John Montgomery Chief operating officer, GroupM Interaction North America

# Opinion

# The importance of trust in digital marketing

Behavioural advertising, the ability to collect and use data online, enables brands to deliver targeted and relevant advertising to users, and to connect with consumers in meaningful ways. But it only works if consumers trust marketers to protect their data and respect their privacy. This trust must be earned. Although the type of data media agencies collect and use is non-personal and is shared through anonymous cookies, this does not minimise the obligation to act responsibly and protect consumer privacy. Core to this is ensuring that consumers are comfortable with sharing data and understand how cookies work. Marketers have an obligation to be transparent with consumers about data use practices, and to give consumers control over whether and with whom they share data. Communicating the value consumers gain from sharing data is important.

GroupM and WPP have been a part of the team who pioneered and created the self-regulatory initiative AdChoices. AdChoices establishes principles for responsible privacy practices. Its icon informs users that data is being collected about their browsing behaviour and allows them to opt-out. The AdChoices icon now serves over 1 trillion impressions a month globally and has expanded from the US to Europe, Canada and Australia. We should remember that the digital landscape is still in its infancy. The acceleration of data sharing from mobile devices, the growth in location data and automotive data, and development of The Internet of Things, only makes these issues more complex and responsible privacy practice and trust more important.

GroupM Interaction North America develops the tools and processes for GroupM's digital operations.

# **Employment**

Leading employment practices enable us to recruit and retain talented people, giving us the experience and skills to serve our clients across all locations and disciplines.

29%

female representation on the WPP Board of Directors following 2015 AGM

26% employees from ethnic minorities in the UK and US

£73.9m spend on training and welfare

5,911
paid internships and apprenticeships globally at WPP companies

3.2 days lost to sickness per employee

# Fast read

# Why this is important

Our businesses succeed on the strength of our people's skills, creativity and insight. Recruiting and retaining the most talented people is essential. We need diversity of background and thought to enable us to serve the needs of our clients in every market and sector.

# Sustainability impact

By investing in training, development and welfare we can help our people achieve their full potential at work and develop their careers.

Our focus on inclusion, internships and education support people from all backgrounds to pursue successful careers in the advertising and marketing industry.

#### **Business value**

In a competitive industry, leading employment practices help us to recruit and retain the best people and to reduce employee turnover.

Implementing best practices in the area of health and well-being can also help us to reduce costs associated with employee ill-health.

# Challenges and dilemmas

Like many sectors, women are still under-represented at the most senior levels in the marketing communications industry. As our industry becomes more digital, data and technology-driven, achieving gender balance could become more challenging.

In our client-facing and fast-paced sector, work-related stress can have an impact on our employees and our business. Our agencies are working to improve understanding in this area among managers and their teams, and to make sure that employees get the right support to maintain good mental health.

# Management approach

Human resources issues are managed within our operating companies and networks, with support from the central WPP Talent Team.

# What is the issue?

Our clients hire WPP companies to benefit from the creativity and insight of our people. Our companies create inclusive and inspiring workplaces that foster diversity and original thinking. We invest in our people's skills to enable them to meet our clients' changing needs and we support education outside WPP to help create a pipeline of future talent. In our competitive industry, attractive remuneration and benefits are essential, while health and welfare programs and a focus on internal communication and engagement support an engaged and productive workforce. We invest well over \$10 billion a year in human capital, as opposed to \$400 million in fixed assets – 25 times more.

WPP directly employs 124,000 people. When our associate companies are included (those in which we have a minority stake) the figure is almost 179,000 people in 3,000 offices in 111 countries. Data in this section is for our direct employees only.

# How we manage

Our principles for people management are set out in our Code of Conduct and Sustainability Policy. Our companies use these as the basis for more detailed employment policies that reflect local circumstances and are implemented at operating company level. The central WPP Talent Team supports human resources professionals in our companies to implement and share best practice. This includes a number of cross-company networks for our HR teams.

We gather data on diversity, training, sick days and other relevant subjects; selected data was externally verified.

# Creating inclusive workplaces, valuing diversity

Difference of thought and experience is essential in serving the needs of our diverse and global client base.

Our companies focus on inclusive working practices, collaborating with each other and external partners to identify and adopt best practice. To encourage diversity many have senior diversity champions, mentoring programs, diversity training for employees, partnerships with specialist minority recruitment firms and internships and apprenticeships for diverse candidates.

Our companies 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 work with diversity organisations such as the Business Disability Forum, Business in the Community and Stonewall, the UK lesbian, gay and bisexual charity.

There are seven nationalities currently represented on the WPP Board.

# Diversity in recruitment

Our companies engage with diverse candidates in a number of ways, including using recruitment partners that specialise in reaching diverse candidates, such as our partnership with Rare Recruitment, and work with professional organisations representing professionals from minority backgrounds. Careers events targeting diverse candidates are a useful tool. In the US, for example, many of our companies attend the Multicultural Advertising Intern Program (MAIP) Diversity Career Fair, *Advertising Week*'s Veterans Job Fair and Reaching Out MBA (targeting the LGBT MBA community), as well as

recruitment events at universities and colleges which have high student diversity or minority representation, such as Howard University in Washington DC.

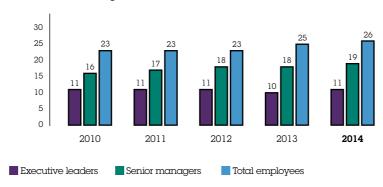
Internships and apprenticeships are an important means for young people from a variety of backgrounds to gain first-hand experience of working in our industry. Several of our internship programs target minority students, including the WPP Fellowship and Micro-fellowship programs and the 4A's MAIP, see page 46.

# Ethnic diversity

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 2014, 26% of employees in these countries were from ethnic minorities (2013: 25%).

# Ethnic diversity (UK and US)

% ethnic minority



## Women in the workplace

We aim to achieve balanced representation of men and women at all levels of the organisation. Women now make up 31% of executive leaders within our operating companies and 46% of senior managers.

As at 31 December 2014, women comprised 24% of the WPP Board and 29% of non-executive directors. Following the retirement of Mark Read from the Board on 1 February 2015 and Philip Lader, Colin Day and Jeffrey Rosen at the 2015 AGM, women will comprise 29% of the WPP Board and 33% of non-executive directors in line with our aspiration to increase and maintain the female representation on the Board to 30% of non-executive directors.

# Gender 2010-2014

% female	2014	2013	2012	2011	2010
WPP Board	24%	29%	19%	19%	19%
Executive leaders	31%	32%	32%	31%	31%
Senior managers	46%	47%	47%	47%	48%
Total employees	54%	54%	54%	54%	54%

# Promoting gender balance

We have launched a number of programs to further enable the development of female leaders, at both the local and global levels. Within our companies, work to close the gender gap includes training for senior leaders, awareness raising on unconscious bias, sponsorship, networking and mentoring programs for senior women.

We support these efforts at a Group level. We run 'The X Factor', a senior mentoring and development program for women led by Charlotte Beers, the former global CEO of Ogilvy & Mather and chairman of J. Walter Thompson, that prepares senior and high potential WPP female leaders for the next level of leadership. By the end of 2015, 97 women will have completed the program. The network has encouraged collaboration and knowledge sharing and enabled us to retain and develop some of the best female talent in the industry. We have also run two Women in Leadership Lessons, an event for mid-level women, based on the key aspects of X Factor, Over 70 representatives from our New York- and Londonbased companies attended the course which is also led by Charlotte Beers.

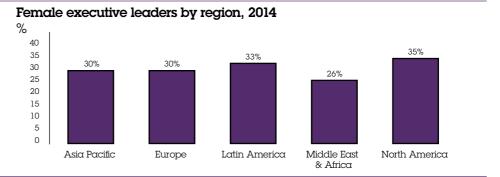
We launched WPP Stella in the UK, a network for our most senior women that will support efforts to achieve gender balance and encourage best practice sharing between our companies. It will provide a forum for discussion on issues that impact women's lives and careers, and introduce Group-wide initiatives to address these. It will assess the career journey for women within WPP and identify 'pinch points' presenting barriers to women progressing their careers to senior levels. This group met twice in 2014 and is focusing on:

- Walk the Talk: visibility and networking is critical to career success and also has the benefit of providing more role models for younger women. We are building a WPP Stella speakers database, so we can promote our senior women as conference speakers, panel judges and event organisers.
- Educate and Empower: we are piloting progression training for our senior women, and maternity coaching for our female employees.
- Mind the Gap: we are benchmarking our employment polices across the Group and with external competitors in areas such as maternity, paternity and flexible working.

The network is being piloted among our companies in the UK with a view to rolling it out to other markets.

We support Women on Boards, an initiative to encourage women to take on board roles in all types of public and private sector organisations. This provides opportunities for senior women in our business to build their careers by taking on non-executive directorships.

Note to chart: Executive leaders are the most senior employees in our operating companies.





Sir Martin Sorrell CEO, WPP

# Opinion

"Gender balance isn't a 'women's issue'. It's a core business issue that's relevant to any company wanting to be successful in today's market. Research shows businesses with a gender-balanced leadership outperform their peers. And with women accounting for 60% of university graduates and responsible for 80% of consumer purchasing decisions this is an issue of access to talent and access to markets too. Yet in both business and the public sector, on our current trajectory we're not likely to achieve gender balance for decades to come.

...As leaders, whether male or female, we can all be role models for an inclusive way of working. As brands we can use our communication to engage consumers and raise the positive profile of women in business. In the media we need a new dialogue on women in leadership... And as individuals we should keep challenging stereotypes."

Extract from a speech made by Sir Martin Sorrell at the Inspirational Journey Conference 2014.

We are members of the Opportunity Now program of Business in the Community and are part of a project with the US-based Center for Talent Innovation focusing on aspects of gender diversity. We supported a report by the Center for Talent Innovation published in 2014 which showed that healthcare companies need more women in leadership roles in order to be able to effectively engage female patients and consumers. See www.talentinnovation.org.

# Flexible workplaces

Flexible working arrangements can support recruitment and retention of a diverse workforce, and can be particularly beneficial for working parents. Policies on flexible working are set at a local level and may include part-time and home working arrangements, as well as career breaks and sabbaticals.

For example, Ogilvy & Mather North America was recognised as one of *Working Mother* magazine's 2014 100 Best Companies for its programs including emergency childcare, child-rearing leave, on-site lactation rooms, Working Parents Network, and a flexible work policy – which gives employees options such as flexible start/end work hours each day and the ability to work from home.

# LGBT diversity

We thrive by bringing together creative people from all backgrounds and walks of life and creating an environment in which they can be themselves and be inspired to have their best ideas. We aim to recruit and retain the most talented people, including those from the LGBT communities.

To help us create a positive employment experience for our LGBT employees, our companies have taken a number of steps, including establishing employee networks, such as Ogilvy Pride, and working with organisations such as Stonewall, see case study, right.



"At Ogilvy diversity isn't about ticking boxes, we have an active and ongoing celebration of LGBT individuals"

**Andrew Barratt**Ogilvy Pride Lead

# **Ogilvy Pride**

Ogilvy & Mather aims to create workplaces where people can be themselves and thrive, including employees from the lesbian, gay, bisexual and transgender (LGBT) communities.

Ogilvy Pride, the company's LGBT & Straight Ally professional network, was founded in 2008 to promote inclusion for the LGBT community. O&M is the first advertising and marketing agency to establish such a network.

In the UK, O&M works closely with non-governmental organisation Stonewall to promote equality and diversity and has become the 50th member of Stonewall's Global Diversity Champions Programme.

The agency also works with clients to develop marketing for the LGBT community, including the Google Plus Same-Sex campaign (Cannes Lions Gold winner) and Tiffany & Co's first campaign featuring a same-sex marriage.

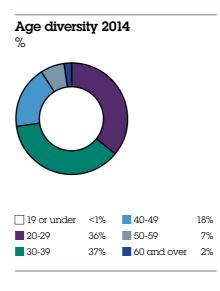
O&M's approach was recognised by the Human Rights Campaign Organisation which awarded the agency a 100% score in its Corporate Equality Index 2015.

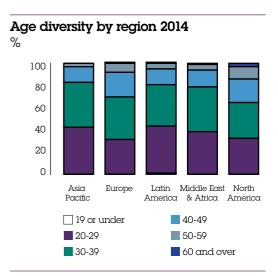


Ogilvy Pride Twitter: Ogilvy Pride WW

# Age

Our industry has traditionally employed a young workforce, and over 70% of employees in the Group are under 40, with levels particularly high in faster-growing markets. We believe that a mix of ages can be beneficial to creativity and insight in the workplace, and some of our companies have introduced measures to support retention of older people, such as phased retirement.





# Disability

Disability should not be a barrier to a career in marketing and communications. Our companies support employees with disabilities and their managers, making adjustments in the workplace and providing additional support and assistance where needed. We are members of the Business Disability Forum in the UK. The French Government has introduced a target for employers to reach 6% representation of disabled people in the workplace. Our French companies are introducing a range of measures, including partnering with specialist recruitment companies and participating in job fairs targeting disabled candidates, as well as adapting workplaces and providing support for disabled employees.

"People with disabilities, who have an annual disposable income of \$220 billion in the US, enjoy greater independence after having their needs met. Companies benefit from a newly created revenue stream"

# Tonya Deniz

DisABILITY incites founder and executive director

# Creating disability insights – Kantar

There are 56.7 million people with disabilities in the US (one out of every five adults), but people with disabilities are rarely the focus of marketing studies. This means their needs are often missed or underserved by businesses.

In 2014, Lightspeed All Global, part of WPP insight group Kantar, teamed up with non-profit disABILITYincites to create the largest US panel of consumers with disabilities ever assembled. The study *Pathways to Greater Inclusion of People With Disabilities* used a sample of 5,000 people to examine consumption behaviours as well as unmet needs due to accessibility challenges.

It provided insights to inspire new products and services that enable people with disabilities to live independently and fully participate in all areas of life.

# Investing in skills and creativity

We invest in training, developing bespoke programs that build professional skills and equip our people to meet our clients' changing needs. We support education outside of WPP to benefit communities, increase social mobility and encourage talented and diverse young people to pursue careers in the marketing industry.

Our companies work hard to create dynamic workplaces that foster creativity and help spark new ideas. Recent examples include:

- Ogilvy & Mather London has introduced Ogilvy Labs, a research and development facility that exposes employees and clients to inspiring new ideas and experiences in areas such as digital technology.
- J. Walter Thompson has launched its Creative Inspirations Program to encourage new thinking and foster a team spirit among its creative department. This has included bespoke workshops, trips and social events and has had a positive impact on its creative output while contributing to a significant reduction in staff turnover.

 Ogilvy & Mather Toronto established Spark, a learning and development syllabus that explores creative thinking through insights from successful and talented people in a range of fields. Recent talks have included renowned architects, chart-topping musicians and award-winning songwriters.

We celebrate our companies' creative achievements through the WPP WPPED Cream Awards, which recognise the very best work produced by WPP companies in all disciplines across eight categories. See www.wpp.com/wppedcream.

The creativity and effectiveness of our work for clients has been recognised in a number of major awards including winning the Effie Most Effective Holding Company award for four consecutive years.

# Training and development

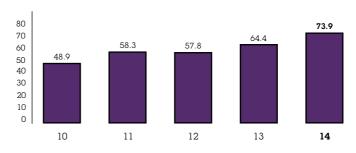
In 2014, our spend on training and welfare programs increased to £73.9 million, a 15% increase on the previous year, compared with a 4% rise in headcount. Employees completed around nine hours of formal training on average over the year. Around 60% of employees participated in a formal training program. This includes training at both Group and operating company levels.

Our Group-wide training programs encourage collaboration across companies, disciplines and regions and we focus on skills such as digital marketing that are essential for our future business growth. Group programs include:

- Maestro: Orchestrating Client Value: A week-long program for senior client leaders to unleash their leadership potential so that they may inspire deeper trust, and have greater impact with their clients and teams. Maestro has been hosted in 27 countries with more than 3,460 participants from 116 WPP companies since its inception in 2003.
- The WPP 'Mini MBA': Six workshops aimed primarily at rising talent to help broaden their understanding of business and marketing issues, develop leadership and management skills, and deliver client value. Some 2,267 participants worldwide have benefited from these programs.
- WPP Spectrum: leadership journey designed to connect and develop WPP's multidisciplinary Global Client Leaders so that they may explore the skills, knowledge and expertise needed for roles of this complexity. Leaders from seven WPP global client teams have made the Spectrum journey.
- WPP Fellowship program: our three-year global multidisciplinary and multigeographical recruitment and training initiative for graduates, providing experience across a range of marketing disciplines. There will have been 170 Fellows who have gone through or are participating in the Fellowship by the end of 2015, which marks the program's 20th anniversary.
- WPP MBA Fellowship program: a global multidisciplinary program for MBA graduates, with 60 participants to date.

# Staff training and welfare

£m investment



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.

# Appraisals and development

Employees at all levels receive regular performance appraisals to help them develop their careers within the Group. In 2014, 77% 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 2014, 72% of companies undertook these appraisals. We encourage our people to develop their careers within the Group, and Springboard, our online Job Board, helps people find new roles within our companies in the UK, China, Hong Kong and Singapore.

# Internships and apprenticeships

Internships and apprenticeships encourage young people from all backgrounds to pursue careers in the marketing industry. This widens our talent pool, helps build skills among young people entering the job market and supports efforts to tackle youth unemployment.

In 2014, we offered some 5,911 paid internship and apprenticeship positions across the Group. This is equivalent to 5% of our total workforce. Our research shows that this created benefits worth £7 million annually for local economies by helping young people to find work more quickly.

# Paid internships and apprenticeships by region 2014



Recent examples of our intern and apprentice schemes include:

- PR Internships for All: Cohn & Wolfe UK support the Public Relations Consultants Association's initiative to bring young people from diverse backgrounds into the PR industry. Eight young people completed internships in 2014.
- **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 at WPP companies for students 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.
- The Futures Company: apprenticeship through City Gateway, a charity that provides training and employment opportunities for disadvantaged youngsters.
- IPA Creative Pioneers: apprenticeships at MEC, Mindshare and J. Walter Thompson UK via this scheme endorsed by the UK Government.

- 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.
- Starting Blocks: Burson-Marsteller South Africa's internship program was designed with local universities to give students practical experience that will help them complete their degrees and find full-time employment more quickly on graduation.
- Associate Learning Programme Genesis Burson-Marsteller India: this year-long paid internship program provides training in all facets of public relations within a working environment.

In the UK, a number of our companies including RKCR/Y&R and Ogilvy & Mather London supported Movement to Work, which is helping 100,000 young people not currently in education, employment or training to develop the skills and confidence to find a job. Hill+Knowlton Strategies joined the program in 2014, recruiting three young people for work experience placements via Job Centre Plus. WPP and Hill+Knowlton Strategies provide pro bono communications support to Movement to Work. We have recently met with eight of our major UK suppliers to encourage them to join the initiative.

We partner with universities and higher education institutions to develop skills and ensure a pipeline of talented people for our industry. This is particularly important in markets where the marketing and communications industry is less well-established. For example, in China in 2011, we teamed up with the Shanghai Art & Design Academy (SADA) to establish the WPP School of Marketing and Communications. This jointly run school offers China's first professional marketing and communications three-year diploma program and provides four areas of study: Strategic Planning, Copywriting, Art and Digital Design. The WPP School took on its fourth intake of 100 students and graduated its first class in 2014. And in India, WPP has partnered with the Indian School of Design and Innovation to offer a three-year undergraduate course on marketing communications. The course will open during 2015 in Mumbai.

Other education partnerships include J. Walter Thompson's partnership with the American University in Dubai and our support for the European Institute for Commercial Communications Education (EDCOM), which encourages collaboration between education establishments and the commercial communications sector.

# Competitive remuneration and reward

Attractive remuneration packages help us recruit and retain top people in our highly-competitive industry. We regularly benchmark our compensation against other companies.

Many employees receive performance-related incentives and senior employees may participate in share-based compensation plans. Incentive plans reward excellent performance, assessed either through their operational business area or 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.

Remuneration for our most senior leaders is set in accordance with our Executive Remuneration Policy that is designed to attract and retain the best-in-class talent. The policy looks to incentivise directors to develop the skills of the Group's employees in order to consistently exceed our clients' expectations. The policy's objective is to drive and reward sustainable and exceptional performance, thereby producing long-term value for share owners. See our Annual Report for more information.



Karen Blackett CEO, MediaCom UK

# Award-winning apprenticeships at MediaCom London

"We can't be innovative, pioneering, challenging and inspiring if our agency is made up of the same types, from the same places, with the same experiences. We've unearthed some impressive talent but the scheme has also helped to challenge and motivate existing staff, which is a benefit we just didn't foresee"

At MediaCom diversity of background, experience and thought is essential to produce the most innovative and effective marketing plans for the company's wide range of clients.

Its London apprenticeship scheme, launched in 2012, aims to dispel the myth that you need to be a graduate to get ahead in the media industry. Run with the aid of the National Apprenticeship Service, the scheme provides a year-long apprenticeship for 10 young people, who haven't had the benefit of attending university, and apprentices also undertake a Level 3 NVQ qualification in Marketing and Communications.

MediaCom works with a number of organisations, charitable trusts and social enterprises to ensure it attracts candidates from diverse backgrounds. Outreach events in London schools and colleges also help to raise awareness among young people.

To date, all 30 apprentices have been offered full-time positions at MediaCom on completing their placements. MediaCom was awarded Apprenticeship Employer of the Year in 2014 by Skills CFA and a MediaCom apprentice won London Apprentice of the Year at the Mayor's Fund for London awards.

Since 1997, we have operated a Worldwide Ownership Plan that has granted share awards to more than 139,000 employees. In 2014, approximately 50,000 eligible employees received awards in over 71 countries. This plan will expire in 2015 and will be replaced by the WPP plc Share Option Plan 2015.

We support employees to prepare financially for future life events. This varies by company but includes competitive benefits packages in the area of retirement and savings, as well as life and accident insurance.

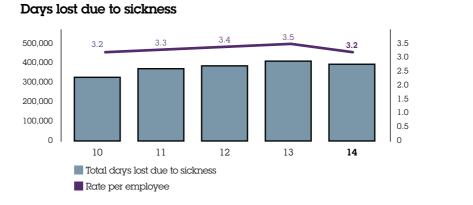
# Supporting employee health and well-being

We support our employees to maintain good physical and mental health. This benefits our people, and the business, since we estimate the cost of sickness absence to be at least £54.9 million each year. The main risks for our businesses include ergonomic injuries from desk working and stress.

Work-related stress can affect mental health and our companies put in place measures to identify and address risks in this area and to support employees. We assess the risk of work-related stress across our companies through regular staff surveys and by monitoring the issues raised through our Right to Speak helpline, employee assistance programs and exit interviews. Our employee benefit programs support employees in balancing work and home commitments. These include subsidised and childcare services, and maternity, paternity and adoption benefits, flexible work arrangements enabling people to work part-time or from home, as well as career breaks and sabbaticals.

The overall sickness rate fell by 8% during 2014 to 3.2 days per employee.

# 139,000 employees granted WPP shares through our Worldwide Ownership Plan



# Company health and well-being programs

Our companies operate their own health and safety management systems, which may include employee training, audits and risk assessments. Over 77% of our companies have nominated someone with specific responsibility for health and safety.

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 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 dependants 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.

# Monitoring our progress

In our diverse and decentralised Group, we use a number of different approaches to measuring our progress and comparing performance between our companies. This ranges from formal surveys and structured engagement to informal but essential dialogue with employees on a day-to-day basis.

We hold exit interviews with employees who are leaving the business, a system which often provides valuable feedback for our managers. In 2014, 78% of leavers had exit interviews.

# Employee surveys

Our companies conduct employee surveys regularly to assess how engaged our people are in their work and to identify areas for improvement in our human resources practices. Some of our companies take part in surveys that enable them to compare their performance with other similar companies. Surveys are held annually or bi-annually, with results usually shared with all employees. Managers develop action plans to respond to findings.

We also include a consistent set of questions in employee surveys to enable us to compare views across WPP companies. These questions were included in surveys covering 68% of Group employees in 2014.

78% of leavers had exit interviews

Employee survey results	% employees who agreed
Attracting, developing 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	61
My work schedule allows me sufficient flexibility to meet my	
personal/family needs	62
I could discuss ethical concerns with my managers without worrying that	
my job would be affected	73
My company is trying to cut its carbon footprint	46
Generally we are encouraged to be 'green' in our office	60
The support my company gives to charities and good causes is appropriate	61

# **Employment infringements**

We strive to meet best practices standards in employment, to treat all employees fairly and to create an environment where concerns can be raised and addressed in an open way. However, mistakes do happen and on occasion dialogue with employees may break down.

We respond promptly to formal complaints made by employees, including those made via employment tribunals and other external channels, and aim to find a fair resolution. In cases where we have not lived up to our standards we seek to understand why mistakes have been made and to take steps to prevent a reoccurrence. We are transparent in reporting the number of cases against WPP companies and the outcomes.

In 2014, 484 cases were reported, compared to 264 cases in 2013. During the year, 265 cases were finalised. Of these, 136 were withdrawn, 67 agreed between parties, 44 judged against Group companies and 18 judged in favour.

#### Labour relations

We support the rights of employees to join trade unions and to bargain collectively. In our industry, the majority of employees are not members of trade unions. However, where relevant we aim to have positive relations with trade unions or employee works councils. In 2014, around 16% of employees were members of trade unions across at least 30 countries. We are aware of 1,184 consultations with works councils, of which the majority were in Europe. Thirty-three consultations were held with works councils in our businesses in China.

We avoid compulsory redundancies where possible, and when redundancies are necessary we aim to help employees find other opportunities within the Group or through employee assistance programs.

# AWARDS AND ACCREDITATIONS

In 2014 many of our companies received awards for their employment practices. Examples include:

Cohn & Wolfe US: Best Place to Work Awards from Advertising Age, PRWeek, Holmes Report and Crains • The Futures Company: 101 Best & Brightest Companies to Work For 2014 • GroupM Mexico: recognised for its work on employee health and welfare by the Workplace Wellness Council Mexico • GroupM Spain: Top Employer Certificate from the Best Companies to Work For • J. Walter Thompson Brazil: Great Place to work • J. Walter Thompson London: Institute of Practitioners in Advertising (IPA) Gold Award for outstanding and effective professional development and IPA Platinum award for Sustained Training Excellence • MediaCom London: Investors in People accreditation for people management and Apprenticeship Employer of the Year 2014 by Skills CFA • Millward Brown and Kantar Worldpanel Mexico: included in the Great Place to Work Mexico ranking • Ogilvy & Mather North America: Working Mother 2014 100 Best Companies Ogilvy & Mather UK: Women in Marketing Company Award - Best Company, for encouraging and fostering female leadership • WPP US: named one of America's Best Employers by Forbes magazine, the only company in the communications services industry to be placed among the top 500 employers.

# **Environment**

We are working to make WPP a low-carbon and resource-efficient Group. This is better for the environment, reduces our costs and enhances our credibility as advisors to clients.

2.26 tonnes of CO<sub>2</sub>e per employee, down 4% on 2013

33% cut in carbon footprint per employee since 2006

279,371 tonnes of CO<sub>2</sub>e - our absolute carbon footprint

98B
our score from CDP
Climate Change

£4.7m a year in avoided energy costs

# Fast read

# Why this is important

As a large, global company we have an impact on the environment through our energy and resource use, business travel and waste. Energy and waste are costs to the business, and a growing number of client tender processes include environmental requirements.

# Sustainability impact

Our most significant environmental impact is the greenhouse gas emissions associated with our energy use and business air travel, which contribute to climate change.

We can have a positive impact by cutting our carbon footprint and waste, and by helping our clients reduce the environmental impact of marketing campaigns.

#### Business value

Improving our environmental performance reduces costs and risks to the business, enables us to comply with legislation and helps us to align with our clients who are prioritising sustainability.

# Challenges and dilemmas

The majority of our properties are leased. We rent from hundreds of different landlords and we need to work with them to achieve reductions in energy and water use and to increase recycling. In our decentralised Group, many decisions that affect energy use are made within our businesses at a local level, which can make it more difficult to implement a consistent approach across the Group.

Changes in the nature of our business also impact energy use. For example, our companies collect, use and store growing volumes of data, which has the potential to increase our footprint associated with servers and data centres.

# Management approach

Our Group Environmental Action Teams, with representatives from our real estate, IT, procurement, legal and finance functions, work with our operating companies to improve performance.

# What is the issue?

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.

Our environmental program forms part of our wider efforts to improve operational efficiency and reduce costs to the business.

# How we manage

Our environmental strategy is set at Group level and implemented by our regional Environmental Action Teams (EATs), in partnership with our companies. Our EATs 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 certified 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 98 out of 100 (2013: 95B). WPP was included in the CDP Climate Disclosure Leadership Index 2014. We also take part, as a responding company, in the CDP Supply Chain program. Our carbon data is externally verified.

To support our operating companies to reduce emissions, we issue performance reports and scorecards to over 200 senior decision-makers each year in our businesses. This enables them to compare performance between WPP companies and to identify and prioritise lower-performing offices. Our Group teams conducted in-depth performance reviews with financial controllers from operating companies representing 80% of emissions in 2014. We hold regular workshops with facilities managers to help them use energy and carbon data to reduce their footprint. We also have an environmental toolkit for our companies that summarises WPP policies and provides case studies and information on best practices and key contacts within WPP.

# Our carbon strategy

Our most significant greenhouse gas emissions come from energy use in our offices and business air travel. By 2020, we aim to reduce these emissions to 1.8 tonnes of CO<sub>3</sub>e per employee, a 47% reduction from our 2006 baseline.

Our strategy focuses on:

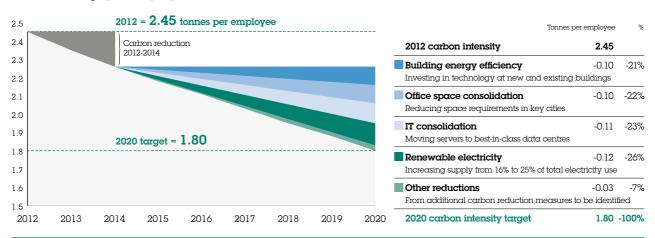
- Office energy use: Improving the energy efficiency of our buildings and IT systems. We estimate that 13% of our total floor space is now certified to advanced green building standards.
- Air travel: Reducing non-essential flights by promoting videoconferencing and offsetting 100% of carbon emissions from our business air travel. Our videoconferencing network now incorporates over 700 units in 160 cities.

1.8 tonnes of CO<sub>2</sub>e per employee – our 2020 reduction target Renewable energy: Purchasing renewable electricity for our offices where available. Around 13% of the total electricity we purchase is generated from renewable sources.

We have identified the savings we need to achieve to reach our target by 2020 across all the priority areas of our strategy:

# Carbon strategy 2012-2020

tonnes of CO2e per employee



tonnes of CO,e emitted per employee in 2014 (2013: 2.35)

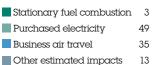
#### Performance in 2014

In 2014, our carbon footprint per employee was 2.26 tonnes, down 4% on 2013 and 33% lower than 2006. We target an annual 4% reduction in emissions and achieved this in 2014.

We use a carbon intensity target per employee, 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 shows a decrease of 5% on 2013 and 47% since 2006.

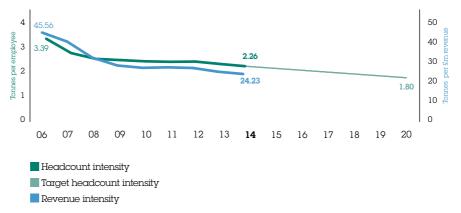
# Carbon footprint in 2014 %





# Carbon intensity 2006-2014

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



**279,371**tonnes of CO<sub>2</sub>e emitted in 2014
(2013: 279,859)

Our absolute carbon footprint in 2014 was 279,371 tonnes of  $CO_2$ e (rating renewable electricity as zero emissions), a small drop of 0.2% over 2013 despite a 4% 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 2014 was 298,131 tonnes of  $CO_3$ e.

Our total energy consumption increased by 21% between 2006 and 2014. However, our energy use per employee decreased by 22%, largely due to investments in energy efficiency. As a result the Group avoided over £4.7 million in annual utility costs and 72,000 tonnes of  $\rm CO_2e$ . Similarly, since 2006, out total air miles have increased by almost 35%, but air miles per employee decreased by 14% and, as a result of our activities, we have avoided over 88 million air miles and 31,000 t $\rm CO_2e$  emissions.

# Decoupling emissions

We have had some success at decoupling carbon emissions from business growth. Since 2006, our absolute carbon footprint has increased by 4%, compared to a growth in reported headcount of 56% and revenue growth of 95%.

# Decoupling emissions from business growth index (2006 = 100)

195 200 180 156 160 140 120 104 100 80 07 08 09 12 13 14 10 11 Revenue Headcount Emissions



**Paul Richardson**Group finance director, WPP

"Climate change is a risk for all businesses. By cutting our own footprint and helping clients to engage citizens and consumers on climate change we can support efforts to reduce global carbon emissions while cutting our costs and improving long-term business resilience.

We achieved our annual 4% reduction target for emissions per employee this year, showing we are making progress towards our goals"

# Building energy use

Our strategy for reducing the carbon footprint of our buildings varies according to building size.

When we lease, purchase, fit out or renovate a building larger than 50,000 square feet, we require it to be certified to an internationally-recognised green building standard, such as the US standard LEED (Leadership in Energy and Environmental Design) or the UK standard BREEAM (Building Research Establishment Environmental Assessment Method).

We estimate that 13% of our total floor space is now certified to recognised standards (over 3 million square feet), compared with 10% in 2013. Recent office moves to more energy-efficient locations have had an impact on our footprint, reducing energy use by an average of 21% at each location.

For offices below 50,000 square feet, which have not been certified to recognised green building standards, we have developed our own scorecard to assess the environmental performance of the building. The scorecard covers five criteria: energy and carbon; water; materials and waste; travel; and health & safety.

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 operate metering at several 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.





# Brewhouse Yard, London, UK

Brewhouse Yard is now home to the London offices of Brand Union, Sudler & Hennessey and Lambie-Nairn. This 40,000 square feet building in Clerkenwell, central London, has a BREEAM Very Good Rating for environmental performance, and over 80% of waste from the fit out was diverted from landfill. The building has been designed to foster collaboration, with a mix of closed and open meeting facilities as well as an amphitheatre and staircase that open up the centre of the building, bringing in natural light.

The space was designed by BDG architecture + design, a WPP company, and won the 2015 BCO Award for best fit out in London and the South East.

56

# IT energy use

As part of a major IT Transformation program to improve the efficiency of our IT infrastructure across WPP companies, we have signed a partnership with IBM. This will accelerate the move of our IT infrastructure into best-in-class external data centre services by the end of 2016. The contract was signed in September 2014 and includes energy and environmental targets to ensure we realise the potential carbon reduction opportunities from improving IT efficiency.

Our managed print program will cut energy, paper and cartridges used by up to 30%. We have extended the scope of this program and aim to have 80% of our global printing fleet under management by the end of 2016.

# Renewable energy

We aim to increase our use of renewable energy, including green-tariff electricity contracts, to 25% of total supply by 2020. We saw a drop to 13% in 2014, from 15% the previous year.

We are undertaking a program of operating company engagement during 2015 to address this. This will include a review of our top 100 electricity-consuming locations, identifying barriers to the use of renewable energy and working with our companies to increase take-up of green-tariff contracts where available.

Our use of renewable electricity reduces our carbon footprint by 18,760 tonnes of CO<sub>2</sub>e.

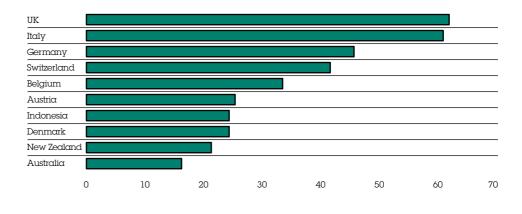
# Total green-tariff electricity purchased

% breakdown by country 2014



# Top 10 buyers of green-tariff electricity

as % of total electricity purchased in each country 2014

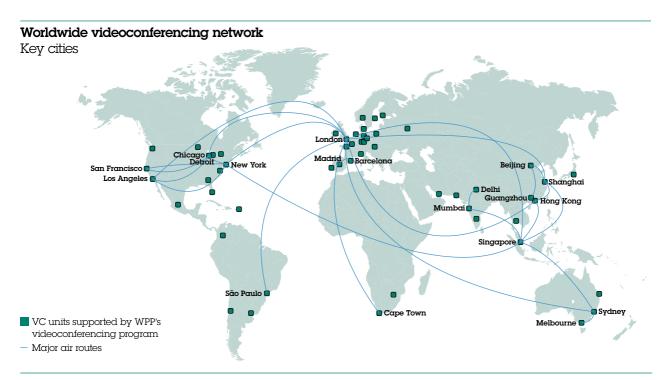


## Air travel

A service industry like ours relies on the close relationships we build with our clients. Direct personal contact is essential, and this often means air travel.

# Videoconferencing

Although we cannot eliminate air travel, we can reduce non-essential flights and we encourage our teams to use videoconferencing where possible. Our videoconferencing network now incorporates over 700 units in 160 cities worldwide. During 2014, 79 new units were installed and use increased by over 52% from 2013. The long-term aim is to integrate this service into 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.



96,577
carbon credits bought,
offsetting 100% of carbon
emissions from air travel
in 2014

# Offsetting our air travel emissions

We offset 100% of our unavoidable air travel emissions by purchasing high-quality carbon credits. We work with South Pole Group, a global company that develops emission-reduction projects. We invested £150,000 in 2014 to support four renewable energy-generation projects in faster-developing economies. We select projects that support socio-economic development in local communities, alongside environmental benefits. Our current portfolio of projects is summarised opposite. The cost of the carbon credits is charged to our operating companies, based on their air mileage. This provides an incentive to them to keep air travel down. Since 2007, we have purchased and permanently retired over 1 million carbon credits and, through them, supported 15 projects.

# Carbon offsetting projects 2014





10,000

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



China Small hydropower Hezhou III

7,000

tonnes of CO,e offset



India Wind power Mitcon

60,000

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



Turkey Geothermal power Dora II

19,577

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

# **Project**

Ceramic factory running on thermal energy from agricultural waste instead of native forest timber in south-eastern Brazil Three small run-of-river hydropower plants in southern China generating 6m kWh of renewable electricity annually 111 wind turbines across five regions in western India generating 143m kWh of renewable electricity annually Geothermal plant in western Turkey generating 70m kWh of renewable electricity annually

# Standards

Verified Carbon Standard (VCS)

Social Carbon

Gold Standard

Verified Carbon Standard (VCS)

Gold Standard

#### WPP coverage

91% of annual credit issuance

100% of annual credit issuance

50% of annual credit issuance

43% of annual credit issuance

#### **Benefits**

40 workers with improved working conditions

1,100 students involved in environmental activities 20,500 cubic metres of native forest timber saved per year (over 10,000 trees) 30 direct jobs created
Decrease in open fireplaces
in households (switch from
burning wood for energy
to hydroelectricity)

450 direct jobs created 9,700 indirect jobs created 4,200 students with improved educational facilities 117 direct jobs created 732 students with improved educational facilities

#### About carbon offsetting standards:

Gold Standard – Established in 2003 and endorsed by over 80 NGOs, the Gold Standard is used in both voluntary and CDM (Clean Development Mechanism) projects. The standard's main purpose is to ensure that projects are both reducing emissions and providing sustainable benefits to local populations.

Social Carbon – Created in 2008 by the Ecologica Institute in Brazil, the Social Carbon Standard assesses the social, environmental and economic performance of projects. It works in conjunction with other carbon accounting standards, such as the Verified Carbon Standard, which measure emissions reductions.

Verified Carbon Standard (VCS) – Launched in 2006, the VCS is the most widely used carbon accounting standard for the voluntary carbon offsetting market. It ensures that emissions reductions meet accepted quality standards and are independently verified, uniquely numbered and transparently listed in a central database.

1.2m
tonnes of CO<sub>2</sub>e – estimated carbon emissions across our UK value chain

# Scope 3: Understanding our wider carbon impact

We've been measuring our operational carbon emissions (from energy use and air travel) since 2006. However, we know that emissions in our supply chain exceed those in our own operations.

Although the majority of these emissions are not within our direct control, they are a result of the decisions WPP and its partners make – particularly in the areas of advertising production and media investment management.

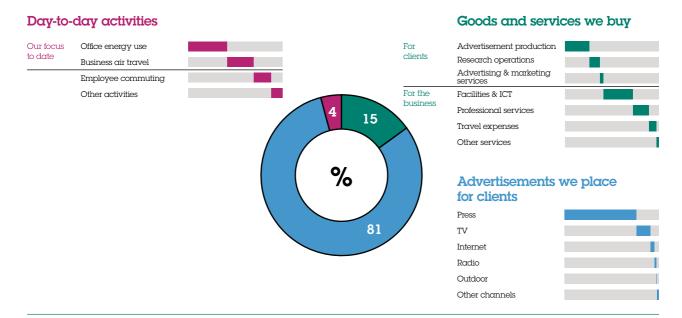
Measuring these emissions will enable us to give clients the information they need to understand their own value chain emissions and provide an opportunity to work with clients and suppliers to reduce emissions connected with client media plans and other parts of our supply chain. With a growing number of clients prioritising the issue of climate change and working to cut their footprint, we believe the opportunity for developing low-carbon media campaigns is compelling.

# The results of our analysis

We undertook our first detailed analysis of scope 3, or value chain emissions, during 2014. We worked with Arup, the engineering and professional services firm, to do this research. We looked at carbon emissions in our value chain including:

#### Carbon emissions across our UK value chain

Advertisements we place for clients account for the majority of our total carbon emissions of 1.2m tonnes of  $CO_2e$ . Our day-to-day activities and the goods and services we buy account for less than 20% of total emissions. Our analysis is based on 2013 data and focuses on the UK, WPP's home country and second-largest market.



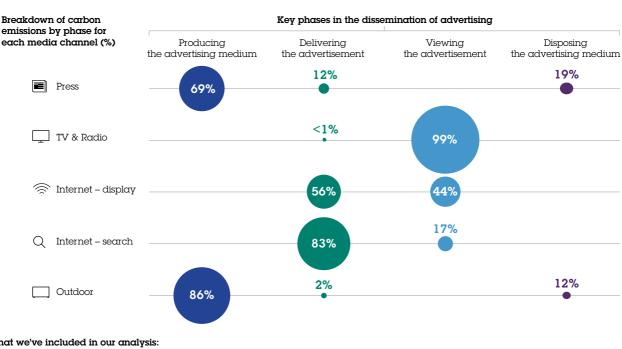
of our carbon emissions come from the advertisements we place for clients

- Advertisements we place for clients: emissions associated with the physical dissemination of advertising placed by GroupM, our Media Investment Management business, on behalf of clients through a variety of media channels. For example, emissions associated with energy used by the servers that host online advertising.
- Goods and services we buy: emissions associated with the goods and services we buy to create marketing campaigns for clients and to run our business. For example, emissions from energy used during a film shoot.
- Day-to-day activities: emissions associated with running our business. This includes office energy use and business air travel, as well as employee commuting and other activities such as waste from our operations.

Our analysis showed that, across our value chain, the advertisements we place for clients account for the most significant portion (81%) of our carbon footprint of 1.2 million tonnes of CO<sub>2</sub>e (see charts below).

In 2015, we will work with our procurement teams to understand how we can integrate the results of this analysis into our internal purchasing tools. We will also engage with our media planners at GroupM and key clients to start including carbon metrics in the media plans we develop.

# The carbon impact of the advertisements we place for clients



#### What we've included in our analysis:

- Emissions from the manufacturing and printing of paper used for newspaper and billboards advertisements.
- Emissions from the energy used to transmit TV and radio ads, to transfer advertisement data over the internet, and to deliver newspaper and billboard advertisements.
- Emissions from the energy used to view and/or listen to the advertisement on a TV/radio, smartphone, tablet or computer.
- Emissions from the disposal of newspaper and billboard advertisements.

# WPP's carbon emissions statement 2014

This data covers the year ended 31 December 2014 in line with the Group's financial reporting period.

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

					1	Base year
Emission source		2014	2013	2012	2011	2006
Scope 1	Natural gas combustion	7,202	8,757	7,584	7,486	1,946
	Heating oil combustion	2,545	2,548	2,256	2,228	682
	Total scope 1 emissions	9,747	11,305	9,840	9,714	2,628
Scope 2	Total purchased electricity at grid average intensity (gross)	155,367	157,471	164,212	152,968	149,728
	Less purchases of renewable electricity (see note 6)	(18,760)	(21,299)	(23,765)	(22,572)	-
	Total scope 2 emissions (net)	136,607	136,172	140,447	130,396	149,728
Scope 3	Business air travel	96,577	95,879	96,079	100,960	81,714
	Other estimated scope 3 emissions (see note 4)	36,440	36,503	36,955	36,161	35,111
	Total scope 3 emissions	133,017	132,382	133,034	137,121	116,825
	Total CO <sub>2</sub> e emissions (net)	279,371	279,859	283,321	277,231	269,181
	Total CO <sub>2</sub> e emissions (gross)	298,131	301,158	307,086	299,803	269,181

# **Carbon intensity** (in tonnes of $CO_2e$ )

				Во	ase year
Intensity metric	2014	2013	2012	2011	2006
Tonnes per employee (net)	2.26	2.35	2.45	2.44	3.39
Percentage change from 2006	(33%)	(31%)	(28%)	(28%)	_
Tonnes per £m of revenue (net)	24.23	25.40	27.31	27.66	45.56
Percentage change from 2006	(47%)	(44%)	(40%)	(39%)	_

# Office energy use (in megawatt hours)

					Base year
Energy type	2014	2013	2012	2011	2006
Direct energy use (natural gas and heating oil)	44,841	52,532	45,673	45,090	12,099
Indirect energy use (purchased electricity)	326,513	328,374	323,582	307,245	295,396
Total energy use	371,354	380,906	369,255	352,335	307,495
% of electricity from renewable sources	13%	15%	16%	16%	_

#### Notes to WPP's carbon emissions statement 2014

#### 1. Reporting standard

Our carbon emissions statement 2014 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 ( $CO_2e$ ). They include three of the six greenhouse gases covered by the Kyoto Protocol – carbon dioxide ( $CO_2$ ), methane (CH4) and nitrous oxide ( $N_2O$ ). Perfluorocarbons (PFCs), hydrofluorocarbons (HFCs) and sulphur hexafluoride (SF6) 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 124,000 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 on a global basis, 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 2014, we updated our emissions factors for scope 2 and scope 3 emissions, and our data is based on the following emissions factors:

Emission scope	Emission factors used
Scope 1	IPCC 2006 Guidelines for National Greenhouse
(fuel used to heat	Gas Inventories (using global warming potentials
WPP premises)	from the 2007 IPCC Fourth Assessment Report).
Scope 2 (purchased electricity)	Location-based emission factors from, in order of preference, local (e.g. data from Puerto Rico Electric Power Authority), subnational (e.g. USA EPA eGrid 2014) and national sources (e.g. International Energy Agency, CO <sub>2</sub> Emissions from Fuel Combustion, 2014 Edition).
Scope 3	UK Department for Environment, Food & Rural
(business air	Affairs (Defra), GHG Conversion Factors for
travel)	Company Reporting (2014).

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 2014, 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 2013 data, Bureau Veritas made a number of recommendations for improving our approach. We have implemented many of these in our 2014 reporting process. This includes enhancements to our sustainability data collection system to facilitate the ease and accuracy of data submission for our companies. See the Independent Verification Statement on pages 91 and 92.

# Resource use and waste

We aim to use resources carefully and to reduce the amount of waste we generate and send to landfill. This is part of how we operate as an efficient business and is in line with the sustainability expectations of our clients.

To help improve our performance in this area, we encourage our operating companies to use preferred suppliers selected by WPP who offer more sustainable products and services.

# Paper

Paper sourcing %



Paper purchased with recycled content 28

Paper purchased without recycled content 72

Our target is to source 50% of the paper we use for copying and printing from recycled sources by 2015. In 2014, 28% of the paper purchased by WPP companies contained at least 50% post-consumer recycled fibre. Despite having established preferred suppliers of recycled paper in all major markets for our companies to use, we are not on track to meet our 2015 target.

A significant portion of the non-recycled paper we use is certified to recognised sustainability standards such as FSC or PEFC, which shows it has been sourced from responsibly-managed forests. We believe that certified paper is a sustainable alternative to recycled paper and we will be reviewing our target and approach in this area during 2015.

Our total paper usage in 2014 was 5,101 tonnes. Our managed print program (see page 57) helps us to reduce paper use by up to 30% per location.

# Waste

Waste recycling %



Paper and cardboard

IT equipment

Other waste recycled

Our key waste streams are electronic waste and office consumables such as paper, card, cans, plastic bottles and toner cartridges. We aim to increase recycling and reduce the amount of waste sent to landfill.

We have established preferred suppliers of recycling services for paper, standard office consumables and mobile phones in all major markets. In 2014, we recycled 5,416 tonnes of waste (an increase from 5,106 tonnes in 2013). Of our total recycled waste, 73% 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 page 34 for information on privacy and data security). Disposal of our IT waste has been incorporated into the IBM IT Transformation contract to increase reuse and recycling and to dispose of old IT equipment safely.

#### Water

We are not a major water user but our companies take steps to reduce water use in their offices; and we include water conservation in our property acquisition process (see page 56).

Reducing water use is particularly important for offices located in water-scarce areas. Since 2010, we have been running a water conservation pilot in our 11 largest locations in areas of water scarcity (which account for around one fifth of our floor space in these areas).

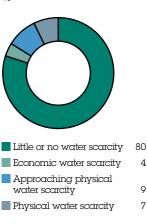
In 2014, water use at these locations was 11.6 cubic metres per employee, down 6% on 2013 and 21% lower than our 2010 baseline. We were targeting a 20% reduction in water use per employee by 2015 and achieved this one year early. This has been achieved by: identifying and repairing leaks; upgrading water fixtures and fittings during renovations; and reusing rainwater and wastewater where feasible.

Total water use was 70,546 cubic metres, a decrease of 4% over 2013.

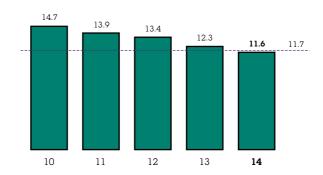
Our companies are primarily based in urban areas and source their water from municipal water suppliers.

# Offices in areas of water scarcity

%



# Water use at key locations in areas of water scarcity



Water intensity (per employee)

--- 2015 target

# Supply chain

We spend £6 billion<sup>1</sup> a year buying goods and services from more than 180,000 suppliers around the world. We aim to select partners that meet high standards on ethical business conduct, employment practices, human rights and the environment.

£140m

in annual spend monitored in 2014 through Sedex, the sustainability supply chain platform

£6bn procurement spend each year<sup>1</sup>

180,000 suppliers around the world

# Fast read

# Why this is important

We source from 180,000 suppliers. We want to work with companies who share our values and commitment to sustainability. This helps to protect our business and reputation.

Around half our spend is for the goods and services we need to run our business and the other half is made up of goods and services used in client work.

# Sustainability impact

We have an opportunity to positively influence the behaviour of companies in our supply chain and to help improve sustainability standards.

We are currently focusing on tier-one suppliers in key areas of our supply chain – advertising production and data collection.

#### **Business value**

Supply chain management is increasingly included in client tender processes. Being able to demonstrate that we have a robust approach to supply chain management enables us to access this business and to be a partner of choice to our clients.

Improving oversight and understanding of our supply base opens up opportunities to consolidate our procurement and benefit from new efficiencies.

# Challenges and dilemmas

Our supply chain is very large and involves many small suppliers. Many procurement decisions are made by our companies at the local level. This makes identifying and managing risks more challenging.

# Management approach

Our approach is led by our Procurement Leadership Team (PLT) working with procurement professionals in our operating companies.

Sustainability criteria are included in the performance objectives for all PLT members.

<sup>&</sup>lt;sup>1</sup> Not including the media space purchased on behalf of clients.

#### What is the issue?

We are strengthening our approach to identifying and managing social, environmental and governance risks in our supply chain, to reflect increased client interest in this area. Improving oversight and understanding of our supply base also opens up opportunities to consolidate our procurement and reduce costs.

The large numbers of suppliers we work with and the diversified nature of procurement within WPP means we have to prioritise our efforts. We are currently focused on tier-one suppliers, those with whom we have a direct contractual relationship. Our approach includes: improving our understanding and oversight of supply chain risks; clearly communicating our expectations to all suppliers; and engaging more closely with suppliers whose products and services and/or location could present a higher risk to WPP and our clients.

# How we manage

"We are strengthening our approach to managing social, environmental and governance risks in our supply chain, to reflect increased client interest"

Our Group Procurement Leadership Team (PLT) is responsible for managing sustainability in our supply chain. Improving social and environmental performance is a key objective for all PLT members. The PLT works closely with our Group and operating company procurement teams to ensure that they understand and implement our sustainability requirements. It communicates on sustainability issues through quarterly reporting and regular cross-Group sourcing team activities and newsletters.

Around half of our procurement spend is with WPP preferred suppliers that provide goods and services to our companies such as IT, travel, telecommunications, professional services, facilities and IT management. Many of these contracts are negotiated centrally and this is where we focus many of our Group-level sustainability efforts. The other half of our spend is primarily made up of goods and services used in client work. These contracts are usually smaller and negotiated by budget holders within our companies.

All WPP companies and Group procurement professionals are expected to take the following steps when selecting and managing suppliers:

- Conduct due diligence to assess whether suppliers pose a potential financial or reputational risk to WPP or its clients.
- 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.

Our approach is governed by the WPP Code of Business Conduct and Group Procurement Policy. In 2014, we created a supplier portal, 'How we buy', on our main website with information on our policy and approach for existing and prospective suppliers.

With many different individuals and companies making procurement decisions it can be challenging to track spend with suppliers and monitor performance. We have implemented an online spend analytics system that enables us to monitor around 65% of our total spend with suppliers across 12 of our largest markets. This makes it easier to track spend with each supplier company across different parts of our business, helping us identify opportunities to reduce costs, consolidate our supply base and better integrate sustainability.

# Supplier selection and risk management

## Our standards

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, business partners and suppliers are asked to sign a copy of the WPP Code of Business Conduct (wpp.com/wpp/about/how-we-buy/) to confirm they will abide by its principles. Our expectations of suppliers are explained in the Code, including requirements relating to labour practices (such as wages, anti-harassment and discrimination and health & safety), human rights (including no child, forced or bonded labour), social impacts (such as anti-bribery and corruption) as well as other sustainability criteria.

# Targeted supplier risk assessments

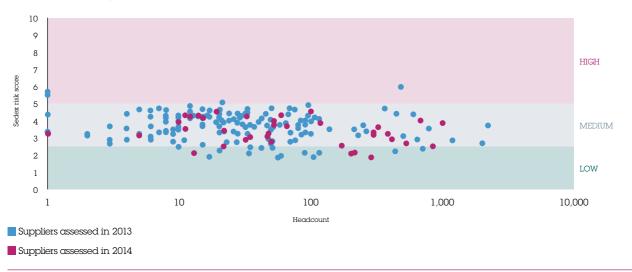
The growing importance of sustainability issues to our clients and to our own business means we are taking a broader approach to identifying and managing risks in our supply chain, with more focus on managing ethical, social and environmental risks. Reflecting this, we have identified a number of areas in our supply chain where breaches of our Code could have a potentially significant impact on WPP's reputation or that of our clients. These are advertising production and data collection.

To help us identify and manage risks in these areas, we select a number of key suppliers based on factors such as spend, volume of goods and services purchased, location and their strategic value to the business. Selected suppliers are asked to complete a self-assessment questionnaire, and to confirm they have read and understood the WPP Code of Business Conduct.

The self-assessment questionnaire is provided by Sedex, the not-for-profit membership organisation which works to share sustainability data across supply chains. It covers four areas: employment practices, health and safety, business ethics and environmental management. Responses are analysed using the Sedex risk tool, enabling us to assess the level of potential sustainability risk associated with each supplier. In 2014, we engaged with 52 key suppliers covering £140 million in annual spend (approximately 10% of our total spend on advertising production and data collection).

"We have identified areas where breaches of our Code could have a potentially significant impact on WPP's reputation or that of our clients – advertising production and data collection"

## Size and risk category of suppliers assessed in 2014



# Engaging with advertising production suppliers

Our advertising production supply chain involves many small companies and costs for these services are passed onto clients. We carried out an initial pilot with 400 suppliers in this area in 2013, and this year we began the process of rolling out our approach to our top advertising production suppliers through The Bridge APB, WPP's new advertising production initiative.

In 2014, we engaged 20 suppliers in the UK and the US with a combined annual spend of £90 million. We spent time communicating our standards through introductory workshops and the suppliers were required to complete the Sedex self-assessment questionnaire. Results show that all suppliers are either low or medium risk, with the majority of suppliers carrying a medium sustainability risk as defined by Sedex.

Based on the issues identified during this process, we will hold further supplier workshops in 2015 and train suppliers on the practical steps they can take to align with our Code of Business Conduct. We will also conduct audits for selected higher-risk suppliers.



"Our clients expect us to manage social and environmental risks in our supply chain. By working with suppliers and improving oversight of standards in key areas, we can meet client expectations, align our procurement with our values, create efficiencies and reduce costs to the business"

Tom Kinnard
Chief procurement officer, WPP

# Engaging with data collection suppliers

We work with a number of suppliers who collect, manage and store consumer and client data on behalf of WPP companies and our clients. It is essential that all these suppliers have the right data security and privacy standards in place to protect consumer privacy and to reduce legal and contractual risks to our companies and our clients.

In 2014, to gain a better understanding of risks in this area of our supply chain, we ran a pilot project covering 32 data collectors and brokers in the UK and the US that supply data to Kantar, KBM and Xaxis and represent more than £50 million in annual spend.

Suppliers were asked to read and sign the WPP Code of Business Conduct and our new Data Code of Conduct and complete the Sedex self-assessment questionnaire and a WPP-designed data security and privacy survey. This survey was based on the WPP Data Health Checker, the tool that we use to manage these risks internally. Areas covered included supplier standards for collection, use, storage and transfer of data, physical security measures, testing, access controls and data security accreditations and certifications.

The results showed that all the suppliers carry a medium sustainability risk as defined by Sedex. We are using these findings to make informed decisions about data management in our supply chain.

Read more about our approach to privacy and data security on page 34.

# Supporting our sustainability objectives

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

# Green goods and services

We encourage our operating companies to use WPP preferred suppliers that we have identified as providing goods and services with improved environmental credentials, see Environment page 52.

# Carbon emissions in our supply chain

We undertook new analysis of carbon emissions in our supply chain this year, which will enable us to work with suppliers on this issue. See page 60.

#### Supplier diversity

Developing a diverse supply chain, including sourcing from small businesses and those owned by women and minorities, helps us to respond effectively to the requirements of our diverse customer base and boost innovation and creativity. Our companies already have a diverse supply base and look for opportunities to increase the number of diverse suppliers they work with.

# Social investment

WPP companies across the world make a positive contribution to communities by undertaking pro bono work and making charitable donations. We support many charities and NGOs with creative marketing services on a pro bono basis (for little or no fee), regularly producing outstanding, award-winning campaigns.

£21.8m social investment equivalent to 1.5% of reported profit before tax

£25.1m
free media space negotiated on behalf of pro bono clients

£91m
in wider social benefits
created

## Fast read

#### Why this is important

Charities, NGOs and voluntary groups do amazing work tackling challenging issues in areas such as health, education, human rights and the environment. They need the best communications services to help them raise awareness, generate funds and motivate support, but many have very limited resources to invest in such services. We can help to address this through our pro bono work, donations and by negotiating free media space for charity campaigns.

#### Sustainability impact

Through our social investment we can help charities, NGOs and voluntary groups to increase their impact in areas such as health, education, human rights and the environment. Our pro bono work is often worth more than the equivalent cash donation because it enables organisations to reach a wider audience, raise funds and achieve campaign objectives.

#### **Business value**

Our businesses benefit from pro bono work because it provides exciting creative opportunities for our people and supports their development. Many of our pro bono campaigns are recognised with leading industry awards, which contributes to the creative reputation of our companies.

#### Challenges and dilemmas

Measuring the impact of our pro bono work can be challenging but we are working to develop a methodology in this area.

#### Management approach

Each operating company has its own strategy for social investment, determining priorities at a local level.

#### What is the issue?

Our pro bono work is a source of inspiration to our people, providing them with opportunities to develop professionally and personally, and helps our pro bono clients to engage with their audiences through cost-effective, high-impact marketing. WPP employees also support their local communities through volunteering.

Our social investment has a wider impact on society by helping charities to carry out their work in areas such as improving human health and community cohesion, and protecting human rights and the environment. We have conducted research to understand the value of this impact to society. This shows that our pro bono work and charitable donations generated social benefits worth around £116 million, for example, by helping to improve health and well-being in communities. You can read more about how we calculate our impact on page 88.

#### How we manage

Our companies determine their own local social investment priorities. WPP the parent company encourages their work in this area and sometimes plays a role in coordinating pro bono assignments involving several WPP companies.

#### Performance in 2014

Our social investment was worth £21.8 million (2013: £19.6 million). This is equivalent to 1.5% of reported profit before tax. It includes cash donations to charities of £4.8 million and £17.0 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 £25.1 million on behalf of pro bono clients (2013: £19.8 million), making the total social contribution £46.9 million (2013: £39.4 million).

The value of our social investment (pro bono work and charitable donations) increased by 11% on the previous year, while our overall contribution including free media space increased by 19%.



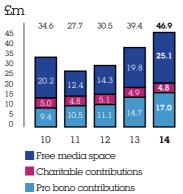
"Our pro bono work is part of who we are at WPP, with many of our pro bono partnerships stretching back years or even decades. Our creative campaigns help pro bono clients make an impact in key areas such as education, health, the environment and human rights, and also provide our people with opportunities to take on exciting projects, to develop their capabilities and to make a difference in the world"

Vanessa Edwards Head of Sustainability, WPP

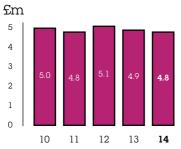
#### Our social contribution

We calculate our total social contribution as the value of our pro bono work, our charitable donations and the value of media space negotiated by WPP companies on behalf of pro bono clients. This came to £46.9 million in 2014, up 19% on 2013.

#### Total social contribution

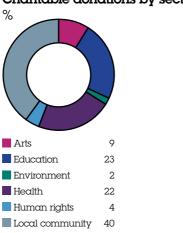


#### Charitable contributions

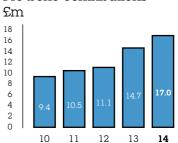


The Group and its companies made cash donations to charities worth £4.8 million in 2014, down 2% on 2013.

#### Charitable donations by sector

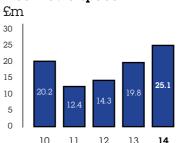


#### Pro bono contributions



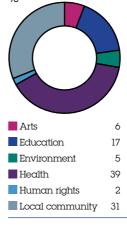
WPP companies undertook pro bono work worth £17.0 million in 2014. This is an increase of 16% on 2013.

#### Free media space



WPP media agencies negotiated free media space worth £25.1 million on behalf of pro bono clients, up 27% on 2013.

#### Pro bono work by sector



#### Pro bono work by WPP research, PR and media companies

We publish a collection of recent pro bono campaigns by our advertising agencies and our branding, direct marketing and digital companies. This is available at wpp.com/sustainability. Here we share a few examples of pro bono work by our PR companies and media agencies in 2014.

#### Campaign:

#### 2014 Rare Disease Day

WPP company: Burson-Marsteller Brussels

Client: EURORDIS European Organization for Rare Diseases

Value: €20,000



#### Results:

- ★ Over 138,000 unique web visits in four months
- ★ Over 100 attendees at the Rare Disease Day policy event 2014

30 million people across Europe are affected by rare diseases. However, there is often low awareness and a lack of funding for medical research. Rare Disease Day aims to raise awareness about the impact on patients' lives and to support the development of national policy on rare diseases. Burson-Marsteller Brussels provides strategic communication services to increase engagement among policy makers.

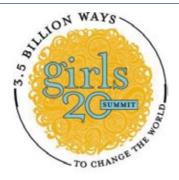
## Campaign: **G(IRLS) 20**

WPP company: Burson-Marsteller

Client: G(IRLS) 20



wpp.com/girls20



GIRLS20SUMMIT.COM

G(irls)20 brings girls from each of the G20 nations together to share the stage with world leaders and encourage policies that support economic empowerment for women. Recognising the importance of engaging men on this issue, in 2014 Burson-Marsteller helped G(irls)20 launch 'Fathers Empowering Daughters'. This featured well-known father /daughter duos such as Bill and Chelsea Clinton, Richard and Holly Branson and William Chadid and Shakira.

#### Campaign:

#### Take Care, People

WPP company: Mindshare New York

Client: Ad Council Enroll

America

Value: \$4 million



#### Results:

★ Donated media resulted in over 850 million impressions

Mindshare supported the Take Care, People campaign to encourage more uninsured Americans to get health coverage. Mindshare worked with creative agencies to develop the target audience profile and communications strategy and negotiated free media space.

#### Campaign:

#### Freedom To...

WPP company: Clarion Communications London

Client: Pride in London

Value: £20.000



wpp.com/freedomto

"Pride in London's #FreedomTo campaign was absolutely inspired"

Boris Johnson, Mayor of London



#### Results:

- ★ Highest ever Pride attendance
- ★ £3.9 million worth of media coverage generated reaching 39 million people
- ★ 63 million Twitter impressions, a 440% increase on the previous year

"Freedom To..." was Pride in London's 2014 campaign theme for its annual festival for the gay, lesbian and bisexual community. Clarion Communications helped Pride in London raise awareness of its corporate sponsorship packages among potential partner organisations and supported the Pride communications team in raising public awareness in the run-up to, and during, Pride Week.

## Campaign: Check'Em

WPP company: MediaCom Toronto

Client: Testicular Cancer Canada

Value: CAD\$148,443



wpp.com/checkem



#### Results:

- ★ Free media space worth CAD\$148,433
- ★ Television audience: 4.6 million

Testicular cancer is the most common cancer in men aged 18-35. MediaCom Toronto negotiated free media space worth CAD\$148,433 for a campaign by Testicular Cancer Canada reminding young men to look out for the warning signs of testicular cancer.

#### Supporting employee volunteering

Many of our people give their time as volunteers to charities and not-for-profit organisations in their local communities. Our companies support these efforts and many run company volunteering programs that benefit good causes while also supporting team working and employee engagement.

Many of our executives share their marketing expertise as advisors and trustees. A small selection is included opposite.



### Bigger than Lightspeed GMI

Lightspeed GMI, the WPP research company, works in communities to run its research panels. Its businesses in the US and Canada have a strong tradition of community engagement and introduced Bigger than Lightspeed to give a focus to employee volunteering and community projects.

Each year, employees can take advantage of paid time off to volunteer for an organisation of their choice. Bigger than Lightspeed champions in each office also coordinate company activities that encourage employee participation and fundraising. Events were held across Lightspeed GMI offices during 2014, including bake sales, canned food drives, costume contests and sports days. Funds raised have benefited Habitat for Humanity, the Susan G Komen breast cancer charity and the Alzheimer's Association among others.

Lightspeed GMI is part of the Kantar group and also supports its UNICEF Brighter Futures Campaign, which is raising \$1 million to help underprivileged children in Bangladesh, Bolivia and Malawi.

#### WPP the parent company

Our operating companies contribute most of our social investment. WPP, the parent company also supports charities and non-profit organisations, with a focus on those working in the areas of education, the arts and with young people. We provide in-kind support including advice on communications strategy and implementation from some of our most experienced senior leaders as well as financial donations.

During 2014, we also made a donation of £30,000 to Save the Children's Emergency Fund, which helps people caught up in natural disasters such as earthquakes and flooding. Donations to the Fund enable Save the Children to prepare in advance so it can respond within hours when a disaster strikes. In total, the Emergency Fund helped Save the Children respond to 55 humanitarian crises in 47 countries in 2014.

RECENT
ORGANISATIONS
WPP HAS
SUPPORTED
INCLUDE:

Academy of St Martins In the Fields • Beanstalk, the volunteer reading charity • A Blueprint for Better Business • The British Museum • Central Saint Martins College of Art and Design • Coram (UK children's charity) • The City UK • Dementia Friends • Education and Employers Task Force UK • FIA Road Safety Campaign • Gates Cambridge Scholarships • Grand Prix Mechanics Charity Trust • Henry Jackson Initiative • iCould • IESE Business School • Invictus Games • Movement to Work • NABS (which offers financial, practical and emotional support to those in the advertising industry) • National Centre for Universities and Business • National Citizen Service • National Equality Standard • The National History Museum • The National Portrait Gallery • Operation Hope • The Outward Bound Trust • Place2Be (school-based counselling service, dedicated to improving the emotional well-being of children) • The Prince's Foundation • The Queen Elizabeth Diamond Jubilee Trust • Royal College of Music • The Royal Foundation • SANE • Science Museum • St Gabriel College • United for Wildlife • Wellbeing of Women • Word Economic Forum Sustainability Board.

#### Volunteering in our companies 2014



**Kantar World Panel Peru:** Helping improve the Caritas Felices Home for abused girls.



**Lightspeed Seattle:** Building homes for families in need with Habitat for Humanity.



**Kantar India:** Improving living conditions in homes for orphans and street children supported by the Cherish Foundation.



**ghg New York:** Collecting coats to help New York Cares provide warm clothing to people in need.



**Y&R South Africa:** Cycling Children with Cerebral Palsy organised by the Paige Project.



**Y&R Sydney:** Spending a day decorating and improving The House With No Steps, which supports people with disabilities.

# Governance & management

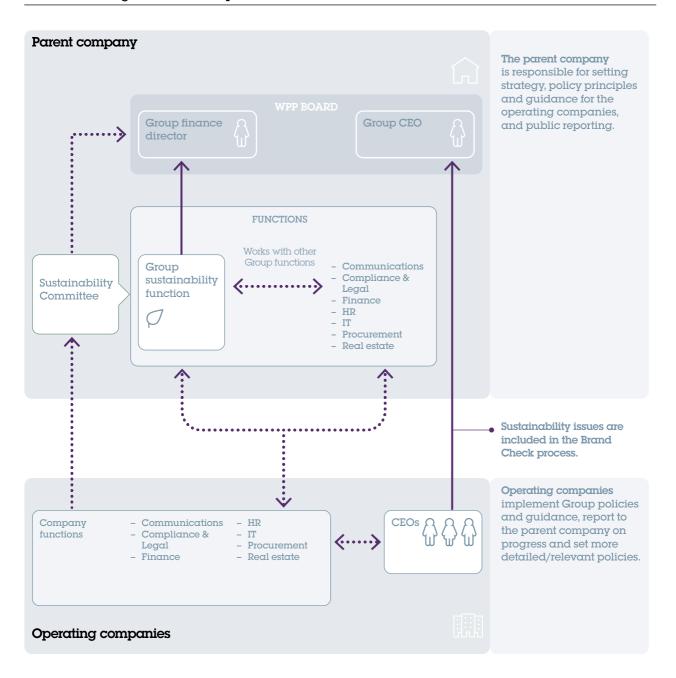
Our global network of companies spans 3,000 offices in 111 countries. We operate in a decentralised way, with much autonomy devolved to our operating companies. WPP the parent company provides a framework through our Code of Conduct, Sustainability Policy and Group policies in areas such as data privacy and security to guide our companies in managing sustainability issues. We encourage and enable our companies to share information and best practices on sustainability.

#### WPP's Sustainability Committee

Paul Richardson, WPP's Group finance director, is the Board director responsible for corporate sustainability. He chairs our Sustainability Committee made up of senior representatives from Group functions, which meets annually on our Sustainability Strategy Day to review progress and discuss risks and opportunities. Paul Richardson shares outcomes from this meeting with WPP's Nomination and Governance Committee and Board of Directors.

Our central sustainability team sets our overarching strategy and policies, monitors performance data and supports our operating companies in managing sustainability issues. It communicates our progress internally and externally and collaborates with other Group functions (such as our talent team, legal, real estate, IT and procurement). The head of sustainability reports directly to the Group finance director.

We track our progress using a set of social and environmental performance indicators. Data is collected quarterly through our Group financial reporting system. Our carbon and employment data is verified by Bureau Veritas, an independent assurance provider.



#### Risk management

Social, environmental and ethical risks are considered in the Group's risk identification, management and monitoring processes. This includes:

- Annual Board 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 covering sustainability risks.
- Due diligence for new acquisitions, see below.

See our Annual Report for more detail on our risk management process, our audit process and a list of our principal risks (wpp.com/annualreport2014/).

#### Acquisitions and sensitive countries

Our due diligence process for acquisitions and expansion into new markets includes a review of risks relating to bribery and corruption or ethical issues associated with client work. We take steps to ensure that acquired businesses embed our policies and undertake our ethics training.

We use a variety of sources to understand and manage any risks associated with different countries of operation, the Transparency International Corruption Index, Human Rights Watch country reports and any relevant governmental guidance.

We comply with all relevant sanctions regimes.

#### Human rights

Human rights are relevant to our business in a number of ways, including how we treat our people, how we manage human rights risks in our supply chain and the potential impact of the work we do for clients on human rights. 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.

#### Plans for 2015

To explain our approach we are developing a Human Rights Policy Statement which will be available on our website. We are integrating human rights into our ethics training and due diligence processes. Our companies create pro bono campaigns for several human rights organisations. See our *Pro Bono Book* for examples.

#### Stakeholder engagement

We communicate our progress to stakeholders and seek their views on our performance. This helps us to improve how we work and to identify risks and opportunities for the Group. We prioritise engagement with our people, clients and investors, the stakeholders who have the most influence on our business success. We share stakeholder feedback on important issues with the executive team and Board of Directors, via our Group finance director.

We engaged with a number of investors, rating agencies and benchmarking organisations on sustainability during 2014. These included BNP Paribas, EIRIS, FTSE4Good, MSCI, Oekom, RobecoSAM, Sustainability Index, Sustainalytics, Trucost, and Vigeo. To raise investor awareness of our activities, we submit this section of our Annual Report for share owner voting at our AGM.

We are included in the DJSI World and Europe Indices and the FTSE4Good Index and the Ethibel Sustainability Index Excellence Global and Europe. We participate in the Carbon Disclosure Project (CDP) and received a score of 98B in 2014, an increase from 95B in 2013. We are listed in the CDP Climate Disclosure Leadership Index.

We update clients on our approach to sustainability, particularly during tender processes, and we partner with clients on issues of mutual interest. For example, we are sharing our recent analysis of the carbon footprint of marketing campaigns with key clients.

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

In 2014, we carried out a formal materiality assessment, through which we sought feedback on our approach and priorities from investors, clients, sustainable business experts and NGOs working in the areas of business ethics and human rights as well as WPP senior management. The results have been communicated to the WPP Board and used to prioritise the issues we cover in our reporting and to help us identify areas for further action. See page 12 for the results of our materiality assessment.

#### Corporate governance

The WPP Board of Directors is dedicated to the principles of corporate governance defined in the UK Corporate Governance Code. It also upholds our commitment to complying with the laws, regulations and guidelines that apply in the countries where we operate, such as the US Sarbanes-Oxley Act 2002, the NASDAQ rules and their related regulations. We seek to respect the 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 Turnbull Report guidance, as well as the relevant provisions of the Securities Exchange Act of 1934.

the CDP climate change program

#### Tax policy

Tax revenues sustain national economies. We recognise our obligation to pay the amount of tax legally due in the territory in which the liability arises and comply with all legal requirements. At the same time we have an obligation to maximise 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. 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 £289.9 million in 2014, an increase on £273 million due to higher profits earned during the year. Estimated employer and employee taxes (e.g. payroll and social security-related taxes) paid during 2014 were £857.7 million, compared with £850 million in 2013.

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.

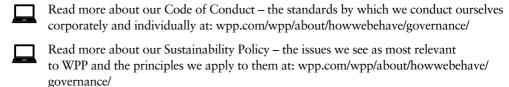
#### Lobbying and political contributions

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

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 that lobby governments on behalf of clients.



# Other information

## About this report

Our 13th Sustainability Report explains our approach to social, ethical and environmental issues and our performance during 2014.

#### Data

Data is for the calendar year 2014 and covers 124,000 direct 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. Data in our financial reporting will include associate companies not covered in our Sustainability Report.

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. Our per employee carbon footprint figures are calculated using data for full-time equivalent employees (FTEs).

The content of this Report is prepared in accordance with the core option of the Global Reporting Initiative's (GRI) G4 guidelines. See our GRI Index on page 93 for a list of disclosures and their location in our report.

We have not restated any data provided in previous reports.

We aim to make our website, including our online Sustainability Report, as accessible as possible. In Q1 2015, our site was ranked first for accessibility out of 525 company sites tested by Sitemorse. See sitemorse.com.

# Data summary

#### Kev data

κεγ ασια	Units	2014	2013	2012	2011	2010
Number of countries		111	110	110	107	107
Number of offices		3,000	3,000	3,000	2,500	2,400
Benchmarks						
Dow Jones Sustainability Index		Member	member	member	member	member
FTSE4Good		Member	member	member	member	member
CDP		98B	95 B	81 B	65 D	65 C
Economic						
Billings	£m	46,186	46,209	44,405	44,792	42,684
Revenue	£m	11,529	11,019	10,373	10,022	9,331
Headline PBIT	£m	1,681	1,662	1,531	1,429	1,229
Market capitalisation at year-end	£m	17,831	18,613	11,237	8,554	9,982
Staff costs	£m	6,440	6,477	6,106	5,872	5,439
Taxation	£m	300	284	197	92	190
Social investment						
Charitable donations	£m	4.8	4.9	5.1	4.8	5.0
Arts	%	9	6	6	6	5
Education	%	23	20	19	20	20
Environment	%	2	2	1	1	1
Health	%	22	21	17	18	16
Human rights	%	4	30	33	34	42
Communities	%	40	21	24	21	16
Pro bono	£m	17.0	14.7	11.1	10.5	9.4
Arts	%	6	5	7	9	8
Education	%	17	14	15	12	12
Environment	%	5	6	5	8	5
Health	%	39	31	18	20	21
Human rights	%	2	24	29	27	30
Communities	%	31	20	26	24	24
Free media space	£m	25.1	19.8	14.3	12.4	20.2
Total social investment (excluding free media)	£m	21.8	19.6	16.2	15.3	14.4
as a proportion of revenue	%	0.19	0.18	0.16	0.15	0.15
as a proportion of profit before tax	%	1.51	1.51	1.48	1.52	1.69
Total social investment (including free media)	£m	46.9	39.4	30.5	27.7	34.6

#### Employment

	Units	2014	2013	2012	2011	2010
Headcount						
Excluding employees from associate companies		124,000	119,000	116,000	114,000	104,000
Including employees from associate companies		179,000	175,000	166,000	159,000	147,000
Age						
19 or under	%	<1%	1	1	1	1
20-29	%	36	36	36	38	38
30-39	%	38	37	37	37	37
40-49	%	18	18	18	17	17
50-59	%	7	7	7	6	6
60 and over	%	1	1	1	1	1
Gender						
WPP Board	% female	24	29	19	19	19
Executive leaders	% female	31	32	32	31	31
Senior managers	% female	46	47	47	47	48
All staff	% female	54	54	54	54	54
Ethnicity in the UK and US	,					
Executive leaders	% minority	11	10	11	11	11
Senior managers	% minority	19	18	18	17	16
All staff	% minority	26	25	23	23	23
Training and welfare	£m	73.9	64.4	57.8	58.3	48.9
Paid internships and apprenticeships	Number	5,911	4,000	_	_	_
Days lost due to sickness per employee	Number	3.2	3.5	3.4	3.3	3.2

#### Environment

Scope   emissions from stationary fuel combustion   tonnes   9,747   11,305   9,840   9,714   9,967   Scope 2 emissions from purchased electricity   tonnes   136,607   136,172   140,447   130,396   126,027   Scope 3 emissions from business air travel   tonnes   96,577   95,879   96,079   100,960   86,340   Scope 3 emissions from other estimated impacts   tonnes   36,440   36,503   36,955   36,161   33,350   Total CO <sub>2</sub> e emissions per employee   tonnes/FTE   2.26   2.35   2.45   2.44   2.46   Total CO <sub>2</sub> e emissions per Em revenue   tonnes/FTE   2.26   2.35   2.45   2.45   2.46   2.74   2.46   Total CO <sub>2</sub> e emissions per Em revenue   tonnes/FTE   3,040   36,925   352,335   349,700   Medice energy use   (natural gas and heating oil)   megawatt hours   371,354   380,906   369,255   352,335   349,700   Medice energy use (purchased electricity)   megawatt hours   326,513   328,374   323,582   307,245   303,456   Medice energy use (purchased electricity)   megawatt hours   326,513   328,374   323,582   307,245   303,456   Medice energy use (purchased electricity)   megawatt hours   326,513   328,374   323,582   307,245   303,456   Medice energy use (purchased electricity)   megawatt hours   326,513   328,374   323,582   307,245   303,456   Medice energy use (purchased electricity)   megawatt hours   326,513   328,374   33,101   3,361   Medice energy use (purchased electricity)   megawatt hours   326,513   328,374   33,101   3,361   Medice energy use (purchased electricity)   megawatt hours   326,513   328,374   323,582   307,245   303,456   Medice energy use (purchased electricity)   megawatt hours   326,513   328,374   323,582   307,245   303,456   Medice energy use (purchased electricity)   megawatt hours   326,513   328,374   323,582   307,245   303,456   Medice energy use (purchased electricity)   megawatt hours   326,513   328,374   328,374   327,374   327,374   327,374   327,374   327,374   327,374   327,374   327,374   327,374   327,374   327,374   327,374   327,374   327,374   327,374   327,374   327,374   32		Units	2014	2013	2012	2011	2010
Scope 1 emissions from stationary fuel combustion         tonnes         9,747         11,305         9,840         9,714         9,967           Scope 2 emissions from purchased electricity         tonnes         136,607         136,172         140,447         130,396         126,027           Scope 3 emissions from business air travel         tonnes         96,577         95,879         96,079         100,960         86,340           Scope 3 emissions from other estimated impacts         tonnes         36,440         36,503         36,955         36,161         33,350           Total CO <sub>2</sub> e emissions per employee         tonnes/FTE         2.26         2.35         2.45         2.44         2.46           Office energy use         megawatt hours         371,354         380,906         369,255         352,335         349,700           Direct energy use (natural gas and heating oil)         megawatt hours         371,354         380,906         369,255         352,335         349,700           Energy use per employee         FTE         3,004         3,198         3,191         3,101         3,361           Energy use per employee         FTE         3,004         3,198         3,191         3,101         3,361           Business air travel         million miles	Carbon footprint*						
Scope 2 emissions from purchased electricity   tonnes   136,607   136,172   140,447   130,396   126,027   Scope 3 emissions from business air travel   tonnes   96,577   95,879   96,079   100,960   86,340   Scope 3 emissions from other estimated impacts   tonnes   36,440   36,503   36,955   36,161   33,350   Total CO <sub>2</sub> e emissions per employee   tonnes/FTE   2.26   2.35   2.45   2.46   2.46   Total CO <sub>2</sub> e emissions per Em revenue   tonnes/Em   24.23   25.40   27.31   27.66   27.40	Total CO <sub>2</sub> e emissions	tonnes	279,371	279,859	283,321	277,231	255,684
Scope 3 emissions from business cir travel   tonnes   96,577   95,879   96,079   100,960   86,340   Scope 3 emissions from other estimated impacts   tonnes   36,440   36,503   36,955   36,161   33,350   36,000   36,955   36,161   33,350   36,000   36,955   36,161   33,350   36,000   36,955   36,161   33,350   36,000   36,955   36,161   33,350   36,000   36,955   36,161   33,350   36,000   36,955   36,161   33,350   36,000   36,955   36,161   33,350   36,000   36,955   36,00	Scope 1 emissions from stationary fuel combustion	tonnes	9,747	11,305	9,840	9,714	9,967
Scope 3 emissions from other estimated impacts   tonnes   36,440   36,503   36,955   36,161   33,350     Total CO₂e emissions per employee   tonnes/FTE   2.26   2.35   2.45   2.44   2.46     Total CO₂e emissions per £m revenue   tonnes/£m   24.23   25,40   27.31   27.66   27.40     Office energy use   Total energy use   megawatt hours   371,354   380,906   369,255   352,335   349,700     Direct energy use (natural gas and heating oil)   megawatt hours   326,513   328,374   323,582   307,245   303,456     Indirect energy use (purchased electricity)   megawatt hours   326,513   328,374   323,582   307,245   303,456     Energy use per employee   Rillowatt hours   FTE   3,004   3,198   3,191   3,101   3,361     % of electricity from renewable sources   %   13   15   16   16   16     Business air travel   million miles   306   303   346   369   297     Medium haul   million miles   306   303   346   369   297     Medium haul   million miles   200   171   -	Scope 2 emissions from purchased electricity	tonnes	136,607	136,172	140,447	130,396	126,027
Total CO_e emissions per employee   tonnes/FTE   2.26   2.35   2.45   2.44   2.46     Total CO_e emissions per £m revenue   tonnes/£m   24.23   25.40   27.31   27.66   27.40     Office energy use   Total energy use   megarwatt hours   371,354   380,906   369,255   352,335   349,700     Direct energy use (natural gas and heating oil)   megarwatt hours   44,841   52,532   45,673   45,090   46,244     Indirect energy use (purchased electricity)   megarwatt hours   326,513   328,374   323,582   307,245   303,456     Energy use per employee   kilowatt hours   51,00   16   16     Business air travel   million miles   560   538   490   516   437     Long haul   million miles   306   303   346   369   297     Medium haul   million miles   54   64   144   147   140     Business air travel   million miles   54   64   144   147   140     Business air travel per employee   million miles   5,101   6,584   5,879   9,327   7,373     Paper Daper purchased   tonnes   5,101   6,584   5,879   9,327   7,373     Paper purchased with recycled content   %   28   24   31   35   33     Recycling   Total waste recycled   tonnes   5,416   5,106   4,886   5,681   4,740     Breakdown by category:   Paper and cardboard   %   73   81   82   83   84     Ti waste (computers, mobile phones and cartridges)   %   3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3	Scope 3 emissions from business air travel	tonnes	96,577	95,879	96,079	100,960	86,340
Total CO_ge emissions per £m revenue   tonnes/£m   24.23   25.40   27.31   27.66   27.40   2	Scope 3 emissions from other estimated impacts	tonnes	36,440	36,503	36,955	36,161	33,350
Office energy use           Total energy use         megarwatt hours         371,354         380,906         369,255         352,335         349,700           Direct energy use (natural gas and heating oil)         megarwatt hours         44,841         52,532         45,673         45,090         46,244           Indirect energy use (purchased electricity)         megarwatt hours         328,374         323,582         307,245         303,456           Energy use per employee         kilowatt hours/FTE         3,004         3,198         3,191         3,101         3,361           8 business air travel         million miles         560         538         490         516         437           Long haul         million miles         306         303         346         369         297           Medium haul         million miles         50         538         490         516         437           Medium haul         million miles         306         303         346         369         297           Short haul         million miles         54         64         144         147         140           Business air travel per employee         milles/FTE         4,531         4,519         4,237         4,548	Total CO <sub>2</sub> e emissions per employee	tonnes/FTE	2.26	2.35	2.45	2.44	2.46
Total energy use   megawatt hours   371,354   380,906   369,255   352,335   349,700     Direct energy use (natural gas and heating oil)   megawatt hours   344,841   52,532   45,673   45,090   46,244     Indirect energy use (purchased electricity)   megawatt hours   326,513   328,374   323,582   307,245   303,456     Energy use per employee   FTE   3,004   3,198   3,191   3,101   3,361     % of electricity from renewable sources   %   13   15   16   16     Business air travel   Total business air travel   million miles   366   538   490   516   437     Long haul   million miles   306   303   346   369   297     Medium haul   million miles   54   64   144   147   140     Business air travel per employee   miles/FTE   4,531   4,519   4,237   4,548   4,199     Paper   Total paper purchased   tonnes   5,101   6,584   5,879   9,327   7,373     Paper purchased with recycled content   %   28   24   31   35   32     Recycling   Total waste recycled   tonnes   5,416   5,106   4,886   5,681   4,740     Breakdown by category:   Paper and cardboard   %   73   81   82   83   84     TI waste (computers, mobile phones and cartridges)   %   3   3   3   3   3   3   3   3   3	Total CO <sub>2</sub> e emissions per £m revenue	tonnes/£m	24.23	25.40	27.31	27.66	27.40
Direct energy use (natural gas and heating oil)   megawatt hours   44,841   52,532   45,673   45,090   46,244   Indirect energy use (purchased electricity)   megawatt hours   326,513   328,374   323,582   307,245   303,456   Richard Hours   Richard Hours   Richard Hours   Richard Hours   3,004   3,198   3,191   3,101   3,361   Richard Hours   Ric	Office energy use						
Indirect energy use (purchased electricity)   megawatt hours   326,513   328,374   323,582   307,245   303,456   303,456   303,456   303,456   303,456   303,456   303,456   303,304   30,98   30,99	Total energy use	megawatt hours	371,354	380,906	369,255	352,335	349,700
Energy use per employee         kilowatt hours/FTE         3,004         3,198         3,191         3,101         3,361           % of electricity from renewable sources         %         13         15         16         16         16           Business air travel           Total business air travel         million miles         560         538         490         516         437           Long haul         million miles         306         303         346         369         297           Medium haul         million miles         200         171         -         -         -           Short haul         million miles         54         64         144         147         140           Business air travel per employee         miles/FTE         4,531         4,519         4,237         4,548         4,199           Paper         Total paper purchased         tonnes         5,101         6,584         5,879         9,327         7,373           Paper purchased with recycled content         %         28         24         31         35         32           Recycling           Total waste recycled         tonnes         5,416         5,106         4,886 <td>Direct energy use (natural gas and heating oil)</td> <td>megawatt hours</td> <td>44,841</td> <td>52,532</td> <td>45,673</td> <td>45,090</td> <td>46,244</td>	Direct energy use (natural gas and heating oil)	megawatt hours	44,841	52,532	45,673	45,090	46,244
Energy use per employee         FTE         3,004         3,198         3,191         3,101         3,361           % of electricity from renewable sources         %         13         15         16         16         16           Business air travel         million miles         560         538         490         516         437           Long haul         million miles         306         303         346         369         297           Medium haul         million miles         200         171         -         <	Indirect energy use (purchased electricity)	megawatt hours	326,513	328,374	323,582	307,245	303,456
Business air travel         million miles         560         538         490         516         437           Long haul         million miles         306         303         346         369         297           Medium haul         million miles         200         171         -         -         -           Short haul         million miles         54         64         144         147         140           Business air travel per employee         miles/FTE         4,531         4,519         4,237         4,548         4,199           Paper           Total paper purchased         tonnes         5,101         6,584         5,879         9,327         7,373           Paper purchased with recycled content         %         28         24         31         35         32           Recycling           Total waste recycled         tonnes         5,416         5,106         4,886         5,681         4,740           Breakdown by category:         Paper and cardboard         %         73         81         82         83         84           IT waste (computers, mobile phones and cartridges)         %         3         3         3         3         3	Energy use per employee		3,004	3,198	3,191	3,101	3,361
Total business air travel         million miles         560         538         490         516         437           Long haul         million miles         306         303         346         369         297           Medium haul         million miles         200         171         -         -         -           Short haul         million miles         54         64         144         147         140           Business air travel per employee         miles/FTE         4,531         4,519         4,237         4,548         4,199           Paper           Total paper purchased         tonnes         5,101         6,584         5,879         9,327         7,373           Recycling           Total waste recycled         tonnes         5,416         5,106         4,886         5,681         4,740           Breakdown by category:         Paper and cardboard         %         73         81         82         83         84           IT waste (computers, mobile phones and cartridges)         %         3         3         3         3         3         3	% of electricity from renewable sources	%	13	15	16	16	16
Long haul         million miles         306         303         346         369         297           Medium haul         million miles         200         171         -	Business air travel						
Medium haul         million miles         200         171         -<	Total business air travel	million miles	560	538	490	516	437
Short harul         million miles         54         64         144         147         140           Business air travel per employee         miles/FTE         4,531         4,519         4,237         4,548         4,199           Paper           Total paper purchased         tonnes         5,101         6,584         5,879         9,327         7,373           Paper purchased with recycled content         %         28         24         31         35         32           Recycling         Total waste recycled         tonnes         5,416         5,106         4,886         5,681         4,740           Breakdown by category:         Paper and cardboard         %         73         81         82         83         84           IT waste (computers, mobile phones and cartridges)         %         3         3         3         3         3         3	Long haul	million miles	306	303	346	369	297
Business air travel per employee         miles/FTE         4,531         4,519         4,237         4,548         4,199           Paper           Total paper purchased         tonnes         5,101         6,584         5,879         9,327         7,373           Paper purchased with recycled content         %         28         24         31         35         32           Recycling         Total waste recycled         tonnes         5,416         5,106         4,886         5,681         4,740           Breakdown by category:         Paper and cardboard         %         73         81         82         83         84           IT waste (computers, mobile phones and cartridges)         %         3         3         3         3         3	Medium haul	million miles	200	171		_	_
Paper         Total paper purchased         tonnes         5,101         6,584         5,879         9,327         7,373           Paper purchased with recycled content         %         28         24         31         35         32           Recycling         Total waste recycled         tonnes         5,416         5,106         4,886         5,681         4,740           Breakdown by category:         Paper and cardboard         %         73         81         82         83         84           IT waste (computers, mobile phones and cartridges)         %         3         3         3         3         3	Short harul	million miles	54	64	144	147	140
Total paper purchased         tonnes         5,101         6,584         5,879         9,327         7,373           Paper purchased with recycled content         %         28         24         31         35         32           Recycling           Total waste recycled         tonnes         5,416         5,106         4,886         5,681         4,740           Breakdown by category:           Paper and cardboard         %         73         81         82         83         84           IT waste (computers, mobile phones and cartridges)         %         3         3         3         3         3	Business air travel per employee	miles/FTE	4,531	4,519	4,237	4,548	4,199
Paper purchased with recycled content         %         28         24         31         35         32           Recycling         Total waste recycled         tonnes         5,416         5,106         4,886         5,681         4,740           Breakdown by category:           Paper and cardboard         %         73         81         82         83         84           IT waste (computers, mobile phones and cartridges)         %         3         3         3         3         3	Paper						
Recycling           Total waste recycled         tonnes         5,416         5,106         4,886         5,681         4,740           Breakdown by category:         Paper and cardboard         %         73         81         82         83         84           IT waste (computers, mobile phones and cartridges)         %         3         3         3         3         3	Total paper purchased	tonnes	5,101	6,584	5,879	9,327	7,373
Total waste recycled         tonnes         5,416         5,106         4,886         5,681         4,740           Breakdown by category:           Paper and cardboard         %         73         81         82         83         84           IT waste (computers, mobile phones and cartridges)         %         3         3         3         3         3	Paper purchased with recycled content	%	28	24	31	35	32
Breakdown by category: Paper and cardboard % 73 81 82 83 84 IT waste (computers, mobile phones and cartridges) % 3 3 3 3	Recycling						
Paper and cardboard % 73 81 82 83 84  IT waste (computers, mobile phones and cartridges) % 3 3 3 3 3	Total waste recycled	tonnes	5,416	5,106	4,886	5,681	4,740
IT waste (computers, mobile phones and cartridges) % <b>3</b> 3 3 3	Breakdown by category:						
	Paper and cardboard	%	73	81	82	83	84
Other waste recycled % <b>24</b> 16 15 14 13	IT waste (computers, mobile phones and cartridges)	%	3	3	3	3	3
	Other waste recycled	%	24	16	15	14	13

<sup>\*</sup> Renewable electricity rated at 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 page 14 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 second 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: 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.

Below we explain in more detail our approach to calculating each measure.

#### Economic impact

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

Corporate Gross Value Added (GVA) represents gross profit as disclosed in the Group's audited financial statements for 2014. The direct GVA was calculated using primary data and no assumptions were made.

#### Supply chain

In 2014, 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). 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 indices 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

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 2014.

#### Payroll

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

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

#### Charitable donations

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  $\pounds$  of investment. For example, one study suggests that each  $\pounds$  invested in educational projects generates  $\pounds$ 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

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 and apprenticeships

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 a certain proportion of interns find jobs at WPP or other companies and are therefore able to earn a monthly salary faster than they would have done without the internship. We multiplied the number of interns worldwide with the proportion of interns that are likely to find a position at the end of their internship/apprenticeship placement and 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

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

Each tonne of greenhouse gas (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 base value of £29.2 per tonne of  $CO_2$ e and adjusted for inflation. The base value was 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**

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

#### **Business Air Travel**

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

## **Independent Verification Statement**

Bureau Veritas UK Limited (Bureau Veritas) was engaged by WPP to conduct limited verification of its scope 1, 2 and certain scope 3 greenhouse gas (GHG) emissions, and certain Employment and Waste data indicators reported by WPP subsidiaries for the period 1 January 2014 to 31 December 2014. Stated GHG emissions, employment and waste data were included for all global operations under WPP's control.

#### Scope of verification

#### **GHG** emissions

Bureau Veritas was asked to verify:

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

#### Employment data

Bureau Veritas was asked to verify:

- Age and Gender data.
- Ethnicity data (UK and US).
- Health and Safety data.

#### Waste data

In addition, Bureau Veritas was asked to verify:

Waste to recycling 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.

As part of the assurance, Bureau Veritas undertook:

- interviews with relevant personnel of WPP responsible for GHG emissions accounting and employment data;
- a review of WPP information systems and methodology for data collection, aggregation, and analysis;
- a review of information and calculations used to determine GHG emissions;
- sampling of source data from 15 of WPP's operations worldwide. The sample was selected based on air travel, energy consumption, geographical location and head count;

- audit visits to four of WPP's operations: AKOA London, J. Walter Thompson São Paulo, Ogilvy & Mather Shanghai and Burson-Marsteller New York, to review underlying systems for collecting and reporting employment and emissions data; and
- a review of the consolidated 2014 data to check end of year accounting and reliable transposition.

#### Conclusion

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, health and safety and waste KPIs as stated by WPP in its 2014/2015 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.

#### Reported GHG emissions

Scope 1: 9,747 tonnes of CO2e

Scope 2: 136,607 tonnes of CO<sub>2</sub>e (net of green tariff electricity)

155,367 tonnes of CO<sub>2</sub>e (gross, including green tariff electricity)

Scope 3: 96,577 tonnes CO.e (air travel)

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

#### Limitations and exclusions

- 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.
- One 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 2013/14.
- WPP estimates its other scope 3 emissions, including from leased cars, taxis and couriers, as an additional 15% of its total GHG 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

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 UK Limited

March 2015

## **GRI Table**

The content of this report is prepared in accordance with the core option of the Global Reporting Initiative's (GRI) G4 guidelines.

We have also referred to the GRI Media Sector Supplement and include disclosures for the indicators relevant to our business. These are marked (M). However, the Media Sector Supplement has been developed primarily for content-generating organisations such as broadcasters and newspapers, and issues such as editorial independence and freedom of expression are not material for our business. This means the majority of the indicators in the Media Sector Supplement are not relevant to our reporting and are not included in this Index.

General Standard Disclosures	Location in document	External Assurance
GENERAL STANDARD DISCLOSURES		
STRATEGY AND ANALYSIS		
G4-1 Statement from most senior decision maker.	From our CEO, page 2	
G4-2 (M) Key impacts, risks and opportunities.	Sustainability and our business, page 8	
	Our sustainability priorities, page 11	
	Governance and management, page 79	
	Our client work, page 21	
	Risks and opportunities, www.wpp.com/wpp/cr/cr-at-wpp/risks-and-opportunity/	
ORGANISATIONAL PROFILE		
G4-3 Name of the organisation.	WPP plc	
G4-4 Primary brands, products and services.	What we do, www.wpp.com/wpp/about/whatwedo/	
G4-5 Location of the organisation's headquarters.	Where we are, www.wpp.com/wpp/about/whereweare/	
G4-6 Number of countries where the organisation	Who we are, www.wpp.com/wpp/about/whoweare/	
operates, and names of countries where either the organisation has significant operations or that are specifically relevant to the sustainability topics covered in the report.	Where we are, www.wpp.com/wpp/about/whereweare/	
G4-7 Nature of ownership and legal form.	WPP Annual Report and Accounts 2014, www.wpp.com/annualreport2014	
G4-8 Markets served (including geographic	What we do, www.wpp.com/wpp/about/whatwedo/	
breakdown, sectors served, and types of customers and beneficiaries).	All countries, www.wpp.com/wpp/companies/	
G4-9 Scale of organisation.	At a glance, www.wpp.com/wpp/about/ wppataglance/	
G4-10 (M) Total workforce by employment contract	Our global workforce, page 36	
and gender.	Gender balance, page 39	
	We do not have the data to report employee numbers by contract type.	
G4-11 Percentage of total employees covered by collective bargaining agreements.	Labour relations, page 50	
G4-12 Describe the organisation's supply chain.	Supply chain, page 66	
G4-13 Significant changes during the reporting period regarding the organisation's size, structure, ownership, or its supply chain.	About this report, page 84	

General Standard Disclosures	Location in document	External Assurance
G4-14 Whether and how the precautionary approach	Our sustainability priorities, page 11	
or principle is addressed by the organisation.	Environment, page 52	
	Risk management, audit and assurance, page 81	
G4-15 Externally developed economic, environmental	Human rights, page 81	
and social charters, principles, or other initiatives to which the organisation subscribes or which it endorses.	Corporate governance, page 82	
G4-16 Memberships in associations (such as industry	Gender balance, page 39	
associations) and/or national/international advocacy organisations.	Disability, page 42	
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES		
G4-17 All entities included in the organisation's	Our companies and associates, pages 6 and 7	
consolidated financial statements or equivalent documents and whether any of these entities is not covered by the report.	About this report, page 84	
	WPP Annual Report and Accounts 2014, www.wpp.com/annualreport2014	
	The data in our Sustainability Report 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. Data in our financial reporting will include associate companies not covered in our Sustainability Report.	:
G4-18 Explain the process for defining the report	Our sustainability priorities, page 11	
content and the Aspect Boundaries and how the organisation has implemented the Reporting Principles for Defining Report Content.	Stakeholder engagement, page 82	
G4-19 All the material Aspects identified in the process for defining report content.	Our sustainability priorities, page 11	
G4-20 The Aspect Boundary within the organisation	Our sustainability priorities, page 11	
for each material Aspect.	About this report, page 84	
	All Material Aspects selected in this report apply equally to all of our operations and entities as explained in G4-17, unless otherwise noted.	
G4-21 The Aspect Boundary outside the organisation	Our sustainability priorities, page 11	
for each material Aspect.	Our materiality assessment diagram (page 12) indicate the relative importance of each of our material issues to stakeholders. The Material Aspects apply equally across stakeholder groups and geographies unless otherwise noted.	es
G4-22 The effect of any restatements of information	About this report, page 84	
provided in previous reports, and the reasons for such restatements.	We have not restated any data provided in previous reports.	
G4-23 Significant changes from previous reporting	About this report, page 84	
periods in the Scope and Aspect Boundaries.	There have been no significant changes from previous reporting periods.	

General Standard Disclosures	Location in document	External Assurance
STAKEHOLDER ENGAGEMENT	noodion in doodinon	1100010100
G4-24 A list of stakeholder groups engaged by the organisation.	Stakeholder engagement, page 82	
G4-25 The basis for identification and selection of stakeholders with whom to engage.	Stakeholder engagement, page 82	
G4-26 The organisation's approach to stakeholder engagement, including frequency of engagement	Our sustainability priorities, page 11 Stakeholder engagement, page 82	
by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.		
G4-27 Key topics and concerns that have been	Our sustainability priorities, page 11	
raised through stakeholder engagement, and how the organisation has responded to those key topics	Stakeholder engagement, page 82	
and concerns, including through its reporting.	The topics raised by our stakeholders are included	
The stakeholder groups that raised each of the	on our materiality matrix and the issues of high	
key topics and concems.	importance to our stakeholders are all addressed in our Sustainability Report. The issues covered in our	
	reporting are all topics that are of interest to our two	
	most important external stakeholder groups – clients	
	and investors. We do not report on the specific points	
DEDODE DOOR I	raised by individual stakeholders.	
REPORT PROFILE		
G4-28 Reporting period for information provided.	About this report, page 84	
G4-29 Date of most recent previous report (if any).	Sustainability Report Archive, www.wpp.com/wpp/cr/sustainability-report-archive/	
G4-30 Reporting cycle.	About this report, page 84	
G4-31 The contact point for questions regarding the report or its contents.	Get in touch, inside back cover	
G4-32 Report the 'in accordance' option the	About this report, page 84	
organisation has chosen; the GRI Content Index	Independent Verification Statement, page 91	
for the chosen option and the reference to the External Assurance Report, if the report has	GRI Index, page 93	
been externally assured.	Online GRI Index, wpp.com/sustainabilityreports/2014/other-information/gri-table	,
G4-33 The organisation's policy and current	Carbon emissions statement, page 62	
practice with regard to seeking external assurance for the report.	About this report, page 84	
GOVERNANCE		
G4-34 (M) The governance structure of the	Governance and management, page 79	
organisation, including committees of the	Corporate governance, page 82	
highest governance body. Identify any committees responsible for decision-making on economic,	Ethical decisions in our work, page 32	
environmental and social impacts.	Public affairs and lobbying, page 33	
ETHICS AND INTEGRITY		
G4-56 (M) The organisation's values, principles,	Embedding an ethical framework, page 32	
standards and norms of behaviour such as codes of conduct and codes of ethics.	Code of Conduct, wpp.com/sustainabilityreports/2014/governance-and-management	
	Integrating sustainability into marketing campaigns, page 23	

General Standard Disclosures	Location in document	External Assurance
SPECIFIC STANDARD DISCLOSURES		
G4-DMA Disclosures on Management Approach	Governance and management, page 79	
INDICATORS BY ASPECTS		
CATEGORY: ECONOMIC		
Economic Performance		
G4-DMA	Governance and management, page 79	
	From our CEO, page 2	
	WPP Annual Report and Accounts 2014 – Letter to share owners, page 24	
G4-EC1  a. The direct economic value generated and distributed (EVG&D) on an accruals basis including the basic components for the organisation's global operations as listed below. If data is presented on a cash basis.  b. EVG&D separately at country, regional, or market levels, where significant, and the criteria used for defining significance.	WPP Annual Report and Accounts 2014 – Our Financial Statements, page 181	
G4-EC2 Risks and opportunities posed by climate	Environment, page 52	
change that have the potential to generate substantive changes in operations, revenue or expenditure.	rusius aria opporturity,	
	www.wpp.com/wpp/cr/cr-at-wpp/risks-and-opportuni	ty/
Market Presence		
G4-DMA	Governance and management, page 79	
	From our CEO, page 2	
	WPP Annual Report and Accounts 2014, Letter to share owners, page 24	
	Employment/How we manage, page 37	
G4-EC6 Portion of senior management hired from the local community at significant locations of operation.	Creating inclusive workplaces, valuing diversity, page 37	
	We report data for nationalities represented on the WPP Board.	
Indirect Economic Impacts		
G4-DMA	Governance and management, page 79	
	From our CEO, page 2	
	WPP Annual Report and Accounts 2014 – Letter to shar owners, page 24	е
	Supply chain/How we manage, page 67	
	Social investment/How we manage, page 72	
G4-EC7 (M) Development and impact of infrastructure	Social investment, Performance in 2014, page 72	
and services supported.	Our companies negotiate free media space on behalf of pro bono clients.	
G4-EC8 Significant indirect economic impacts, including the extent of impacts.	Valuing our impacts, page 14	

General Standard Disclosures	Location in document	External Assurance
CATEGORY: ENVIRONMENTAL		
G4-DMA for all material environmental aspects	Governance and management, page 79	
	Environment/How we manage, page 53	
	Supply chain/How we manage, page 67	
Energy		
G4-EN3 Energy consumption within the organisation.	Building energy use and IT energy use, page 56	Yes, see
	WPP's carbon emissions statement, page 62	page 91
	Data summary, page 85	
G4-EN6 Reduction of energy consumption.	Building energy use, page 56 and IT energy use, page 57	Yes, see page 91
	WPP's carbon emissions statement, page 62	
	Data summary, page 85	
Water		
G4-EN8 Total water withdrawal by source.	Water, page 65	
	Our data covers our largest locations in areas of water scarcity.	
Emissions		
G4-EN15 Direct greenhouse gas (GHG) emissions	Carbon strategy/Performance in 2014, page 54	Yes, see
(Scope 1).	WPP's carbon emissions statement, page 62	page 91
	Data summary, page 85	
G4-EN16 Energy indirect greenhouse gas (GHG)	Carbon strategy/Performance in 2014, page 54	Yes, see
emissions (Scope 2).	WPP's carbon emissions statement, page 62	page 91
	Data summary, page 85	
G4-EN17 Other indirect greenhouse gas (GHG)	Air travel, page 58	Yes (air
emissions (Scope 3).	Scope 3: Understanding our wider carbon impact, page 60	travel emissions), see page 91
G4-EN18 Greenhouse gas (GHG) emissions intensity.	Carbon strategy/Performance in 2014, page 54	Yes, see
	WPP's carbon emissions statement, page 62	page 91
	Data summary, page 85	
G4-EN19 Reduction of greenhouse gas (GHG) emissions.	Carbon strategy/Performance in 2014, page 54	Yes, see
	WPP's carbon emissions statement, page 62	page 91
	Data summary, page 85	
Effluents and Waste		
G4-EN23 Total weight of waste by type and disposal	Waste, page 64	
method.	Our data in this area is not complete. We currently	
	report the weight of waste recycled.	
Products and Services		
G4-EN27 Extent of impact mitigation of environmental impacts of products and services.	Air travel, page 57	
mpaco or products and services.	Scope 3: Understanding our wider carbon impact, page 60	

General Standard Disclosures	Location in document	External Assurance
Transport		
G4-EN30 Significant environmental impacts of transporting products and other goods and materials used for the organisation's operations, and transporting members of the workforce.	Air travel, page 58 Scope 3: Understanding our wider carbon impact, page 60	Yes, see page 91
Supplier Environmental Assessment		
G4-EN32 Percentage of new suppliers that were screened using environmental criteria.	Supplier selection and risk management, page 68	
G4-EN33 Significant actual and potential negative environmental impacts in the supply chain and actions taken.	Scope 3: Understanding our wider carbon impact, page 60	
CATEGORY: SOCIAL		
LABOUR PRACTICES AND DECENT WORK		
Employment		
G4-DMA	Governance and management, page 79	
	Employment/How we manage, page 37	
G4-LA1 Total number and rates of new employee hires and employee turnover by age group, gender, and region.	We do not currently report data on turnover rates.	
Occupational Health and Safety		
G4-DMA	Governance and management, page 79	
	Employment/How we manage, page 37	
G4-LA6 Type of injury and rates of injury, occupational	Supporting employee health and well-being, page 48	Yes, see
diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender.	We report an overall sickness rate but do not provide a breakdown by region or gender.	page 91
Training and Education		
G4-DMA	Governance and management, page 79	
	Employment/How we manage, page 37	
G4-LA9 (M) Average hours of training per year per	Training and development, page 43	
employee by gender, and by employee category.	Data is not broken down by gender or category.	
G4-LA10 Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Training and development, page 43	
G4-LA11 Percentage of employees receiving regular	Appraisals and development, page 44	
performance and career development reviews, by gender and by employment category.	Data is not broken down by gender or category.	
Diversity and Equal Opportunity		
G4-DMA	Governance and management, page 79	
	Employment/How we manage, page 37	
G4-LA12 Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	Creating inclusive workplaces, valuing diversity, page 37	Yes, see page 91

General Standard Disclosures	Location in document	External Assurance
Supplier Assessment for Labour Practices		
G4-DMA	Supply chain/How we manage, page 67	
G4-LA14 Percentage of new suppliers that were screened using labour practices criteria.	Supplier selection and risk management, page 68	
Labour Practices Grievance Mechanisms		
G4-DMA	Governance and management, page 79	
	Employment/How we manage, page 37	
G4-LA16 Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms.	Employment infringements, page 50	
HUMAN RIGHTS		
G4-DMA for all material human rights	Governance and management, page 79	
related aspects.	Supply chain/How we manage, page 67	
	Employment/How we manage, page 37	
Investment		
G4-HR1 Total number and percentage of significant	Supplier selection and risk management, page 68	
investment agreements and contracts that include human rights clauses or that underwent human rights screening.	Human rights issues are covered in our Code of Busines Conduct for Suppliers, which suppliers are asked to sign	
G4-HR2 Total hours of employee training on policies	Governance and management/Human rights, page 81	
and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	We are developing human rights training for employees.	
Non-discrimination		
G4-HR3 Total number of incidents of discrimination	Employment infringements, page 50	
and corrective actions taken.	We do not report separate data on this. Any cases involving allegations of discrimination against employees are included in the data on employment infringements.	
Supplier Human Rights Assessment		
G4-HR10 Percentage of new suppliers that were screened using human rights criteria.	Supplier selection and risk management, page 68	
SOCIETY		
Anti-corruption		
G4-DMA	Governance and management, page 79	
	Our client work/How we manage, page 22	
	Employment/How we manage, page 37	
	Supply chain/How we manage, page 67	
G4-SO3 Total number and percentage of operations assessed for risks related to corruption and the	Embedding an ethical framework/Associates and partners, page 32	
significant risks identified.	Acquisitions and sensitive countries, page 81	
G4-SO4 Communication and training on anti-corruption policies and procedures.	Business ethics training and engagement, page 32	

General Standard Disclosures	Location in document	External Assurance
Public Policy		
G4-DMA	Governance and management, page 79	
	Our client work/How we manage, page 22	
G4-SO6 Total value of political contributions by country and recipient/beneficiary.	Lobbying and political contributions, page 83	
Supplier Assessment for Impacts on Society		
G4-DMA	Governance and management, page 79	
	Supply chain/How we manage, page 67	
G4-SO9 Percentage of new suppliers that were screened using criteria for impacts on society.	Supplier selection and risk management, page 68	
PRODUCT RESPONSIBILITY		
Marketing Communications		
G4-DMA (M)	Governance and management, page 79	
	Our client work/How we manage, page 22	
	Embedding an ethical framework, page 32	
G4-PR7 (M) Total number of incidents of non-	Embedding an ethical framework, page 32	
compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	We do not have complete data in this area.	
Content Creation		
G4-DMA (M)	Our client work/How we manage, page 22	
	Ethical decisions in our work, page 32	
	Our Code of Conduct, wpp.com/ sustainabilityreports/2014/governance-and- management	
	Our Sustainability Policy, wpp.com/ sustainabilityreports/2014/governance-and- management	
	This covers content creation as it applies to our client commissions.	
M1 – Methodology for assessing and monitoring	Ethical decisions in our work, page 32	
adherence to content creation values (M)	This covers content creation as it applies to our client commissions.	
M2 – Actions taken to improve adherence to content	Ethical decisions in our work, page 32	
creation values, and results obtained (M)	This covers content creation as it applies to our client commissions.	
Customer Privacy		
G4-DMA	Governance and management, page 79	
	Our client work/How we manage, page 22	
	Privacy and data security, page 34	
G4-PR8 Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	Privacy and data security, page 34	

## 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: vanessa.edwards@wpp.com.

To talk to our companies about sustainability, contact:

Added Value

added-value.com

**Addison Group** 

addison-group.net

Burson-Marsteller Global Corporate Responsibility Practice

burson-marsteller.com

Cohn & Wolfe

cohnwolfe.com

The Futures

Company thefuturescompany.com

**Grey** grey.com

Hill+Knowlton Strategies CR + Sustainability Communications

hkstrategies.com

J. Walter Thompson Ethos

jwt.com/jwtethos

Landor landor.com

MEC mecglobal.com

Millward Brown millwardbrown.com

OgilvyChange ogilvychange.com

OgilvyEarth
ogilvyearth.com

**PSB Green**psbresearch.com

TNS

tnsglobal.com

VML vml.com

Wunderman

wunderman.com

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