

WPP

Sustainability Report 2016/2017



Contents

Introduction

- 2 From our CEO
- 4 Who we are
- 6 Our companies & associates
- 8 Sustainability and our strategy
- 10 Creating value through our business
- 11 Our sustainability priorities
- 13 Quantifying our impacts

Our client work

- 14 Fast read
- 16 Sustainability in marketing
- 17 Recent client work
- 23 Investing in creativity
- 24 Our thinking and insight
- 28 Our ethical standards
- 30 Human rights
- 32 Public policy and lobbying
- 34 Privacy and data security

Our people

- 36 Fast read
- 38 WPP: a global company
- 40 Diversity and inclusion
- 47 Education, internships and apprenticeships
- 50 Training and development
- 52 Human rights
- 53 Health, safety and well-being
- 54 Monitoring progress
- 55 Reward and recognition

Environment

- 56 Fast read
- 58 Our carbon footprint
- 60 Our carbon strategy
- 62 Madrid: designing sustainable buildings
- 66 Carbon offsetting projects 2016
- 67 Resource use and waste
- 68 Our wider carbon impact
- 70 Carbon emissions statement 2016

Supply chain

- 72 Fast read
- 74 About our supply chain
- 74 Our standards for supplier partners
- 75 Assessing modern slavery risks in our supply chain
- 76 How we select supplier partners
- 76 How we monitor risks
- 79 Embedding sustainable procurement

Social investment

- 80 Fast read
- 82 Performance in 2016
- 83 Volunteering and fundraising
- 84 Finding Common Ground for the Global Goals
- 86 Pro bono work by WPP data, PR and media companies
- 88 WPP the parent company
- 88 WPP India CSR Foundation

Governance & management

- 90 Roles and responsibilities
- 92 Stakeholder engagement and materiality
- 92 Corporate governance
- 92 Assessing and managing our risks
- 94 Tax policy
- 95 Annual Board and Committee Evaluation

Other information

- 96 About this report
- 97 Data summary
- 100 Quantifying our impacts: methodology and results
- 105 Independent Verification Statement
- 107 United Nations Global Compact Index
- 110 GRI G4 content index

WPP Policies

- 120 WPP Sustainability Policy
- 121 WPP Code of Business Conduct
- 123 WPP Human Rights Policy Statement

IBC Get in touch



This Sustainability Report, together with our Pro bono book, Annual Report, trading statements, news releases, presentations and previous Sustainability Reports, are available online at wpp.com



Throughout this report this icon denotes that case study campaign footage can be viewed in the Sustainability Report online at wpp.com/sustainabilityreport2016-17

Introduction



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

WPP is the world's leading communications services group. This report explains how we work with clients and supplier partners on sustainability, how we treat our people, how we manage the environmental impacts of our business and the support we provide for charities and organisations working to tackle social and environmental challenges. By adopting sustainable business practices we generate value for WPP and our stakeholders including our clients, share owners and people.

Information on our sustainability performance is also integrated into our Annual Report and Accounts.

About WPP

We are made up of leading companies in: Advertising; Media Investment Management; Data Investment Management (formerly known as Consumer Insight); Public Relations & Public Affairs; Branding & Identity; Healthcare Communications; Digital, eCommerce & Shopper Marketing; and Specialist Communications.

We were named Holding Company of the Year at the 2016 Cannes Lions International Festival of Creativity for the sixth year running, ranked Most Effective Holding Company, globally, in the 2016 Effie Effectiveness Index for the fifth consecutive year, awarded top holding company in Warc's 100 annual ranking of the world's best campaigns and companies for the third consecutive year and ranked Holding Company of the Year 2016 at The One Show.

We directly employ 134,000 people and, when associate companies are included, we have almost 200,000 people working in 3,000 offices now in 112 countries. We serve 360 of the Fortune Global 500 companies, all 30 of the Dow Jones 30, 78 of the NASDAQ 100 and 892 clients in three distinct disciplines. We work for public sector clients in more than 70 countries. WPP is quoted on the London Stock Exchange and NASDAQ in New York (WPPGY).

From our CEO



To say that 2016 was a year of political uncertainty would be something of an understatement. From the Brexit referendum in the UK to the results of the US Presidential election, voters shocked the pollsters, the commentators and their political leaders. We don't yet know what their full impact will be, but the fact that these results surprised so many indicates a worrying disconnect between leaders and many of their citizens.

But political uncertainty is just one of the many challenges the world faces in 2017. Nearly 11% of the world's population still live in extreme poverty, 130 million girls are currently out of school¹ and six million children die from easily preventable causes each year². Even in affluent societies like the UK and US, many people feel they have not reaped the benefits of globalisation and technological change – a sentiment likely to intensify with many jobs at risk of being replaced by automation³.

Climate change and a growing and ageing population will make these challenges more difficult to resolve. By 2030 there will be 660 million people severely affected by climate change⁴. The world's population will be approaching nine billion with increasing demand on food supplies, public services and resources.

So what does this mean for WPP and our clients? Certainly these trends will impact businesses – and for many sectors there will be significant challenges. But, more importantly, business can be a key part of the solution to these problems, and this in turn will create new commercial opportunities. It is business that will provide the much-needed innovation to enable the transition to a low-carbon economy in which we can address the needs of a growing population with fewer resources. In doing so, forward-looking brands will be able to tap into new markets and create more resilient businesses for the long term.

There is a growing movement of businesses already engaged on these issues and many of them are WPP clients. In pursuing these opportunities they are connecting to society's rising expectations of what the role of business in society should be. Citizens believe that business has a responsibility to bring social change on important issues, and research by WPP's Kantar Media demonstrates that consumers across markets take into account a brand's approach to sustainability, see page 24.

Communications, with its power to change attitudes and influence behaviour, has a key role to play in helping shift society towards more sustainable development. WPP companies are already advisors to pioneering businesses looking to embed sustainability and purpose into their brands, products and marketing. Some recent examples of this work are profiled on pages 17 to 22. Clients who engaged with us on sustainability generated £1.64 billion in revenues to the Group in 2016, 11.4% of the total.

The United Nations Sustainable Development Goals provide an important framework for government agencies, civil society and the private sector to work together to end extreme poverty, inequality and climate change by 2030. During 2016, we were pleased to help launch Common Ground, a new collaboration between the six biggest advertising and marketing services groups in support of the Sustainable Development Goals. Through Common Ground we are putting aside our competitive differences and using the power of communication to help stimulate progress in tackling the world's sustainability challenges.

WPP is focusing on the goal of gender equality, which is critical both in its own right and in terms of its knock-on benefits: achieving gender equality will also help to tackle poverty and improve education and economic growth.

1 UNESCO Institute for Statistics and the Global Education Monitoring Report – unesdoc.unesco.org/images/0024/002452/245238E.pdf

2 Unicef – <https://data.unicef.org/topic/child-survival/under-five-mortality/>

3 Citi and the Oxford Martin School at the University of Oxford – www.oxfordmartin.ox.ac.uk/downloads/reports/Citi_GPS_Technology_Work_2.pdf

4 Global Humanitarian Forum – www.ghf-ge.org/human-impact-report.pdf

2016 highlights



45%

reduction in carbon emissions
per person since 2006



6,413

paid internships and
apprenticeships



34%

of executive leaders
are women



£42.3m

total social contribution

We are collaborating internally and with the other groups to drive progress as well as encouraging clients to get involved. Some of the early projects are profiled on pages 84 to 85 and there is plenty more exciting work to come during 2017.

There is a clear-cut case for gender equality and diversity in our sector, just as there is across the world of business. We absolutely require a workforce that is diverse in all senses and able to create work that connects with the diverse global consumer base. And businesses with greater gender balance in their leadership teams perform better than the competition. We at WPP have much more to do in this respect at the most senior levels.

In our own business, diversity and inclusion has remained a focus, including through our Stella women's network in the UK which aims to remove barriers to women's progression. Our companies are innovating through programs such as Brave your Bias at MEC, equipping people to identify and counteract unconscious biases, and Walk the Talk, an intensive coaching program for women that began at Maxus and is being rolled out to other parts of the Group. Our senior management mentoring and development program, 'The X Factor', run by Charlotte Beers, the former chairman and CEO of Ogilvy & Mather and chairman of J. Walter Thompson, continues to prepare women for the next level of leadership in the Group. Women now account for 54% of our people and 34% of executive leaders.

We made progress on other issues too. We reduced our per-head carbon footprint by 10% last year and our energy use by 4%. Overall, we have cut our per-head carbon footprint by 45% since 2006.

Our future success depends on our ability to recruit and retain great people. We continue to invest in skills, offering over 6,413 internships and apprenticeships in 2016, partnering with universities and colleges and providing training worth £45.1 million for our people.

The Common Ground partnership builds on our long heritage of pro bono work – providing professional communications services for little or no fee. Pro bono campaigns enable organisations and charities working in areas such as the environment, human rights and anti-poverty to raise awareness and funds, recruit new members and bring about positive change. Our social investment, including pro bono work and charitable donations, was worth £19.5 million in 2016 - equivalent to 1.03% of reported profit before tax. Our companies also negotiate free media space for charity campaigns. This was worth £22.8 million in 2016, bringing our total social contribution to £42.3 million - equivalent to 2.23% of reported profit before tax.

Political attitudes to issues of sustainability are changing – and not necessarily always for the better – but at WPP we will continue to make them a priority in 2017 and beyond. I look forward to updating you on our progress.

Sir Martin Sorrell

Group chief executive
sirmartinsorrell@wpp.com



TAXI **WUNDERMAN** **cognifide**
the food group INNOVATIVE FOOD MARKETING **JOHANNES LEONARDO** **ieg.** **AKQA**
FITCH **DAVID** **greyhealth group** Global Counsel
KANTAR IMRB **BOOKM/ARK** **group** **metro™**
Food & Retail Marketing Solutions **addison group** THE WPP GLOBAL RETAIL PRACTICE **Mando**
Y&R **KANTAR W^RLDPANEL**
CHI & PARTNERS **WPP HEALTH & WELLNESS**
johnst ***S,C,P,F...** **LIGHTSPEED** **eba** designing brands with heart
DLAST RADIUS **DEWEYSQUAREGROUP** **SZYGY**
WUNDERMAN | MSC **ADK<** **bdg**
bottle rocket **KANTAR RETAIL** **essence.** **maxus** **MEC**
cerebra **KANTAR MILLWARD BROWN**
cohn&wolfe **HS Ad** **UNITED VISIONS** **Burson-Marsteller** moving media
WUNDERMAN HEALTH **QUISMA** DIGITAL. REALTIME. PERFORMANCE.
GREY **S&H** **Social.Lab** **PSB** **PRISM**
Benenson Strategy Group **SUDLER & HENNESSEY** **THE PARTNERS** **BARROWS** Shopper Conversion Specialists
mirum **Buchanan** **POSSIBLE**
HighCo **SANTO** **The Farm** **WPP SCANGROUP** **gkkdialog** group



WPP 2017



Our companies & associates

Advertising

ADK¹
adk.jp

Bates CHI&Partners[†]
bateschi.com

Berlin Cameron
berlincameron.com

CHI&Partners¹
chiandpartners.com

Cole & Weber
coleweber.com

Grey
grey.com

GTB
gtb.com

HS Ad¹
hsad.co.kr

J. Walter Thompson
 Worldwide
jwtd.com

Ogilvy
ogilvy.com

Santo
santo.net

WPP-Scangroup
wpp-scangroup.com

Scholz & Friends^{*}
s-f.com

*S,C,P,F...
scpf.com

Sra. Rushmore
srarushmore.com

Soho Square
sohosquareasia.com

TAXI[■]
taxi.cc

The Jupiter Drawing Room¹
thejupiterdrawingroom.com

WPP AUNZ
wppaunz.com

Y&R[■]
yi.com

Media Investment Management and Data Investment Management

GROUPM:
groupm.com

Mindshare
mindshareworld.com

MEC
mecglobal.com

MediaCom
mediacom.com

Maxus
maxusglobal.com

Essence
essencedigital.com

Catalyst
catalystdigital.com

KR Media
krmedia-france.com

MetaVision Media
metavisionmedia.com

Xaxis
xaxis.com

tenthavenue:
tenthavenue.com

Bookmark
bookmarkcontent.com

Joule
jouleww.com

Kinetic Worldwide
kineticww.com

TMARC
tmarc.co.za

Other media agencies

Gain Theory
gaintheory.com

m/SIX²
msixagency.com

KANTAR:
kantarc.com

Kantar Added Value
added-value.com

Kantar Futures
thefuturescompany.com

Kantar Health
kantarc.com

Kantar IMRB
mrbglobal.in

Kantar Media
kantarmedia.com

Kantar Millward Brown
millwardbrown.com

Kantar Public
kantarc.com/public

Kantar Retail
kantarc.com/retail

Kantar TNS
tnsglobal.com

Kantar Vermeer
mbvermeer.com

Kantar Worldpanel
kantarc.com/worldpanel

Lightspeed
lightspeedresearch.com

comScore^{3,▲}
comscore.com

Penn Schoen Berland[■]
psbresearch.com

Prime Policy Group
prime-policy.com

QGA
qga.com

SJR^{*}
groupsjr.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[†]
cba-design.com

Coley Porter Bell[†]
coleyporterbell.com

FITCH[●]
fitch.com

Lambie-Nairn^{*}
lambie-nairn.com

Landor[■]
landor.com

PeclersParis^{*}
peclersparis.com

The Partners^{*}
the-partners.com

SET[●]
setcreative.com

VBAT^{*}
vbat.com

Public Relations & Public Affairs

Benenson Strategy Group^{*}
bsgco.com

Blanc & Otus^{*}
blancandotus.com

Buchanan
 Communications
buchanan.uk.com

Burson-Marsteller[■]
burson-marsteller.com

BWR^{*}
bwr-pr.com

Clarion Communications
clarioncomms.co.uk

Cohn & Wolfe[■]
cohnwolfe.com

Dewey Square Group
deweysquare.com

Finsbury
finsbury.com

Global Counsel¹
global-counsel.co.uk

Glover Park Group
gpg.com

HERING SCHUPPENER
heringschuppener.com

Hill+Knowlton Strategies
hkstrategies.com

Ogilvy
ogilvy.com

Ogilvy Government
 Relations
ogilvygr.com

Healthcare Communications

WPP Health & Wellness:
wpphealthandwellness.com

CMI/Compas
cmimedia.com

ghg
ghgroup.com

Ogilvy CommonHealth
 Worldwide
ogilvychww.com

Sudler & Hennessey[■]
sudler.com

GCI Health
gcihealth.com
 Wunderman World Health[†]
wunderman.com

Digital, eCommerce & Shopper Marketing

Acceleration[†]
acceleration.biz
 A. Eicoff & Co[†]
eicoff.com
 AKQA
akqa.com
 Barrows[‡]
barrowsglobal.com
 Blast Radius[†]
blastradius.com
 Cerebra
cerebra.co.za
 deepblue networks^{*}
db-n.com
 EWA
ewagroup.com
 FullSIX[‡]
fullsix.it/en
 Geometry Global
geometry.com
 ggk DialogGroup^{*}
gkk.de
 HighCo[‡]
highco.fr
 iconmobile[■]
iconmobile.com
 Mando
mando.co.uk
 Maxx Marketing[†]
maxx-marketing.com
 Mirum[‡]
mirumagency.com
 Ogilvy
ogilvy.com
 Smollan[‡]
smollan.com
 VML[■]
vml.com
 Wunderman[■]
wunderman.com

Specialist Communications

Demographic marketing

Bravo[■]
bebravo.com

UniWorld[‡]
uwg.is

Wing
insidewing.com

Employer branding/ recruitment

JWT INSIDE[‡]
jwinside.com

Event/face-to-face marketing

MJM
mjmcreative.com

Metro
metrobroadcast.com

Richard Attias & Associates[‡]
richardattiasassociates.com

Foodservice marketing

The Food Group
thefoodgroup.com

Sports marketing

Bruin Sports Capital[‡]
bruinsportscapital.com

Chime Communications[‡]
chimegroup.com

Courtside Ventures[‡]
courtsidevc.com

ESP Properties
espglobal.com

PRISM Group
prismteam.com

TSE Consulting^{*}
tseconsulting.com

Two Circles
insidetwocircles.com

Real estate marketing

PACE
paceadv.com

Media & production services

The Farm Group
farmgroup.tv

Imagina[‡]
mediapro.es

United Visions^{*}
uv.tv

WPP Digital

Blue State Digital
bluestatedigital.com

Cognifide
cognifide.com

The Data Alliance
thedataalliance.com

F.biz
fbiz.com.br

Globant[‡]
globant.com

Hogarth Worldwide
hogarthww.com

Johannes Leonardo[‡]
johannesleonardo.com

Mutual Mobile[‡]
mutualmobile.com

POSSIBLE
possible.com

Rockfish
rockfishdigital.com

Salmon
salmon.com

SYZGY
szygy.net

WPP Digital partner companies

Ace Metrix[‡]
acemetrix.com

All Def Digital[‡]
alldigital.com

AppNexus[‡]
appnexus.com

Domo[‡]
domo.com

Fullscreen[‡]
fullscreen.com

HDT Holdings Technology[‡]
hdtmedia.com

Imagine Entertainment[‡]
indigenusmedia.com

Indigenous Media[‡]
indigenusmedia.com

Invidi[‡]
invidi.com

Mitú[‡]
mitunetwork.com

mySupermarket[‡]
mysupermarket.co.uk

Moment Systems[‡]
miaozhen.com

MRC[‡]
mrcstudios.com

OrderDynamics[‡]
orderdynamics.com

Percolate[‡]
percolate.com

Refinery29[‡]
refinery29.com

VICE Media[‡]
vice.com

The Weinstein Company[‡]
weinsteinco.com

WildTangent[‡]
wildtangent.com

Cross-Group Communities & Practices

Government & Public Sector Practice
wpp.com/govtpractice

The Store
wpp.com/store

WPP Health & Wellness
wpphealthandwellness.com

WPP Sports Practice

Key

¹ Associate

² Joint venture

³ Investment

♦ A Hill+Knowlton Strategies company

† An Ogilvy company

■ A Y&R Group company

● A member of Group XP

* A member of The Partnership

+ A Wunderman company

* A Commarco company

‡ A J. Walter Thompson company

▲ Partnership with GroupM/Kantar

◆ A Burson-Marsteller company

As at April 2017.

Sustainability and our strategy

Leading companies are prioritising sustainability, looking to integrate improved social and environmental performance into products, communications and operations.

Our commitment to sustainability helps us to align with the interests of these clients and to respond to the growing number of client procurement processes that include sustainability criteria. It makes us a more attractive employer, enables us to improve efficiency, to be prepared for changes in regulation and maintain positive relationships with our stakeholders. Our work on sustainability supports progress on our strategic priorities, see right.

The longer term

Demographic, technological, social and environmental change will reshape our world generating new challenges, uncertainties and opportunities for our clients. There will be new markets from a growing and ageing population but also unprecedented demands on public services and resources. Climate change and resource scarcity will create major challenges but also opportunities for businesses able to tap into low carbon innovation. Rapid technological change is disrupting old business models and impacting the relationship between business and consumers. We are seeing rising expectations from citizens, consumers and employees who expect business to lead in tackling societal challenges.

Brands need to prepare now for these challenges. The most successful will be those who are able to integrate sustainability into their strategies and products, and to align their purpose with changing societal needs. Our clients require the best insight, research and communications services to help them do this effectively and will continue to seek out a marketing services provider who understands the changing landscape and shares their values.

Our companies are already working with many pioneers of sustainable business. As our clients increasingly feel the impact of these longer-term trends, their significance will grow for WPP too. Our work on sustainability today will help ensure our business is prepared for the future.

OUR FOUR STRATEGIC PRIORITIES

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

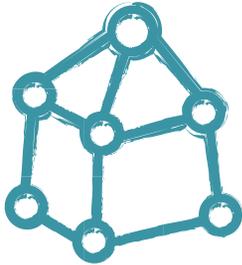
ENABLING OUR STRATEGY TODAY

Our work on sustainability supports progress on our strategic priorities in three main ways:



Read more about our business strategy in our Annual Report at wpp.com/annualreports/2016/

STRATEGIC PRIORITIES



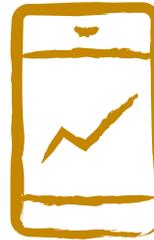
Horizontality

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



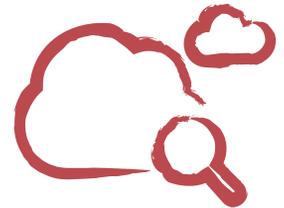
New markets

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



New media

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



Technology, data & content

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

ACCESS TO SKILLS

Strong employment policies and flexible and inclusive working practices help us recruit, motivate and retain the talented people we need to serve our clients in all disciplines across our locations, including new markets where our industry is less well-established.

£45.1m

investment in training and skills.

ACCESS TO NEW BUSINESS

A growing number of our clients are prioritising sustainability and looking for suppliers who share their values and aspirations. Our commitment to responsible and sustainable business practices helps us to access this business and to meet the sustainability requirements in client procurement processes. Privacy and data security continue to be a high priority for our clients and for WPP.

£1.64bn

Clients who engaged with us on sustainability generated £1.64 billion in revenues to the Group in 2016, 11.4% of the total.

EFFICIENCY, RISK AND REPUTATION

Managing the social and environmental impacts of our business and selecting supplier partners who adopt standards consistent with our own can reduce costs and risks to the business as well as improving efficiency and safeguarding our reputation.

£8.3m

in avoided annual utility costs through improved energy efficiency.

Creating value through our business

Our mission

To develop and manage talent;
to apply that talent,
throughout the world,
for the benefit of clients;
to do so in partnership;
to do so with profit.

Within WPP, our clients have access to companies with all the necessary marketing and communications skills; companies with strong and distinctive cultures of their own; famous names, many of them.

WPP, the parent company, complements these companies in three distinct ways: we encourage, enable and incentivise our companies to work in close collaboration for the benefit of clients; WPP can itself function as the 21st century equivalent of the full-service agency; and we relieve our companies of much administrative work.

Through our business activities we generate 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.

How we generate value for our business and stakeholders

We draw on our resources and relationships

- 134,000 people
- 64,000 people in associate companies
- 360 of the Fortune 500 companies are clients of WPP companies
- Thousands of supplier partners
- Share owner equity £9,325 million
- 13,338 share owners
- Natural resources – 339,037 MWh of 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
- Digital, eCommerce & Shopper Marketing
- Specialist Communications
- Sustainability Services

Developing our business to help clients meet their goals

- Global presence, local insight – 3,000 offices in 112 countries
- Full-service agency – cross-company teams serve our 48 largest global clients
- Horizontality – 53% of revenues from clients served in four or more disciplines
- Shared values – sustainable business practices integrated into our services, operations and procurement. Clients that engaged with us on sustainability worth £1.64 billion in revenues
- Creativity and effectiveness – for six 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 Effie Global Effectiveness Index for four consecutive years and for the third consecutive year, WPP has been named the World's Top Holding Company by Warc.

Generating value for our investors, people, supplier partners and society

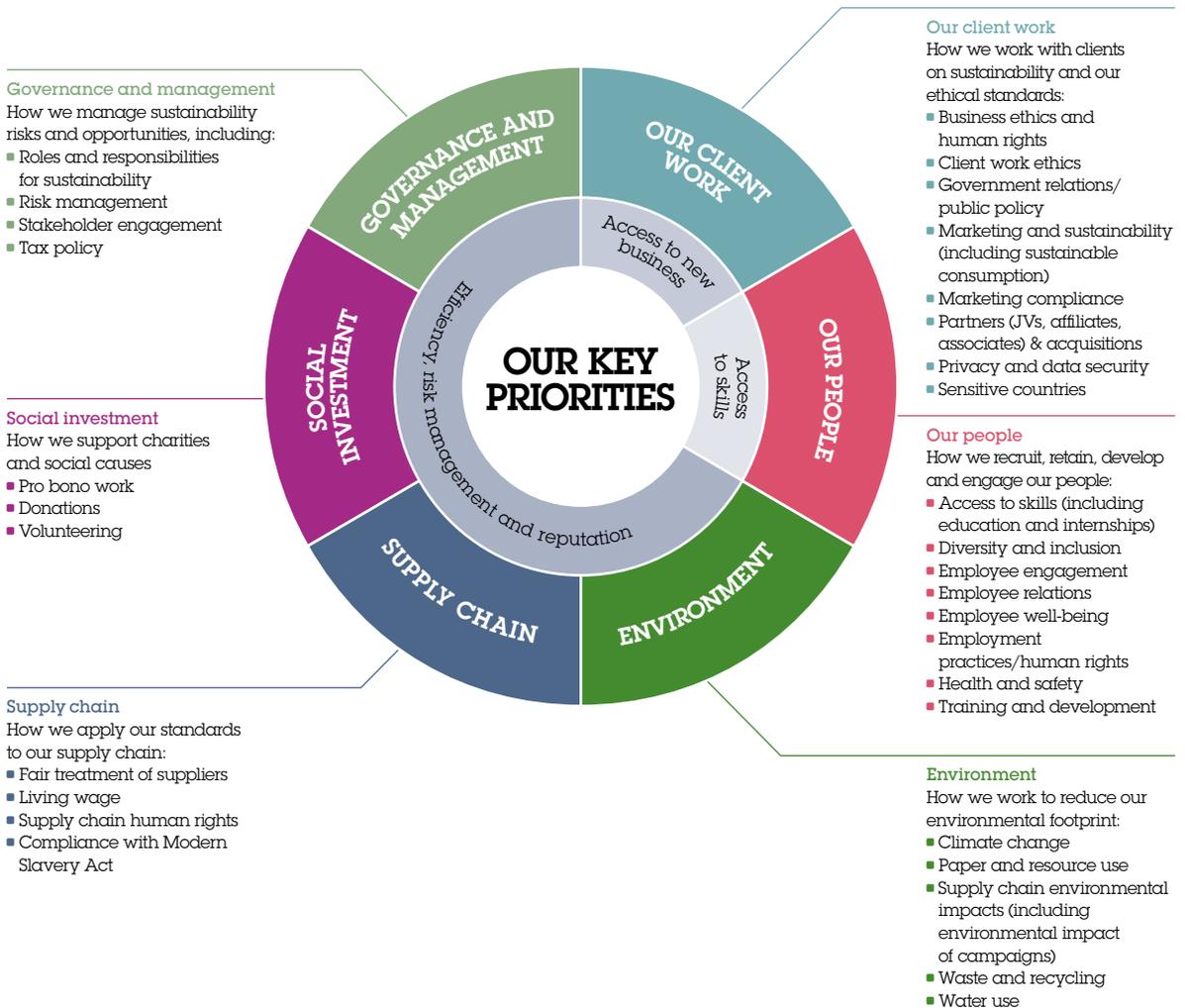
- Over £1 billion returned to share owners through dividends and share buy-backs
- Total tax contribution £1.5 billion
- £7.1 billion in salaries and benefits
- Supplier spend £6 billion
- Training spend £45.1 million
- Community investment £19.5 million, creating a benefit to society worth £156 million

Our sustainability priorities

We focus on the sustainability issues, risks and opportunities that are most important to our business and our stakeholders, particularly our clients, share owners and people.

We engage regularly internally and with our external stakeholders to understand their views and priorities, including through our formal materiality process, see page 12.

Our priority issues come under six themes, see diagram. The inside ring on the diagram indicates the main ways these themes relate to the three elements of our business case for sustainability, see page 9.



Our materiality process

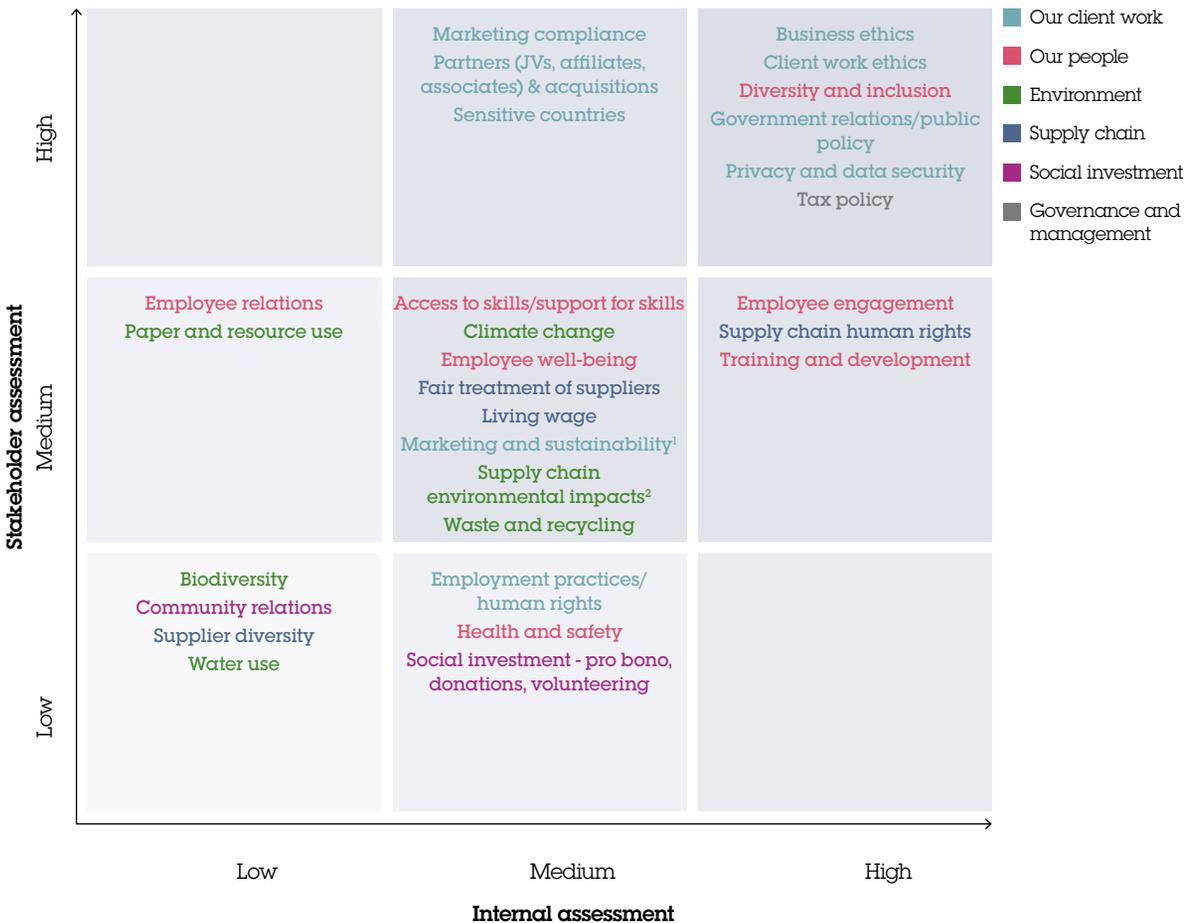
Our materiality assessment helps us to prioritise the social, environmental and economic issues most important to our business, to identify new issues and emerging trends and align our work to the priorities of our stakeholders.

Our formal materiality assessment in 2014 included interviews with clients, investors, NGOs and sustainable business experts as well as senior executives in our Group functions and our operating companies. The assessment took into account our own business goals, activities and impacts as well as external trends, risks and opportunities.

We updated this assessment during 2016 through an internal review and interviews with key external stakeholders.

In the diagram below, importance to stakeholders is shown on the vertical axis, and materiality to WPP on the horizontal axis. All issues of high importance are included in our report as well as the majority of issues of medium importance.

WPP materiality assessment



1 Including sustainable consumption

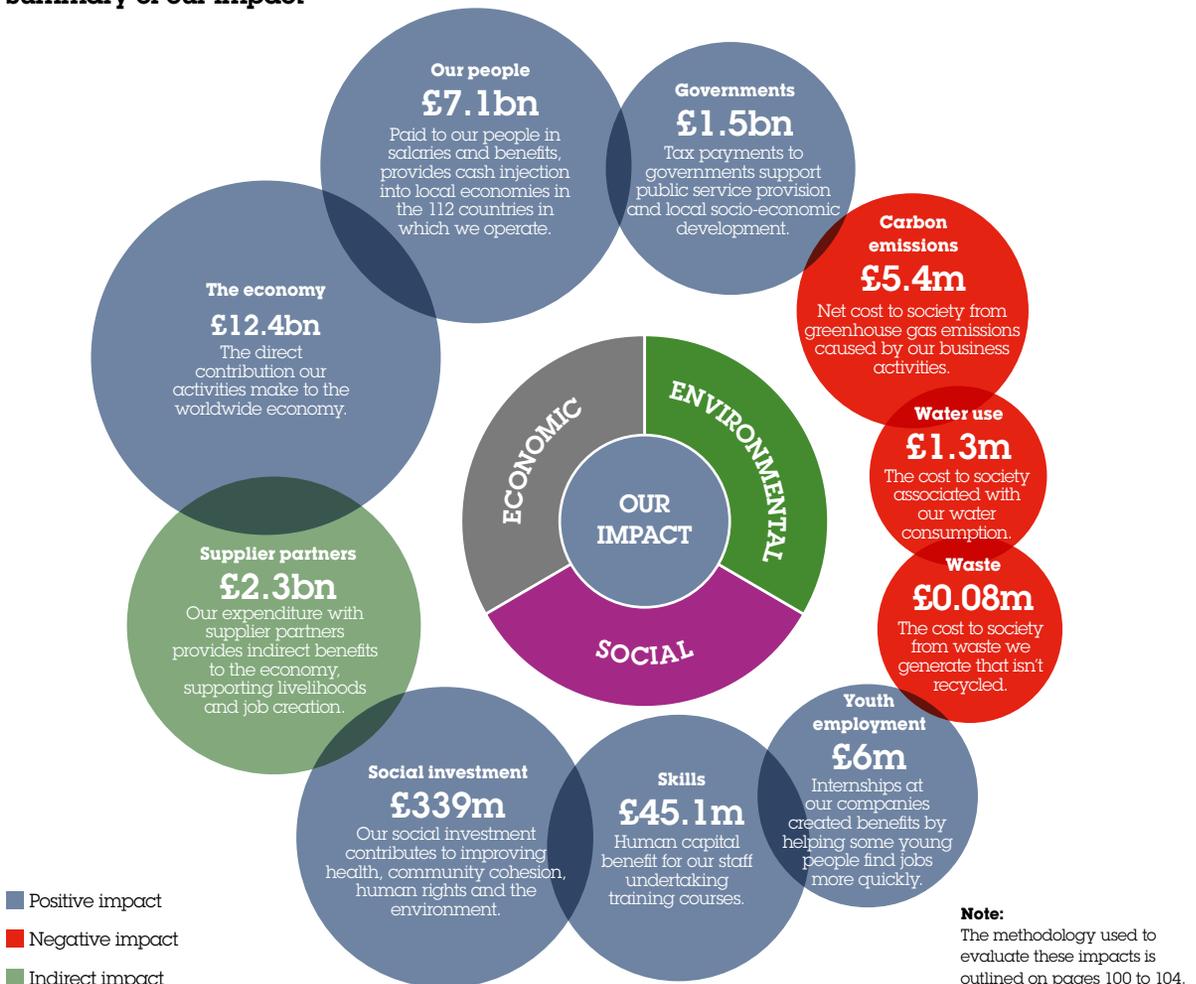
2 Including environmental impact of campaigns

Quantifying our impacts

Our business activities can have both positive and negative impacts for society. We carry out research to quantify these impacts in terms of their monetary cost or benefit. This enables us to compare the relative significance of different types of impacts and, over time, may help us to enhance our positive contribution.

Our latest research findings are summarised in the diagram and the full analysis and methodology are included on pages 100 to 104. They show a significant positive economic impact through payments to governments, our people and supplier partners as well as a positive social impact through our social investment and activities such as training and internships. Among the impacts we have valued, our main negative impact relates to the cost to society and future generations of greenhouse gas emissions associated with our business activities. Waste disposal and water consumption also represent negative impacts from our direct operations. There are many impacts we are not yet able to quantify, such as the indirect benefits or costs associated with our work for clients. For example, if our communications services help clients to increase product sales this could stimulate growth and help create jobs but also increase consumption of resources.

Summary of our impact



Our client work

The power of marketing to influence opinion and change behaviour is significant. This can help to bring about positive change in relation to social and environmental issues. We set ourselves high ethical standards – through our policies and practices – to ensure that we exercise this influence responsibly.

Fast read

Our goal

We seek to work with clients to engage citizens and consumers on sustainability issues, while minimising ethical risks to WPP and our clients.

We focus on:

- Sustainability in marketing
- Ethical standards
- Human rights
- Public policy and lobbying
- Privacy and data security

Business value

Sustainability-related and social marketing services are an important part of our work and a growing source of revenue. Leading privacy practices enable us to access new business and reduce financial, legal and reputational risks to the business.

Sustainability impact

Our communications and marketing expertise can help to increase the market for products and services with sustainability credentials.

Challenges and dilemmas

We operate in 112 countries around the world against a background of fast-moving technology. We need to understand the local context, while maintaining consistently high standards in relation to ethical conduct and privacy and data security in all our markets and when acquiring new businesses.

We rely on our people and leaders to make the right judgement in relation to ethical issues in client work and such issues are not always easy to identify or resolve.

Management approach

We have created a suite of policies and documents to guide our people, including our Code of Business Conduct, Human Rights Policy Statement and Sustainability Policy. All our people complete online ethics training, which helps them deal with a wide range of ethical, social and environmental subjects.

Complementing our Group-wide policies are the detailed policies on marketing standards and other issues which are set at the local level.

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.

Under our governance structure, responsibility for ethics and compliance lies with our deputy general counsel, litigation and compliance, who provides support and guidance to our companies. She reports to our Group chief counsel and director of internal audit.

External frameworks

GRI indicators in this section: G4-2 (M), G4-15, G4-16, G4-34 (M), G4-56 (M), G4-58, G4-HR2 (M), G4-HR6, G4-SO4, G4-SO6, G4-PR7 (M), G4-PR8

Global Compact Principles: 1, 2, 3, 4, 5, 6, 9, 10

Progress on our KPIs in 2016

Performance in 2016

£1.64 bn revenue from clients who engaged with WPP on sustainability	↑
126,700 people completed refreshed anti-bribery and corruption training in 2016	+
124,960 people completed our ethics training in 2016	+
154,570 people completed online Privacy and Data Security Awareness training	↑

Key:

Increased ↑ New training +

Sustainability in marketing

Our companies work with a growing number of clients to integrate sustainability and purpose into brands and consumer and stakeholder communications. This includes:

- **Data investment management:** Providing insight into future trends, changing consumer attitudes to social and environmental issues and testing the impact of sustainability strategy and communications approaches.
- **Branding and identity:** Integrating social and environmental values into brand and business strategy.
- **Consumer communications:** Helping clients communicate credibly with consumers and citizens on sustainability and generate sales of sustainable products.
- **Internal communications:** Engaging internal audiences on social and environmental issues.
- **Stakeholder communications:** Our public relations and public affairs companies help clients to communicate with regulators, the media, NGOs and the public on sustainability issues.

WPP, the parent company, supports our companies in sharing their expertise. We run regular events, publish background briefings on our Group intranet and foster collaboration through our 'Sustainability Navigator', a directory of sustainability expertise within WPP.

Social marketing

Social marketing raises awareness of issues of public interest – health, safety or the environment – and creates behaviour change for the benefit of society as a whole. We work with many clients including governments and NGOs on social marketing campaigns.

In this period of falling trust in governments, public policy goals cannot be achieved without effective communications. The Government & Public Sector Practice brings together our best thinking and expertise for policy makers and communicators in national and local government, public institutions and international organisations (see www.wpp.com/govtpractice/). Our companies work for the public sector in more than 70 countries.

The Government & Public Sector Practice advises policymakers and public sector communication leaders on strategy, innovation, capability development and global best practice. Our team of senior consultants connects clients with the best ideas and expertise in WPP's global network.

We also partner with leading schools of public policy to train future government leaders on the strategic use of communications. In the UK, we teach a module on Communications for Public Policy, part of the Master of Public Policy program at the Blavatnik School of Government, University of Oxford. In Singapore, we partner with the Lee Kuan Yew School of Public Policy to provide an executive education program on Communications for Public Policy Delivery.

Cause-related marketing

We help clients to partner with charities through cause-related marketing campaigns. These can be effective in raising the profile of the brand while engaging consumers and raising funds to benefit social and environmental causes.

Recent client work

Engaging consumers and citizens on sustainability



Campaign:
Rainwater Harvesting Project

WPP company:
Kinetic Worldwide India
Client: **Vodafone**

Kinetic Worldwide created a harvesting and distribution method for rainwater in Pune, India. The system uses U-shaped aluminium sheets attached to billboards. The rainwater captured is drained into tanks that are fitted with Vodafone SIM cards which alert employees when the tanks are full. The water is then collected and delivered to local farmers affected by drought.

Result:

★ 50,000 litres of water distributed in 30 days

Video:

wpp.com/rainwaterharvesting



Campaign:
So Long Old World

WPP company:
DAVID Argentina and Ogilvy London
Client: **Unilever**

DAVID Argentina and Ogilvy London launched a TV and digital campaign for Unilever, citing three of its brands which have a long-standing social purpose. The campaign aims to bring together the collective power of consumers and brands to show how the everyday choices that people make can help to make the world a better place.

Results:

★ 46m views
★ 20m people reached on Facebook

Video:

wpp.com/solongoldworld



Campaign:
The Enlightenment Trail

WPP company:
Hill+Knowlton Strategies Oslo
Client: **NORAD**

The 17 UN Sustainable Development Goals for 2030 will govern Norwegian development policy for the next 14 years. To raise awareness, Hill+Knowlton Strategies Oslo created an illuminated trail to the top of Mount Gaustatoppen, said to be the most beautiful mountain in Norway. Seventeen light installations were set up along the trail. On the night of 17 September 2016, over 5,000 hikers climbed the trail, further illuminating the route with their torches.

Results:

★ 2.5m views
★ Awareness of SDGs increased by 24% in Norway

Video:

wpp.com/theenlightmenttrail

Promoting innovation for social causes



Campaign: Ford Best Drive

WPP company:
GTB/Ogilvy Spain
Client: **Ford**

Ford linked up with the Asociación Benéfica Geriátrica (Charity for the Aged) to give elderly people a chance to step out of their day-to-day lives and meet new people. GTB/Ogilvy Spain created a digital campaign, 'Ford Best Drive', encouraging people to borrow a Ford car from a Ford dealership and take an elderly person out for the day.

Results:

- ★ 2.6m views
- ★ 7.7m people reached
- ★ 11,100 web visits
- ★ 575 new registered volunteers

Video:

wpp.com/fordbestdrive



Campaign: Touchable Ink

WPP company:
J. Walter Thompson Bangkok
Client: **Samsung**

J. Walter Thompson Bangkok helped create 'Touchable Ink' an innovative product that mixes embossing powder with ink and allows an ordinary home printer to be transformed into a braille printer at an affordable price. This project was developed and implemented through a collaboration between Samsung, the Thailand Association of the Blind and the Department of Chemistry, Faculty of Science and Technology, Thammasat University.

Result:

- ★ 225m impressions in first week

Awards:

- ★ Cannes Lions 2016: 1 Gold, 2 Silvers, 3 Bronzes
- ★ Grand Prix Spikes Asia 2016: 3 Grand Prix, 1 Gold, 1 Silver, 1 Bronze
- ★ Clio Awards 2016: Bronze.
- ★ D&AD Impact 2016: 1 White Pencil, 2 Graphite Pencil

Video:

wpp.com/touchableink



Campaign: The RainSprout

WPP company:
Grey Kuala Lumpur
Client: **Webe**

Some 390 million people around the world are affected by dengue fever every year. To help fight the disease, Grey Kuala Lumpur developed a device known as the RainSprout, which contains a patch impregnated with a larvicide. The RainSprout is fixed to the top of an umbrella and when rain hits the patch, the larvicide is released and mixes with the rainwater. As the rainwater falls off the umbrella to the ground, the larvicide destroys the mosquito larvae. The project was commissioned by the Malaysian digital mobile service provider, Webe, which funds projects that will lead to positive change.

Result:

- ★ 150,000 views in first week

Video:

wpp.com/therainsprout



Campaign:
NOMADA Smart School

WPP company:
Geometry Global Bogotá
Client: **Samsung**

NOMADA Smart School is a portable classroom designed by Samsung Electronics, aiming to bring technology education to children in remote areas. The classroom is equipped with a 32-inch monitor, tablet PCs, tables, rugs and cushions, so that the class can sit round and work together. Geometry Global Colombia worked with Samsung to create the idea, as well as designing the visual identity, product design and communications.

Results:

- ★ Over 5,000 children reached
- ★ 12 NOMADA schools working in communities

Award:

- ★ Colombia Leadership Award

Video:

wpp.com/nomadasmartschool



Campaign:
The Good Note

WPP company: **J. Walter Thompson Beirut**
Client: **Bou Khalil Supermarché**

Around 2 million Syrian refugees have fled to Lebanon since 2011 and many child refugees are reduced to begging on the streets to survive. Often people are reluctant to give money to street beggars because they fear their donations will be taken by gang leaders or spent on cigarettes, alcohol and drugs. J. Walter Thompson Beirut worked with local supermarket chain Bou Khalil to create an alternative currency, the Good Note, which can only be spent in-store on food, medicine and basic necessities.

Results:

- ★ \$4.2m of earned media and PR
- ★ \$17,000 Good Notes in circulation
- ★ \$9,000 Good Notes redeemed

Award:

- ★ Dubai Lynx 2016: 3 Grand Prix

Video:

wpp.com/thegoodnote



Campaign:
GOODFest

WPP company: **Essence New York**
Client: **Google Pixel**

Essence New York collaborated with major artists and innovative NGOs to create GOODFest, a modern livestreamed digital music festival. The team organised five concerts in five different American cities for five different causes. Each event used the Google Pixel phone, livestream and virtual reality to connect people around the world in the name of good. All of the proceeds from the events go to charitable causes.

Results:

- ★ 117m impressions in less than two months
- ★ 9m views

Video:

wpp.com/goodfest

Raising awareness and changing behaviour



Campaign: The Second Scoreboard

WPP company:
J. Walter Thompson Costa Rica
Client: **Costa Rica's Ministry of Women's Affairs**

Costa Rica's Ministry of Women's Affairs reported that during soccer matches domestic violence complaints can spike by up to 690%. To raise awareness, J. Walter Thompson Costa Rica teamed up with TV station Teletica and the Costa Rican Soccer Federation. During every soccer game, a second scoreboard tracked the number of domestic violence incidents reported to the police in real-time.

Result:

★ 40% reduction in domestic violence complaints

Awards:

- ★ Cannes Lions 2016: 3 Golds, 2 Bronzes
- ★ Effie Awards 2016: Bronze
- ★ Festival El Sol 2016: Bronze
- ★ Festival de Antigua 2016: Gold

Video:

wpp.com/thesecondscoreboard



Campaign: Child Labours Call

WPP company:
Wunderman Phantasia
Client: **Fundación Telefónica**

One in four children in Peru works instead of going to school. To raise awareness of the problem and help combat child labour, Wunderman Phantasia worked with Fundación Telefónica to make the subject newsworthy again. The automated voice on Movistar's interactive phone services was replaced with the voices of real children.

Results:

- ★ Over 20m media impressions
- ★ 76% increase in awareness of child labour

Video:

wpp.com/childlabourscall



Campaign: Road to Rio

WPP company:
Ogilvy Düsseldorf
Client: **Allianz**

Ogilvy Düsseldorf led the development of a global social media campaign on behalf of Allianz to promote the 2016 Paralympic Games in Rio. The campaign, adapted in 14 markets, consisted of a series of films, social media content and offline media, highlighting the achievements of some of the world's best Paralympic athletes while leveraging Allianz's new 'Dare to' strategic and communications platform. Additional WPP agencies contributed to the campaign, including MediaCom London, The Social Partners London and Sponsorplan Munich.

Results:

- ★ 133m media impressions in 15 markets
- ★ Over 2m views

Video:

wpp.com/roadtorio



Campaign:
Breathless Choir

WPP company:
Ogilvy London
Client: **Philips**

Ogilvy London was tasked with reminding people that Philips is more than an electronic appliances business; it is a health technology company seeking to improve the lives of billions of people through innovation. The Breathless Choir campaign tells the moving story of a group of people with breathing disabilities who were helped to sing again by the Philips SimplyGo Mini portable oxygen concentrator.

Results:

- ★ 15m views
- ★ 97% increase in web visits
- ★ 650m media impressions

Award:

- ★ Cannes Lions 2016: Grand Prix



Campaign:
Invictus Games Orlando

WPP company: **Hill+Knowlton Strategies Washington, DC, Los Angeles and Chicago**
Client: **Invictus Games Orlando 2016**

HRH Prince Harry launched the international Invictus Games for servicemen and servicewomen to harness the power of sport to inspire recovery and support rehabilitation. Hill+Knowlton Strategies was tasked with raising brand awareness, facilitating marketing sponsorships and inspiring wounded service members.

Results:

- ★ 2 billion people reached
- ★ 1.7m views
- ★ 5.5m Facebook impressions
- ★ \$25m in donations

Award:

- ★ Cannes Lions 2016: Grand Prix

Video:

wpp.com/invictusgamesorlando



Campaign:
Air View

WPP company:
Burson-Marsteller Stockholm
Client: **Blueair**

Nine out of 10 people in the world breathe polluted air. To raise awareness of what is often an invisible problem Burson-Marsteller Stockholm designed an interactive digital platform, Air View, for Blueair, the Swedish manufacturer of air purifiers. The tool enables users to visualise the air quality at a specified location using Google Street View and the Blueair air quality app.

Results:

- ★ 93,000 web visits in one month
- ★ 200,000 views in one week

Video:

wpp.com/airview

Raising awareness and changing behaviour



Campaign:
Ladyballs

WPP company:
Grey4Good Canada
Client: **Ovarian Cancer Canada**

Ovarian cancer is the most fatal of women's cancers in Canada, with five women dying of the disease every day. Grey4Good Canada created the Ladyballs campaign to raise awareness of the work that Ovarian Cancer Canada does to support women and families, educate the public and fund critical research.

Results:

- ★ 118% increase in medical inquiries from women across the country
- ★ 220% increase in social engagement
- ★ 35% increase in calls to OCC regional offices
- ★ 75% of donations during campaign from new donors

Award:

- ★ Cannes Lions 2016:
1 Silver, 1 Bronze

Video:

wpp.com/ladyballs



Campaign:
Hunger is Happening Here

WPP company:
Team Unilever Shopper
Client: **Unilever**

One in five children in the north-east of the US go hungry. To help increase awareness and promote positive change, Team Unilever and Ahold joined forces with Feeding America to create Hunger is Happening Here – a platform that provided meals to local children in need. By purchasing \$15 of Unilever products at Ahold stores, shoppers saved \$5 and helped give meals to children through a donation to a local food bank.

Results:

- ★ 27m impressions
- ★ 1.1m meals donated to local food banks
- ★ 79% increase in Unilever product sales vs. prior year

Video:

wpp.com/hungerishappeninghere



Campaign:
Toilets Change Lives

WPP company:
Mindshare Madrid
Client: **Kimberly-Clark**

To raise awareness of infant mortality caused by a lack of basic sanitation in some countries, Mindshare Madrid created the campaign, 'Toilet Changes Lives' under Kimberly-Clark's brand name for its toilet tissue, Scottex. The team turned a toilet in Madrid into a third world bathroom. The reactions of celebrities and bloggers were recorded and shared online. As part of the initiative, a portion of the sales of Scottex went to Unicef's Community Sanitation program.

Results:

- ★ €150,000 raised in two months
- ★ 26m impressions
- ★ 199,000 views

Video:

wpp.com/toiletschangelives

Investing in creativity

Our companies track new ideas and innovation, and run events and programs to expose our people to new ideas for the benefit of our clients and our people's development.

Hill+Knowlton Strategies London, for example, runs the Collider Program, to stimulate an entrepreneurial mindset among its people and enhance understanding of the real-world potential of technology to change the future.

Our dedicated global retail practice, The Store, helps our operating companies to invest in the creativity of their workforce and challenge the conventional in the retail arena. The Store holds seminars, hands-on innovation technology sessions and thought leadership programs in areas including product customisation, personalisation, artificial intelligence, Internet of Things (IoT) and many others. It develops partnerships with technology start-ups who bring their specialist knowledge to our companies. Its IoT innovation kit, a simple but effective set of tools allows our retail clients to customise and harness the power of the IoT. Our creative teams can use the kit to prototype new ideas at speed; and the simplicity of the kit means that they are not required to understand computer code.

Our WPPED Cream Awards recognise the very best creative work produced by WPP companies in all disciplines across nine categories (see www.wpp.com/wppedcream). Our Atticus Awards honour original thinking in communications from professionals within WPP. For the 2016/17 awards, entrants were invited to consider the commercial value of brands with a social purpose. The category winners receive a cash prize and extracts from the winning and other outstanding entries will be published in the *Atticus Journal*, during 2017. Our WPP Partnership Awards recognise collaborations across marketing disciplines which demonstrably enhance client service.

Externally, work by WPP companies was recognised in *The Good Report 2016*, which highlights the contribution of advertising to tackling social and environmental issues. Geometry Global's work for the Colombian Ministry of Environment and Natural Resources was ranked 2nd in the Report with 12 other campaigns by WPP agencies appearing in the top 30. *The Good Report* is published by ACT Responsible, an international non-profit association, and the *Gunn Report*, the global index of creative excellence in advertising.

We were also named Holding Company of the Year at the 2016 Cannes Lions International Festival of Creativity for the sixth year running; ranked Most Effective Holding Company, globally, in the 2016 Effie Effectiveness Index for the fifth consecutive year; awarded top holding company in Warc's 100 annual ranking of the world's best campaigns and companies for the third consecutive year; and ranked Holding Company of the Year 2016 at The One Show.



Our thinking and insight

WPP companies invest in thought leadership on sustainability, exploring how the power of marketing can be used to advance progress on social and environmental issues. New thinking and insights developed within our companies can help clients achieve commercial goals, create brands with purpose and contribute to positive social change.



Insight:

Consumer attitudes to sustainability – global trends, local differences

James Powell

Senior marketing manager,
Kantar Media

Consumer trends in sustainability are far from static, both in terms of how they shift over time and how they vary between markets. Businesses wishing to engage with consumers on sustainability should be mindful of the ebb and flow of such trends to ensure that they are in tune with the issues of particular interest to their key targets.

Data from Kantar Media's TGI studies of consumer behaviour, tracked and expanded over almost 50 years, reveal sustainability trends in major markets around the world. Recently we have looked at differences and similarities in four countries: Great Britain, India, Brazil and China¹.

Consumers in Great Britain positive about sustainability

In Great Britain, a number of measures of sustainability are as positive as they have been in recent history. For example, today, 64% of adults agree 'it is important that a company acts ethically' – an increase from 54% in 2011. Similarly, 36% of adults say they like to buy products from companies who give something back to society – up from 30% in 2012. Young adults in particular are keen that companies give something back.

Beyond company ethics, the trend stretches into other areas, such as equality and the environment. Today, two-thirds of adults agree 'I think we should strive for equality for all', compared to 55% in 2010. In addition, 40% of adults are prepared to make lifestyle compromises to benefit the environment, up from 34% in 2012.

¹ Great Britain (Great Britain TGI): All adults aged 15+, China (China CNRS): Adults living in the 60 biggest cities, aged 15-69, India (India TGI): 15-55 year olds in ABC social grades living in state capitals and urban towns of selected states, Brazil (Brazil Target Group Index): All adults aged 12-75 living in nine major metropolitan areas.

It should be noted that much of the comparison here is against those years when Britain was still seeking to recover from the 2008 financial downturn. The downturn appears to have had a hand in prompting a decline in agreement with a number of sustainability-related attitudes, as many consumers felt compelled to focus on their own, closer-to-home priorities. However, as the economy recovered, so too did the sustainability conscience of British consumers.

Chinese consumers becoming more positive about sustainability, Indian consumers more negative

Consumers in China and India show a marked difference to each other in sustainability trends. In China, recent years have seen a significant shift towards greater consumer commitment to sustainability, in a variety of guises. Now 75% of Chinese adults claim to support companies who make a contribution to society and 74% state that merchants' ethics affect their purchase decisions, up from 52% and 53% respectively in 2011.

Environmental concerns are also of growing interest, possibly driven by issues of smog pollution recently becoming a critical problem for many cities in China – 73% of Chinese adults now state that they would buy environmentally-friendly products. In addition, those who say they make a conscious effort to recycle has grown from 46% in 2011 to 75% today.

Conversely, India has seen a dip in interest in corporate ethics in recent years. In 2010, 62% of consumers felt it important that a company acts ethically, but today it has dropped to 51%. Likewise, while two-thirds of adults in 2010 were prepared to make lifestyle compromises to benefit the environment, today it is 61%.

Brazilian consumers show little shift in sustainability attitudes

If China is seemingly headed in one direction on sustainability and India in the other, what of another BRICS giant, Brazil? The short answer is consumers there are somewhat in the middle. Today, 56% of Brazilian adults say they prefer products from companies which support social and cultural projects, which is a small reduction on the 2010 figure of 58%. In addition, 57% are today willing to volunteer for a good cause, modestly below the 2010 figure of 59%.

When it comes to the environment there is also little change. Over half (55%) of Brazilian consumers are prepared to make lifestyle compromises to benefit the environment, which is the same proportion as in 2010. It is worth noting, however, that this is a lower proportion than for Indian consumers.

To conclude...

Consumer attitudes and behaviour towards sustainability show marked differences between countries and over time. It is therefore important that businesses ensure their corporate sustainability stance is robust and flexible enough to engage consumers in different markets with differing prevailing views on sustainability in its many forms.



New thinking:

Deep green consumerism, and why brands need to add 'tayyab' to their vocabulary

Shelina Janmohamed

Vice president, Ogilvy Noor and author of *Generation M: Young Muslims Changing the World*.

When we talk of Muslim consumers, our first thought most likely runs to halal meat. Of course, that's if we think of Muslims as a consumer group at all.

In fact, the Muslim lifestyle market today is worth an estimated \$2.6 trillion, and spans all categories, from food and finance, to fashion and pharmaceuticals. There are significant opportunities for brands able to engage this growing demographic and to reflect Muslim consumers in their advertising and product ranges. What's more, a growing faith-inspired eco-consciousness means there are positive implications for ethical and values-based consumerism and for brands with strong sustainability credentials.

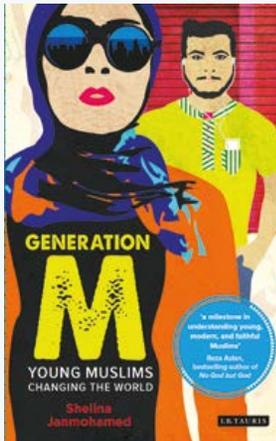
Meet Generation M

The 1.6 billion global Muslim population is incredibly young. One third are under 15 and two-thirds are under 30. Among this vast and growing group is Generation M, a cohort that believes that being faithful and modern go hand-in-hand, that there is no contradiction between the two, and in fact they are complementary. They believe that being faithful makes the world better, and the modern world enhances their faith. They are proud of their Muslim identity, tech savvy and globally conscious.

Among their characteristics are creativity and entrepreneurship – the economics of the internet have allowed many of them to build businesses that they feel help them to uphold their values. They see their businesses serving a wider social good. And it's not just for Muslims, the values they imbue into their businesses are designed to make things better for everyone.

The language of universal values

The halal stamp might have once been enough to brand a product as something for Muslims. But today, the brands that Generation M want to consume and the ones they create, must go beyond a simple tick box exercise of 'halal'. They want brands that embody ethics, the spirit of halal. They call this spirit, 'tayyab'.



The spirit of halal, tayyab, means that every aspect of the supply chain, from materials and sourcing, to fair wages, to distribution, packaging and disposal must meet higher standards. Creation and consumption must be ‘good’ in a holistic sense.

Faithful pioneers

Generation M are translating their faith into the language of universal values, to connect to other Muslims, to wider societies, and to build the businesses and brands that they feel are missing from communities and high streets around the world. These universal values underpin a growing movement towards faith-inspired eco-consciousness. For example:

- Muslim fashionistas (‘hijabistas’) are not only creating a modest fashion revolution, they are increasingly concerned about the provenance and recycling of their clothes. Aab clothing, a UK brand that has signed to high street retailer Debenhams, for example, takes pride in its premium positioning that is built on fair wages for its workers.
- Fashion is going hand-in-hand with beauty. Alongside a desire to have animal-free and alcohol-free ingredients, Generation M consumers are keen that the ingredients are sourced well, are natural and free of harm to themselves and to the environment.
- Halal organic farms are being set up around the world to ensure that supply is not just halal, but also tayyab. Halal suppliers are looking at inserting RFID chips into animals so that the entire farm-to-fork journey can be tracked and consumers can be confident of an animal’s welfare.

Embracing tayyab

So how will global brands rise to the challenge? It’s clear that thinking about halal is a must for a business wanting to reach out to Muslim minority and majority countries. And so is inclusion of Muslim voices, needs and presence in branding. These are basic issues to establish to enter this consumer space.

There are even more opportunities, however, for brands able to understand and implement tayyab values. What’s more, by speaking to Generation M consumers in the language of universal values they will increase their appeal to wider audiences too.

Ogilvy Noor is the world’s first bespoke consultancy for engaging with Muslim audiences. It is part of the Ogilvy network.

www.OgilvyNoor.com

 @OgilvyNoor

Our ethical standards

The WPP Code of Business Conduct provides the ethical framework for WPP and our companies. It sets out the values, principles and key points of policy that apply to everyone at WPP and that our companies must reflect in their own policies and procedures. It is supported by more detailed policies in key areas including anti-bribery and corruption, gifts and entertainment and the appointment of third-party advisors. You can read our Code of Business Conduct on pages 121 and 122.

Senior managers in all our companies and our business and supplier partners are asked to sign a copy of the WPP Code of Business Conduct each year to confirm they will comply with its principles.

Breaches or alleged breaches of the Code are investigated by the director of internal audit, the Group chief counsel and external advisers where appropriate.

Our people can report concerns or suspected cases of misconduct in confidence through our third party-managed Right to Speak facility, overseen by our legal and internal audit departments. This is publicised through induction packs, the Group intranet, the WPP Policy Book and our ethics training. There were 70 calls made via Right to Speak during 2016, all of which were followed up, investigated where appropriate and reported to the Audit Committee.

We have a Group-level committee that meets regularly to discuss ethical and 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 met twice in 2016.

Ethics training

Our ethics training, 'How we behave', is compulsory for all our people. It covers topics such as diversity, human rights and avoiding misleading work. Our online training on anti-bribery and corruption covers the Foreign Corrupt Practices Act and UK Bribery Act on issues such as hospitality and gifts, facilitation payments and the use of third-party advisors. During 2017, we will be including unconscious bias scenarios into this training.

Training is updated every 2-3 years and our people are required to repeat the training following each update. Over 126,700 people have completed our anti-bribery and corruption training and 124,960 have completed our ethics training since the last update in summer 2016.

Associates, acquisitions 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.

Our due diligence process for acquisitions and expansion into new markets includes a review of ethical risks including those relating to bribery and corruption, human rights or ethical issues associated with client work. We take steps to ensure that acquired businesses embed our policies and undertake our ethics training. We enter into contractual commitments to comply with WPP policies and to undertake the Group training programs within a short time-frame of joining the Group.

We expect supplier partners to meet high ethical standards and require all major supplier partners to sign our Code of Business Conduct – Supplier Version, which interprets our own Code for our supply chain. See page 74.

Compliance with marketing standards

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

Our companies participate in industry groups and help to develop and evolve codes of practice for the marketing industry to reflect changing attitudes and new issues that arise as technology develops.

Ethical decisions in our work

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

Before accepting potentially sensitive work, our people are required to elevate the decision to the most senior person in the relevant office and then to the most senior executive of the WPP company in the country concerned, who will decide if further referral to a WPP executive is required. Our people are trained on this referral process during our ethics training.

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

Human rights

Respect for human rights is a fundamental principle for WPP. In our business activities we aim to prevent, identify and address negative impacts on human rights and we look for opportunities to positively promote and support human rights, including children's rights.

Our Human Rights Policy Statement, published in 2015, summarises our approach to human rights. It reflects international standards and principles, including the International Bill of Human Rights, the UN's Guiding Principles on Business and Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the Children's Rights and Business Principles. The policy is available on our website and included on page 123 of this report.

We updated a number of other policies relating to employment and procurement during 2016 to ensure they reflect our commitment to human rights.

We train our people on a number of human rights issues through scenarios in our ethics training including non-discrimination, marketing to children and human rights in the supply chain. This training is completed by all our people.

We are members of the United Nations Global Compact and committed to making progress against its ten principles, see pages 107 to 109.

Our human rights impacts and opportunities

Our main human rights impact is as a major employer and we aim to embed respect for human rights into our employment practices. Read more on page 52.

We can have a positive impact on human rights in our supply chain. We work with supplier partners on human rights and set clear standards through our Code of Business Conduct for Suppliers.

Client marketing campaigns can have an impact on human rights and, where relevant, we work with our clients on these issues. This includes protecting children's rights in relation to marketing. WPP companies will not undertake work designed to mislead on human rights issues.

Communications campaigns can be used to raise awareness of human rights issues and to encourage action to protect human rights. Our companies provide creative services to organisations involved in protecting and promoting human rights, often on a pro bono basis. This is our main opportunity to positively promote human rights. Many examples are included in our Pro bono book, www.wpp.com/probono/2016/.

Operating in sensitive countries

WPP operates in 112 countries. We use a variety of sources to understand and manage any risks associated with different countries of operation, including the Transparency International Corruption Index, Human Rights Watch country reports and any relevant governmental guidance. We comply with all relevant sanctions regimes.

Our direct and indirect human rights impacts



Modern slavery

We do not tolerate any form of modern slavery, forced labour or human trafficking in any part of our business or supply chain. As part of our due diligence processes we have assessed the risk of modern slavery for WPP amongst our direct workforce, whereby we concluded the risk to be very low. In early 2017 we conducted compulsory training for our central Commercial and Procurement Services Team on the risks and issues of modern slavery. We are providing guidance and support to our operating companies to help them comply with the UK Modern Slavery Act.

During 2017, we will publish our first annual slavery and human trafficking statement in response to the UK's Modern Slavery Act. This will contain more information on our approach and be publicly available on our website.

Living wage

We support the principle that workers should be paid enough to provide a decent standard of living. This principle is known as the 'living wage'. In the UK, the Living Wage Foundation, a not-for-profit organisation, calculates the voluntary living wage which exceeds the UK's statutory national living wage.

The vast majority of our people already earn significantly above the voluntary living wage rate. However, wage rates in our supply chain may be lower. It is our policy for WPP, the parent company, and all our UK companies, to pay the voluntary living wage set by the Living Wage Foundation to all our people and all on-site contractors such as cleaning, security and catering staff in the UK.

Our policy is not to offer unpaid internships and apprenticeships anywhere in the world.

Public policy and lobbying

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

We have a number of public affairs businesses that carry out public policy work for clients, including direct lobbying of public officials and influencing public opinion. Our public affairs companies include: Burson-Marsteller, and its affiliates: Prime Policy Group, Direct Impact and Penn Schoen Berland; Finsbury; Glover Park Group; Hill+Knowlton Strategies, and its affiliates: Dewey Square Group and Wexler & Walker Public Policy Associates; OGR; QGA. The majority of their work takes place in the US and the EU, although many of our clients are multinational companies.

On occasion, we also engage in the public policy process on issues that affect WPP and our companies. This section explains our approach to political activities in both areas.

Our standards

We recognise the importance of transparency and high ethical standards in our public policy activity. We are governed by our Code of Business Conduct, which commits us to acting ethically in all aspects of our business and to maintaining the highest standards of honesty and integrity. In all instances, we respect national laws and any other laws with an international reach, such as the UK Bribery Act and the US Foreign Corrupt Practices Act, where relevant, and industry codes of conduct. We also have more detailed policies on issues such as hospitality and gifts, facilitation payments and the use of third-party advisors.

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

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

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

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

Mark Linaugh, chief talent officer, has overall responsibility for our public affairs practices and ultimate responsibility for our political activities rests with our Board. We have a Group-level committee that meets regularly to discuss ethical and compliance issues including in relation to political activities, see page 28.

Any associates carrying out political activities on our behalf are expected to comply with our Code of Business Conduct and other relevant policies.

Political contributions

WPP the parent company does not make political contributions. WPP companies do 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. No corporate contributions of any kind, including the provision of services or materials for less than market value, may be made to politicians, political parties or action committees, without the prior written approval of the WPP Board.

In countries where it is consistent with applicable law, individuals working at WPP companies may make personal voluntary political contributions directly to candidates for office. Several of our businesses, including Burson-Marsteller, Glover Park Group, Hill+Knowlton Strategies, Prime Policy Group and Wexler & Walker, also maintain political action committees (PACs) which accept voluntary donations from their people to support political candidates. During 2015 and 2016, around \$264,000 was given through these PACs to federal candidates.

Lobbying and political advocacy

We occasionally contribute to the debate on public policy issues relevant to our business, sometimes operating through our public affairs companies. This can include issues relevant to our sector or the general business environment. Like several of our operating companies, WPP itself is listed on the EU Transparency Register. Our companies also contribute to public debate in areas where they have expertise and a special interest – our digital and research companies, for example, are involved on privacy and data protection issues.

We work with our peers and governments on a number of sustainability issues, for example, launching the Common Ground initiative in 2016 with then UN Secretary General Ban Ki Moon, see pages 84 and 85.

We follow government rules in relation to ‘cooling-off’ periods for people joining WPP from public office or the public sector.

Membership of trade associations and public policy groups

We are members of trade associations, industry groups and memberships organisations which undertake lobbying activity on behalf of their members. At a parent company level our memberships in the US include the American Benefits Council, British American Business Inc, The Business Council, Business Roundtable, Council on Foreign Relations, Northeast Business Group on Health and the Wall Street Journal CEO Council. In the UK they include the All Party Parliamentary Corporate Responsibility Group, British American Business London Transatlantic Council, Business Disability Forum, CBI, Chambre de Commerce Française de Grande Bretagne, China Britain Business Council, Institute of Business Ethics, PARC, Trilateral Commission, Women on Boards and the World Economic Forum.

Privacy and data security

Consumer data is used extensively in developing, implementing and monitoring marketing campaigns and is particularly important to the services provided by our digital marketing and insight businesses. It enables our companies to create tailored marketing, improves consumer engagement and allows for more accurate measurement of the effectiveness of campaigns.

We have rigorous privacy and data security standards and procedures governing how we collect, use and store this data to protect consumer privacy and reduce risks to our business. This topic is of increasing interest to clients, regulators and investors, in particular since EU privacy laws have been updated due to the pending implementation of the General Data Protection Regulation (GDPR) and the issuing in early 2017 of the draft ePrivacy Regulation.

We also work with our peers, clients and industry bodies to improve privacy practices including the Interactive Advertising Bureau.

Our standards

All WPP companies must follow the WPP Data Code of Conduct as well as our global IT security, privacy and social media policies. Our Data Code of Conduct provides a clear framework for all our companies to implement privacy best practice.

Our WPP Client Contract Toolkit helps WPP companies understand how privacy and data protection criteria should be integrated into client contracts. In 2017, we will be launching a GDPR Toolkit to provide advice and assistance to our companies on the new legislation and how practical measures can be taken to ensure they are compliant.

Any supplier who collects, manages or stores consumer or client data on behalf of WPP companies and our clients must have the right data security and privacy standards in place. We are also identifying and managing data privacy and security risks in our supply chain, working with Sedex, (the sustainability supply chain platform), see Supply chain, pages 72 to 79.

Changes in technology create new privacy risks and we keep our approach and the guidance we provide to our companies under continual review.

Raising awareness

We continue to push our SAFER DATA initiative, a privacy and security awareness campaign and online platform with information and guidance for our people on the importance of privacy risk and data security. This covers topics such as phishing, safe file sharing, avoiding rogue wifi networks and setting strong passwords and uses a humorous short video to engage attention. It includes a 'SAVEMYDATA' reporting tool, to allow our people to raise concerns and questions they have about data issues direct with our in-house legal teams.

We will use SAFER DATA as our platform for the launch of our GDPR Toolkit. In 2016, we started running workshops on GDPR to raise awareness of this important subject and this will continue in 2017.

Our mandatory global online Privacy and Data Security Awareness training has been completed by 154,570 people.

Monitoring implementation

We have a central team of legal, audit and compliance professionals who support WPP companies on privacy. Our internal audit team reviews privacy risks and practices as part of its Group-wide audit program, focusing on different companies each year. Our teams are working with our companies to ensure they are ready to comply with the GDPR when it comes into force in May 2018.

We used our Data Health Checker in 2016 for the fourth year running to review privacy risks and data security practices in our businesses. The results showed us that the majority of our companies have mitigation measures that match or exceed their level of privacy risk, with the average score being 2.9 out of 5, where 5 is the maximum score possible. Of those companies surveyed, 76% have a dedicated privacy lead and 79% have trained all of their people on data security and privacy in addition to Group training, which is an increase of over 20% from 2015.

WPP DATA CODE OF CONDUCT

Our principles

WPP, its companies and its people are committed to responsible collection, management, use and protection of data.

WPP recognises its obligations to all its stakeholders including share owners, clients, its own people, suppliers and consumers.

WPP works with many categories of data and uses the term data in its broadest sense. We include within this definition client data, consumer data and all information and data related to the operation of our businesses.

Our practices

- We will be transparent with consumers.
- We will treat data in accordance with all applicable laws, regulations and treaties.
- We will implement fair and reasonable data policies and procedures.
- We will treat data as confidential.
- We will understand not only what data we hold but also its relevance to stakeholders.
- We will secure, collect, process, use and store data appropriately.
- We will ensure that data is retained appropriately.
- We will implement necessary and appropriate technical measures to secure data.
- We will delete data when required to do so.
- We will ensure our people understand their role in upholding these principles and practices.

Our people

Our clients choose WPP companies because of the creativity and effectiveness of our people. People management is a highly material issue for WPP.

Fast read

Our goal

We aim to recruit, retain and engage the most talented people, adopting inclusive working practices and investing in our people so they do great work for our clients.

We focus on:

- The talent landscape ■ Diversity and inclusion ■ Training and development
- Internships, apprenticeships and support for education ■ Health and well-being
- Reward and recognition

Business value

Strong policies and flexible and inclusive working practices enable us to recruit from a wider pool of talented candidates and to get the best out of our people.

A diverse workforce is more creative and effective and better able to serve our clients in all disciplines across our locations, including new markets where our industry is less well established.

Sustainability impact

Adopting leading employment practices protects the human rights of our people and enables more people from all backgrounds to have successful careers in our industry.

Challenges and dilemmas

There is fierce competition for talent in our sector and this can contribute to employee turnover.

The most senior levels of our workforce do not yet reflect the full diversity of the markets in which we operate and women remain under-represented among our leadership.

Workplace stress is a challenge in our fast-paced and client-focused industry.

Management approach

Our Code of Business Conduct, Human Rights Policy Statement and Sustainability Policy set out our core principles for people management. Detailed policies and implementation are determined at operating company level, reflecting local circumstances.

Our central WPP Talent Team supports leadership and human resources professionals in our companies, providing guidance on current issues and facilitating best practice sharing.

Data in this section relates to our people in our wholly-owned companies only, and does not include people in our associate companies or investments.

External frameworks

GRI indicators in this section: G4-10 (M), G4-11, G4-15, G4-16, G4-EC6, G4-LA1, G4-LA3, G4-LA6, G4-LA8, G4-LA9 (M), G4-LA10, G4-LA11, G4-LA12, G4-LA16, G4-HR3

Global Compact Principles: 1, 2, 3, 4, 5, 6

Progress on our KPIs in 2016

Performance in 2016

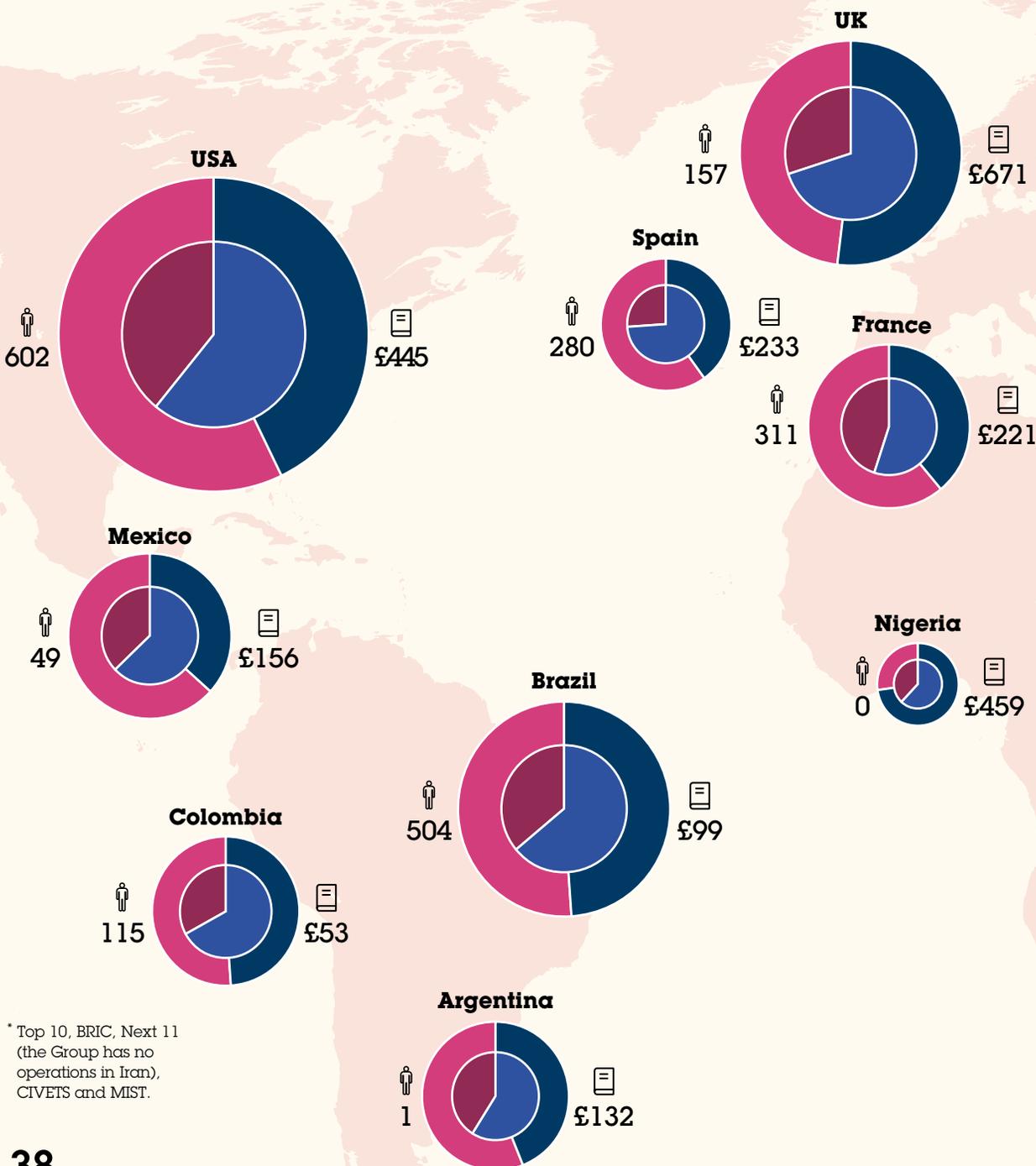
34% women in executive leadership	↑
48% women in senior management	↑
21% ethnic minorities in senior management in the UK and US	↑
28% ethnic minorities in our workforce in the UK and US	↑
£45.1m training spend, £336 per person	↑
57% satisfied with work-life balance	↓

Key:

Improved  Stayed the same  Decreased 

WPP: a global company

We directly employ 134,000 people. When our associate companies are included (those in which we have a minority stake) the figure is almost 200,000 people in over 3,000 offices in 112 countries. We believe a diverse workforce is more collaborative, creative and effective and we aim to achieve gender balance in our workforce at all levels. We invest in our people's skills through training and development and provide paid internships and apprenticeships to bring young people into our industry. Here we show data in our mature markets as well as some of the world's growth markets.*



* Top 10, BRIC, Next 11 (the Group has no operations in Iran), CIVETS and MIST.

People

- Male
- Female

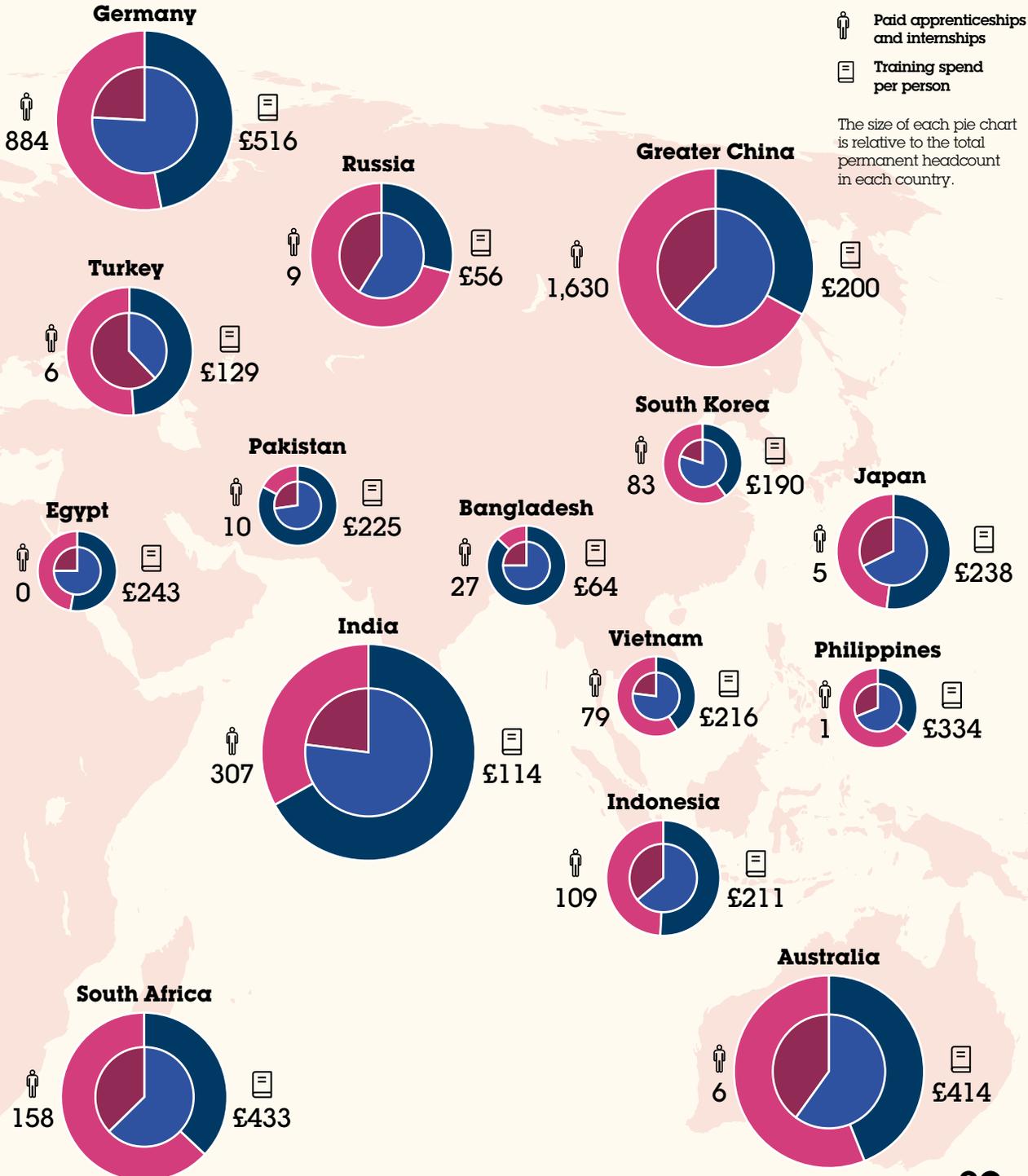
Executive leaders

- Male executives
- Female executives

 Paid apprenticeships and internships

 Training spend per person

The size of each pie chart is relative to the total permanent headcount in each country.



Diversity and inclusion

A diverse workforce is more collaborative, creative and effective. Research shows that companies in the top quartile for gender or racial and ethnic diversity are 35% more likely to have greater financial returns than the industry average¹. Diversity of outlook and background is particularly important for our sector because our work needs to connect with a very diverse and global consumer base. Clients increasingly expect us to put forward diverse teams in both pitches and ongoing work.

We promote inclusive working practices and support our companies to increase the diversity of our workforce through recruitment, policy development, training, mentoring and flexible working practices.

All our people undertake awareness training on diversity as part of our online ethics training 'How we Behave', see below. We are also developing e-learning to help our people understand, identify and address unconscious bias. This will be included in our 'How we behave' ethics training in 2017 and will be mandatory for all our people. Our UK companies are encouraged to launch their own diversity and inclusion training during 2017 in addition to Group training. We have identified a number of preferred training partners to help them do this.

Sir Martin Sorrell, our chief executive, signed the 4As diversity and inclusion pledge in the US, signalling our commitment to diversity and to working with others to advance minorities and promote diversity and inclusion in the workplace.



Brave Your Bias for a truly inclusive workplace

Research has shown that despite our best intentions, individuals inadvertently allow their unconscious biases – or assumptions – to influence their actions and behaviours in ways that can stifle diversity. To create a truly inclusive and diverse workplace, we must be brave enough to acknowledge our biases and their impact on our decision-making.

MEC launched Brave Your Bias at New York's Advertising Week in September 2016. This industry-wide initiative aims to celebrate difference and raise awareness of unconscious bias. Delegates were invited to a Brave Your Bias challenge where they could take the Harvard Implicit Association Test (IAT), that identifies personal bias and sign a pledge to explore the impact unconscious biases have on their decision-making and behaviour. MEC also asked its 800-plus employees in North America to complete the IAT test.

Brave Your Bias has now launched at MEC London with an event at London Ad Week and will be rolled out to other offices in the network. MEC has launched a social media campaign and Facebook Chatbot that invites users to talk about unconscious bias and receive tips for identifying and addressing their own biases.

Read more and get involved at braveyourbias.com



¹ Diversity's Dividend research by McKinsey www.mckinsey.com/business-functions/organization/our-insights/why-diversity-matters

Gender balance

Achieving gender balance at all levels of our workforce is essential to enable us to attract the best talent – more than half of all graduates in our key markets are women – and create work that connects with female consumers.

Our overall workforce is gender balanced; however, women remain under-represented at the highest levels of the business. As at 31 December 2016, women comprised 29% of the WPP Board, 33% of non-executive directors on the WPP Board, 34% of directors and executive leaders in our operating companies, 48% of senior managers, 54% of total employees and 39% of Global Client Leaders.

The WPP Stella women's network aims to address barriers that could prevent women progressing their careers to senior levels within the Group and to facilitate the sharing of good practices between our companies. The network began in the UK and will be extended to our businesses in the US and Asia. As well as supporting our work on inclusion and tackling unconscious bias, the network focused on a number of other initiatives during 2016 including:

- Our Family Friendly Guidelines and Parent Portal for UK operating companies, see page 43. Similar guidelines are being developed for the US.
- Training and development, including progression coaching and media training to facilitate women in leadership roles to take up speaking opportunities. A Stella Speakers' Bureau will be launched during 2017.
- A series of networking events, talks and Q&A sessions for Stella members during the year.

We run 'The X Factor', a mentoring and development program for WPP's senior women leaders. Led by Charlotte Beers, the former global CEO of Ogilvy & Mather and chairman of J. Walter Thompson, this program prepares participants for the next level of executive leadership. A further 12 senior women completed the course in 2016, bringing the total to 109.

Charlotte Beers also helped to inspire 'WILL: Women in Leadership Lessons' – a growing collection of programs targeted at enhancing the professional development of the Group's high potential women. WILL programs have run in three countries, with 239 women leaders from 71 WPP companies attending to date. Our first WILL session in Asia ran during 2016 with a three-day workshop for 25 high potential and mid-career women from several of our companies and markets. Charlotte Beers has also led programs for our client Unilever and will host a program for Kantar during 2017.

We are part of the UK Creative Equals program which supports the objective of getting more women into creative departments.

Gender diversity 2012–2016

% women	2016	2015	2014	2013	2012
WPP Board	29%	29%	24%	29%	19%
Executive leaders	34%	33%	31%	32%	32%
Senior managers	48%	47%	46%	47%	47%
Total employees (full-time equivalent)	54%	54%	54%	54%	54%

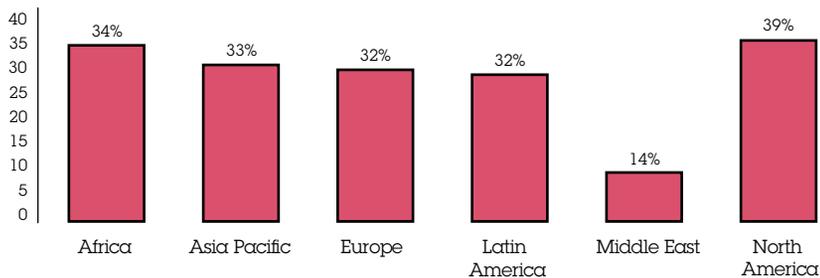
Walking the Talk at Maxus

Walk the Talk is an intensive coaching experience, available to senior women at Maxus Global. It aims to lead a change in gender equality in the advertising industry by exploring the barriers that women face, both in business and in their personal lives, and giving participants the chance to focus on their ambitions.

The bespoke program helps give women the confidence they need to take steps towards their 'bigger game' and to reach the top – ensuring that Maxus leadership is balanced and reflective of the wider world around us.

More than 800 women have completed the course and 22 secured promotions within eight months. We are sharing the success of the program with other WPP companies and two have launched their own Walk the Talk initiatives. WPP plans to implement the program for 60 senior women during 2017.

Executive leaders* in 2016 by region (% women)



* Executive leaders are the most senior people in our operating companies.



Karen Hughes
Worldwide
vice chair,
Burson-Marsteller.

Working with clients on diversity

Burson-Marsteller, a WPP communications and public relations firm, has launched a new offering to help clients take full advantage of the benefits associated with closing the gender gap and creating more opportunities for women to rise as leaders.

Burson-Marsteller Advantage Women brings together communications services with research and insights to develop campaigns that reach women audiences as consumers, decision-makers and influencers.

“Burson-Marsteller Advantage Women is a response to clients and prospects that recognize the business and social benefits of greater diversity and want internal and external programs to better galvanize the power of women leaders and consumers.”

Flexible working and support for working parents

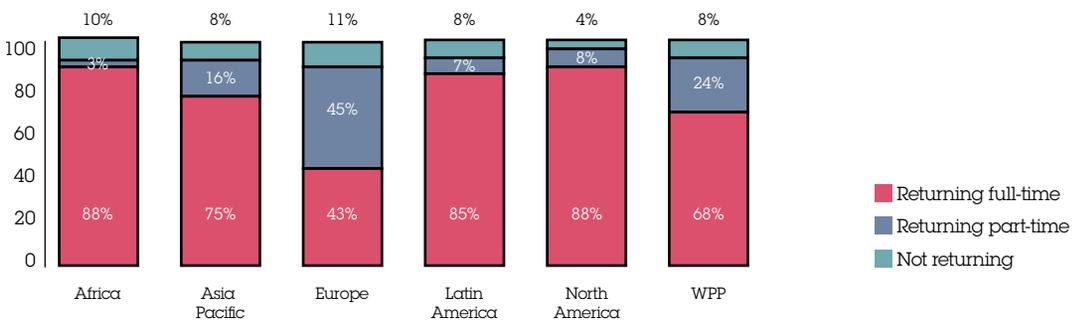
Flexible working practices help create an inclusive culture, particularly for working parents and people with caring responsibilities, and can help us to retain valued people.

Flexible working arrangements are agreed by our operating companies and can include part-time arrangements, flexible start and finish times, home working arrangements as well as career breaks and sabbaticals. Around 21% of our people have flexible working arrangements, 65% of flexible working requests are approved by our companies and 46% of our companies offer career breaks and sabbaticals.

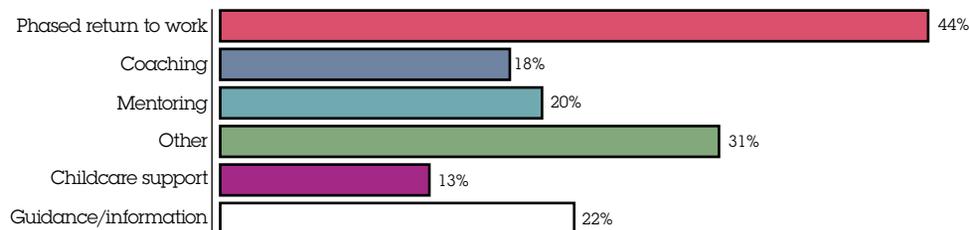
We launched our Family Friendly Guidelines and Parent Portal for UK operating companies during 2016, following an extensive benchmarking exercise. These are helping our UK companies to implement best practice maternity, paternity and flexible working policies and support working parents. The Parent Portal is an online hub of guidance and support for working parents and line managers, on topics such as maternity, paternity or adoption leave, through to longer-term career management for working parents.

We are starting to track return rates after maternity leave, as this is a stage at which we risk losing women. Our data, which covers 51% of our companies, shows that 92% of women return to work after maternity leave including 24% who return part-time. Half of our companies (49%) offer parental leave benefits that exceed local legal requirements and we aim to increase this. Our companies also offer pre- and post-maternity catch-ups which can enhance retention.

Women returning to work after maternity leave



Support offered to parents returning to work after parental leave



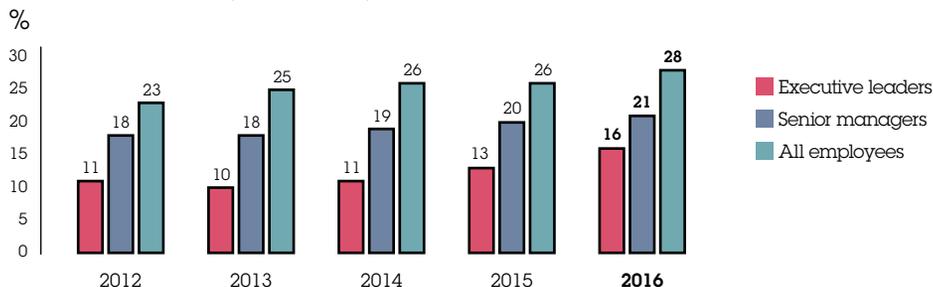
% companies offering these programs, weighted by headcount.

Ethnic diversity

We measure ethnic diversity in our businesses in the UK and the US using national definitions of ethnic/racial minorities (the Equality and Human Rights Commission in the UK and the Equal Opportunity Commission in the US). In 2016, 28% of our people in these countries were from ethnic minorities (2015: 26%).

We were ranked 10th in the FTSE 100 by Sir John Parker's *Report into the Ethnic Diversity of UK Boards* published in November 2016, with 3 out of 14 directors considered diverse.

Ethnic minorities (UK and US)



Our companies are working to increase the recruitment, retention and promotion of ethnically diverse candidates and employees. Examples include:

- **Internships and apprenticeships:** Many of our programs target diverse candidates, see pages 47 and 48. Our companies also support external programs such as PRCA's PR Internships For All in the UK and, in the US, Ladders for Leaders, The Marcus Graham Project's summer bootcamp and the 4A's Multicultural Advertising Intern Program (MAIP). At a Group level we established the Micro Fellowship for students from ethnic minority backgrounds.
- **Recruitment:** We partner with recruiters and organisations targeting diverse candidates. In the UK, for example, our companies work with organisations such as Rare Recruitment, the job site Milkround, ACS in the City – a diversity recruitment program, City Gateway, Equality Britain, African Caribbean Diversity, Asians in the Media and the Diversity Group that provide access to a diverse pool of candidates. Partners in the US include the One Club, Emma Bowen and LAGRANT Foundations.
- **Careers events and higher education partnerships:** Our companies attend career fairs targeting diverse candidates and work with colleges that have a more diverse student base such as the Historically Black Colleges and Universities in the US.
- **Professional networks:** Employee networks and resource groups can assist in attracting and retaining diverse talent.

Nationalities and local recruitment

We are proud of our multinational workforce. There are seven nationalities currently represented on the WPP Board. We estimate that globally 63% of senior managers were recruited from the local country or region in which they work.

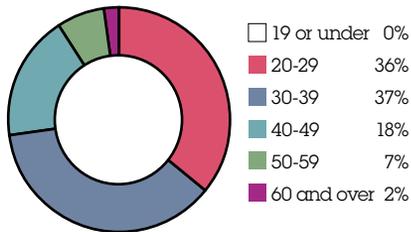
Our companies seek to maximise the benefit of our global diversity. For example, the Maxus Global Exchange enables Maxus people to experience another culture, ways of working and forge strong relationships through placements at Maxus offices in other countries. In 2016, 75 Maxus people from 45 countries took part. At VML, offices in different countries pair up and celebrate a holiday or cultural tradition from another location.

Age diversity

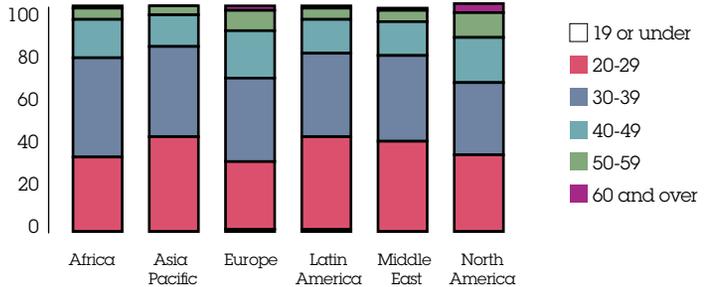
A mix of ages can be beneficial to creativity and insight in the workplace. As the global population ages it will also be increasingly important that our companies create work that appeals to older generations.

Our industry has traditionally employed a young workforce, but our data suggests that the proportion of workers aged between 40 and 59 is increasing over time. Around 23% of WPP companies have introduced measures to support recruitment and retention of older people.

Age diversity in 2016
%



Age diversity by region 2016
%



Clare Alger
People and culture director, MEC UK

Where do all the over 50s go?

MEC UK teamed up with industry magazine *Campaign* to highlight the need for greater age diversity in the media and advertising sector.

The starting point was a survey of more than 200 people of all ages working in the sector. This found that 66% of respondents want to see better representation of the over 50s age category both in the workplace and in advertising. The survey also revealed that a large majority, 79% of those surveyed, feel the industry is ageist.

MEC hosted an Age Debate to share the results, where industry leaders, lawyers, representatives from ad industry charity NABs, clients, and the IPA, discussed the findings.

The company is exploring how it can boost age diversity in its own workforce, and as a starting point has removed the maximum age limit for its apprenticeships. Age is one of the themes explored in its Brave Your Bias initiative, see page 40.

“A shift in attitudes, behaviours, policies and practices around older workers is needed and needed fast within our industry and I’m delighted that MEC is leading the way to ensure we attract, develop and retain this group of diverse talent and to better celebrate the valued role they play in the workplace.”

LGBT diversity

We aim to create an inclusive environment that encourages the recruitment, retention and development of talented people from the lesbian, gay, bisexual and transgender (LGBT) communities.

Our companies take a number of approaches including: attending, sponsoring and hosting LGBT-related events; attending careers fairs targeting LGBT candidates; establishing LGBT employee resource networks (such as Global Team Blue Pride, Grey Pride, Ogilvy Pride and PrideM); and working with external partners such as the PRCA LGBT Group, Stonewall and Reaching Out MBA, a US organisation for LGBT MBA students.

Sir Martin Sorrell was a keynote speaker on the business and economic case for LGBT inclusion at *The Economist's Pride & Prejudice* conference held in March 2016 in Hong Kong, London and New York.

Gender transition

Gender transition, when a transgender person makes the decision to publicly change his or her gender, can be a challenging time for the individual. Our companies need to be able to provide the right support to people undergoing gender transition and their colleagues. We have issued guidelines to our heads of human resources in all WPP companies globally on how to manage gender transition in the workplace. These include information on how to address concerns and misconceptions as well as practical steps the company may need to take.

Disability

Disability and physical or mental ill-health can affect anyone during their working life. We aim to be a 'disability smart' employer, providing the right support and removing barriers so people affected by disability can play a full role in our companies.

In France, our companies are working with specialist recruiters and investing in support for disabled people in line with French law which sets a target for employers to reach 6% representation of disabled people in the workplace.

All means all at GroupM

GroupM London held its first diversity week during 2016, celebrating all forms of diversity. The week included a series of different events and speaker sessions around the themes of:

- **EnableM:** An interactive session that gave people the opportunity to experience what it might be like to live with physical or cognitive impairments.
- **PrideM:** A panel discussion exploring issues relating to the media and the LGBT community.
- **GenderM:** A lunchtime Q&A session exploring women's empowerment with Sue Unerman, CSO of MediaCom and author of *The Glass Wall*.
- **CultureM:** A food festival celebrating the cultural diversity of GroupM.
- **GenerationM:** A session exploring the benefits of a multi-generational workplace.

Rebranding highlights diversity at Grey

Grey is one of the largest advertising networks in the world, with 10,000 employees in 96 countries, embracing every gender, race, religion and sexuality. To celebrate its 100th anniversary, Grey London has launched a five-point diversity plan to spark further action on diversity in its business and the wider industry. To raise awareness it changed its name for 100 days to Valenstein & Fatt, after its founders. These young Jewish entrepreneurs didn't name their agency after themselves because they feared the impact of anti-Semitism on their business.

Grey's diversity plan will see the company establish mentoring programs for diverse talent, working with schools to inspire the next generation and establishing the Valenstein & Fatt bursary to enable young people from ethnic minority and disadvantaged backgrounds to take up roles at the agency. A cross-industry taskforce has been launched to identify the barriers to recruitment and retention of talent among ethnic minorities and increase representation of minorities in advertising.

Education, internships and apprenticeships

Internships and apprenticeships help young people to kick-start their careers and give us access to talented new people. Internships can also help us to reach out to diverse candidates. It is our policy that all internships and apprenticeships should be paid positions so they are accessible to people from all socio-economic backgrounds.

We offered 6,413 paid internships and apprenticeships at our companies during 2016 (2015: 5,378).

Examples of internship and apprenticeships at our companies in 2016 included:

- **4 A's Multicultural Internship Program (MAIP):** Our companies in the US participate in the American Association of Advertising Agencies' MAIP program which provides over 120 placements each year. Participants gain real-world work experience, with access to training and development, and networking opportunities and an alumni network. WPP companies involved include GroupM, J. Walter Thompson, Maxus, Ogilvy, Team Detroit, VML and Y&R.
- **Associate Learning Programme, Genesis Burson-Marsteller India:** Established over 12 years ago, this year-long paid program provides training in all facets of public relations.
- **Cohn & Wolfe Sweden:** Participates in the City of Stockholm's project 'Stockholm Open,' which enables high school students from the suburbs to complete an apprenticeship at a PR agency, opening up the industry to a more diverse range of potential recruits.
- **J. Walter Thompson Vietnam:** 30 young people complete full-time internships with JWT Vietnam each year, each lasting at least 12 weeks. Interns get involved in real projects and benefit from professional training and networking opportunities.
- **MediaCom London:** Award-winning apprenticeship program, providing year-long placements for 13 young people, who have not had the benefit of attending university. Participants also work towards a Level 3 NVQ qualification in Marketing and Communications. MediaCom has taken on 40 apprentices since launching the program in 2012.
- **Mindshare US:** Runs a Data and Analytics Summer Internship Program for college students interested in media investment management. Interns support teams with specific client projects and gain experience to prepare them for potential entry-level opportunities with Mindshare.

- **Ogilvy, 'The Pipe':** A six-month creative internship program launched in 2016, open to applicants of all ages including school leavers and retirees, and candidates without a degree or work experience.
- **PR Internships for All UK:** Cohn & Wolfe, Hill+Knowlton Strategies and Ogilvy participate in this initiative of the UK's Public Relations Consultants Association's which offers placements to interns from diverse ethnic and socio-economic backgrounds.
- **Starting Blocks:** Burson-Marsteller South Africa's internship program launched 21 years ago to give students, including empowerment candidates from previously disadvantaged groups, practical experience in public relations.
- **WPP Micro Fellowship:** This joint initiative between WPP and Rare Recruitment, encourages ethnic minority candidates to consider a career in marketing communications.
- **Y&R's Z Academy:** Offers three- to six-month apprenticeships to students from leading digital marketing, design and social science universities. Participants work on client projects and are paired with executives across Y&R's global network.

We are a founding member and communications sponsor of Movement to Work, a UK initiative that aims to tackle youth unemployment through high-quality work experience placements. To date, 50,000 placements have been provided at member companies.

From April 2017, WPP will pay the UK Apprenticeship Levy.

Rotational Degree Apprenticeship at Ogilvy

Lack of diversity can exacerbate skills shortages and we aim to support educational partnerships that are inclusive to a diverse range of people. For example, WPP and Ogilvy UK are participating in the new Rotational Degree Apprenticeship program, a three-year structured training program developed by Pearson Business School.

This enables participants to gain a Business Management degree and professional experience through apprenticeships at leading businesses. Participants are paid an annual salary, making the course accessible to a more diverse range of candidates. Partners in the program include Unilever, IBM, Tesco and Pearson.

For the last five years, Ogilvy has also run Rough Diamond, a future talent program, in collaboration with the Ideas Foundation, School of Communication Arts, Ravensbourne University, Onedotzero and The Marketing Academy. This initiative seeks out diverse creative talent which might not have made it through traditional recruitment channels. The program was recognised by the National Undergraduate Employability Award for the best collaboration.

Education partnerships

We believe that business can play a positive role in education. By investing in young people we can help build the skills our industry needs and create a future pipeline of talent. We partner with several leading educational institutions and many of our senior people serve as visiting lecturers and teach courses at local universities and colleges.

Many of our university partnerships are in faster-growing markets. They include our support for the WPP School of Communications and Marketing with the Shanghai Arts and Design Academy (SADA), our partnership with the Indian School of Design and Innovation, in Mumbai, which offers a three-year undergraduate course on marketing communications and the WPP Africa Academy, in Johannesburg, which provides training and talent development opportunities in partnership with the Red & Yellow School of Logic and Magic, a highly-respected marketing and advertising school. In Bangladesh, we support the Asian University for Women that helps more women access higher education, particularly those from disadvantaged and rural areas.

We recently became a corporate partner to the Nova School of Business and Economics in Lisbon, Portugal. This partnership will see us collaborate in masters courses, co-teach executive education courses, benefit from consulting labs and support the School on its digital campaigns.

Many of our companies work with local schools to help build skills and alert young people to career opportunities in our industry. For example, MEC people mentor secondary school students, help primary schoolchildren develop their reading skills and attend careers talks. We support Inspiring the Future, an organisation that connects state schools and colleges with employers and professionals, giving young people better insight into different careers, jobs and educational routes. Over 200 of our people have spent time at local schools talking to children about careers, CVs and interview techniques.



James Whitehead
CEO, J. Walter
Thompson London

JWTeach – Young Tribes Day

JWTeach has seen people from JWT London work with and inspire more than 2,500 schoolchildren from inner city schools over the past eight years.

During 2016, employees presented an introduction to advertising at nine schools across London. The teams shared JWT's Female Tribes initiative that challenges the use of female stereotypes in marketing and encouraged students to think about the vital effect of role models.

JWT invited 38 students to the London office for a 'Young Tribes Day', where they met with staff members and tackled a brief from Wagamama, a UK-based Asian food restaurant chain, alongside JWT mentors.

"Young Tribes brings together our Female Tribes work, which has been changing the narrative around women across the industry, our JWTeach program, and our Diversity Strategy of which a key pillar is to encourage more young women from a diverse mix of backgrounds to take up careers in advertising."

Training and development

Training supports employee engagement and development, and enables us to meet the changing needs of our clients.

Leadership development is an important aspect of our training and one which can positively impact employee engagement, well-being and retention. Our Group training programs are designed to help us deliver on our four strategic priorities: horizontality; new markets; new media; and technology, data and content. Examples include:

- **Maestro:** Orchestrating Client Value, our week-long program for senior client leaders held in 33 countries, designed to strengthen the effectiveness and confidence of senior client practitioners and help us to achieve horizontality in our ways of working. There have been 4,167 participants from 149 WPP companies since 2003.
- **WPP 'Mini MBA':** A series of workshops that help our rising talent broaden their understanding of business and marketing issues, develop leadership skills, and deliver client value. To date, 2,732 participants have benefited.
- **WPP Fellowship program:** A three-year global leadership initiative for graduates, providing experience across a range of marketing disciplines and geographies. To date, 194 Fellows have gone through the program or are participating.
- **WPP MBA Fellowship program:** A global multidisciplinary program for MBA graduates, with 70 participants so far.
- **WPP Leadership Toolkit for Managers:** An interactive resource and educational tool hosted on our Group intranet. This explores what good leadership is and provides practical techniques, tips and tools.

Our companies run a wide range of bespoke training programs to develop their people's professional skills, leadership competencies and functional expertise.

Performance in 2016

In 2016, we spent £45.1 million on training (2015: £41.1 million). This includes the cost of training courses, and travel and accommodation costs for people attending training sessions. In addition, 60% of our people took part in formal training programs, averaging 6.8 hours per person.

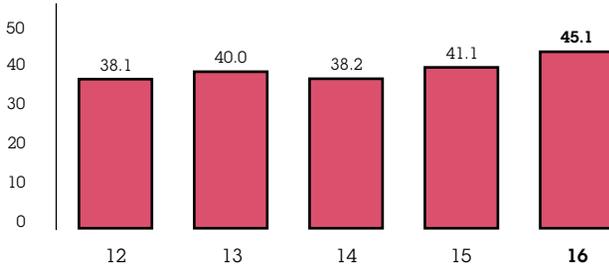
On average, we spent £336 per person on training. The average for women was slightly higher at £348.

Training facts and figures

People participating in formal training	60%
Spend on training per person	£336
Spend on training per woman	£348
Training delivered online	17%
Training delivered face-to-face	81%

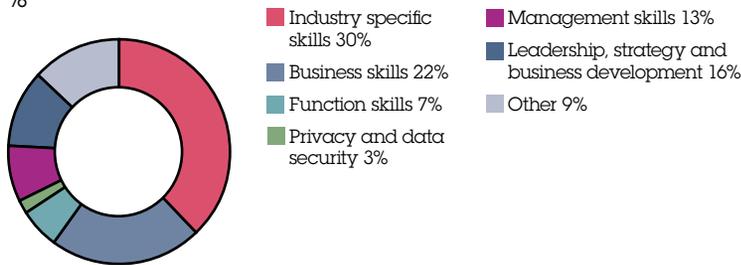
Staff training

£m



Training by category

%



Appraisals and performance development

Our companies use regular appraisals as part of performance management. During 2016, 79% of our people participated in a formal appraisal process, and 68% of executive leaders and 60% of senior managers had a 360 degree appraisal which combine feedback from colleagues, managers and others.

As a global and multidisciplinary company we can offer our people exciting opportunities for development, and we aim to retain talented people within the Group. Springboard, for example, is our online Job Board that helps our people find new roles within our companies in the UK, China, Hong Kong and Singapore. We estimate that almost 12,000 new roles were created in 2016 and 22% of these were filled by existing people from within the Group.

Human rights

Our approach to employment starts with respect for the human rights of all people, whether permanent, temporary or contract workers. This includes encouraging diversity, preventing discrimination, providing safe workplaces, recognising the rights of our people to freedom of association and collective bargaining, and not tolerating harassment or any form of forced, compulsory or child labour. Our commitment is summarised in our Human Rights Policy Statement and we updated a number of other policies during 2016 to reflect this. More information is on page 30.

Non-discrimination and anti-harassment

WPP does not tolerate harassment, sexual harassment, discrimination or offensive behaviour of any kind. We select and promote our people on the basis of their qualifications and merit, without discrimination or concern for factors such as race, religion, national origin, colour, sex, sexual orientation, gender identity or expression, age or disability. These commitments are set out in our Code of Business Conduct (see page 121) which applies to all staff and is available on the WPP website, in our Policy Book and on our intranet. Staff are trained on our commitment through our online ethics training, 'How we behave'.

Staff should feel confident to report concerns or grievances without fear of recrimination. Our people are encouraged, in the first instance, to discuss any concerns or suspected cases of harassment or discrimination with their line manager, local human resources representative or senior manager. We also have an independently operated 'Right to Speak' helpline people can use to report concerns confidentially and anonymously. Our people can access this via phone or email and report concerns in their local language. The helpline is publicised locally and via our Group intranet site. All reports to the helpline are investigated by an appropriate person independent of the parties involved, led by WPP Legal or the WPP director of internal audit.

Living wage in the UK

We support the principle that full-time workers should be paid enough to provide a decent standard of living. This principle is known as the 'living wage'. In the UK, the Living Wage Foundation, a not-for-profit organisation, calculates the voluntary living wage which exceeds the UK's statutory national living wage.

The vast majority of our people already earn significantly above the living wage rate. However, wage rates in our supply chain may be lower. Our UK companies now pay the voluntary living wage as set by the Living Wage Foundation for all their people and on-site contractors, such as cleaning, security and catering staff in the UK. Our policy is not to offer unpaid internships and apprenticeships.

Modern slavery

We do not tolerate any form of modern slavery, forced labour or human trafficking in any part of our business or supply chain. As part of our due diligence processes we have assessed the risk of modern slavery for WPP amongst our direct workforce, whereby we concluded the risk to be very low. We are providing guidance and support to our operating companies to help them comply with the UK's Modern Slavery Act. See page 75 for information in relation to our supply chain.

Health, safety and well-being

Employee well-being is a priority for our companies. We aim to support our people to stay fit and healthy and to manage work-related stress. This helps us to attract and retain the best people, reduce the costs of sickness absence to the business. The main health and safety risks within our workplaces are stress and ergonomic injuries.

Stress is a challenge in our fast-paced and client-focused industry. As well as putting in place the policies and procedures to identify and prevent stress, our companies also need to focus on creating an open culture in which our people can raise concerns and get support when they need it. In some countries there is a long hours culture that can contribute to stress and here our companies take additional measures, such as restrictions on overtime and monthly review of overtime data by agency management, as well as targeted support for staff.

Our companies implement a range of initiatives to promote health and well-being including: fitness facilities or subsidised gym memberships (67% of our companies); health and nutrition services (55%), including health insurance and medical assessments; counselling services (50%), including employee assistance programs; ergonomic risk assessments and specialist equipment (64%); and subsidised childcare.

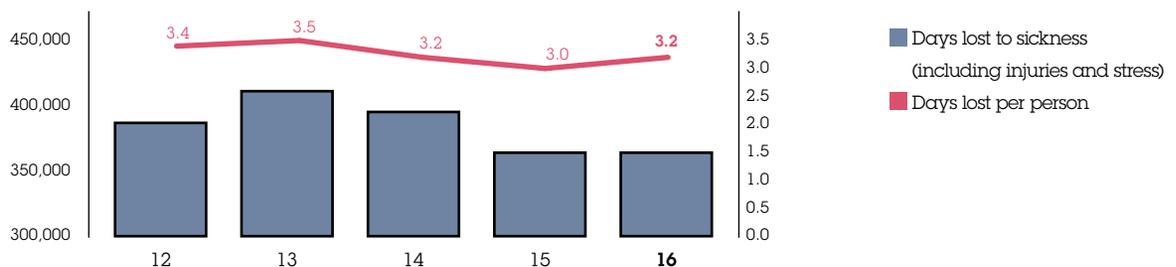
Health and safety (H&S) is managed within our companies and approaches include training, audits and risk assessments. 68% of our companies have appointed someone with responsibility for health and safety management and 31% have a formal management-worker H&S committee to monitor and advice on occupational health and safety programs. H&S topics are covered in formal agreements with works councils or trade unions at 16% of our companies.

Performance in 2016

The overall sickness rate was 3.2 days per person in 2016 (2015: 3 days). This includes both non-work related illness or injuries, work-related injuries and any occupational diseases related to someone's work (such as work-related stress or repetitive strain injuries).

As a comparison, the UK's Office for National Statistics reports that in the UK the average worker took 4.4 days off work due to sickness absence in 2013, the last year for which data is available. There were no work-related fatalities in 2016.

Days lost due to sickness



Monitoring progress

We use a range of tools to engage with our people and monitor the impact of our policies and practices. Our approach includes employee surveys and structured engagement with employee representatives as well as informal day-to-day dialogue. Our Sustainability Advisors are working with our companies to assess implementation of our HR policies and to share best practices. Exit interviews with people who are leaving the business can provide valuable feedback. In 2016, 83% of leavers had exit interviews (2015: 80%).

Employee surveys

Our companies carry out regular employee surveys to help them understand our people's views and satisfaction levels. In the last two years, 72% of our companies have conducted an employee survey with an average response rate of 75%. Surveys vary between our companies but we include a set of standard questions to enable us to compare results in different parts of the business. These questions were included in surveys covering 56% of Group people during 2016.

Question	% positive
Attracting, developing and retaining people with a diverse background is encouraged at my location	60%
My performance in my job is evaluated fairly and regularly	60%
I have the opportunity for personal development and growth at this company	60%
My company takes an interest in my well-being	61%
My work schedule allows me sufficient flexibility to meet my personal/family needs	57%
I could discuss ethical concerns with my managers without worrying that my job would be affected	72%
My company is trying to cut its carbon footprint	42%
Generally we are encouraged to be 'green' in our office	29%
The support my company gives to charities and good causes is appropriate	56%

Employment infringements

In 2016, 280 cases were reported, compared to 200 cases in 2015. During the year, 190 cases were finalised (including cases reported from prior years). Of these, 32 were withdrawn, 92 agreed between parties, 38 judged against Group companies and 28 judged in favour.

Labour relations

We support the right of our people to join trade unions and to bargain collectively. We aim to have positive relations with unions and employee works councils. In our industry, trade union membership is relatively low. In 2016, around 5% of our people were members of trade unions across 32 countries (2015: 5%). There were 1,471 consultations with works councils, of which the majority were in Europe. We aim to avoid compulsory redundancies, where possible, and in cases where redundancies are necessary, our HR teams and Employee Assistance Programs support affected people.

Reward and recognition

Attractive compensation packages are key to ensuring we can recruit and retain talented people. Pay and benefit levels are regularly benchmarked against other companies in our markets and sector to make sure we remain competitive.

Our people are provided with a range of benefits that are typically provided in their local market. Examples include retirement savings plans, life assurance and employee advice services. Many of our people also participate in performance-related incentive plans. These plans are designed reward excellent performance and behaviours. These plans operate at an employee's operational business area level. Senior people may also participate in share-based incentive plans that align their reward with that of our share owners. Since 1997, WPP has operated worldwide share option plans and has, since this time, made awards to over 157,000 employees, many who have gone on to receive considerable value based on the growth in the WPP share price.

Compensation for our Executive Directors is set in accordance with our Directors' Compensation Policy which is set out in the Annual Report. The policy for our most senior executives, which is aligned to that of our Executive Directors, is designed to attract and retain the best-in-class talent. The policy looks to incentivise directors to develop their skills and those of their employees in order to optimise their potential and to be able to deliver a consistently excellent service to our clients and excellent return for our share owners.

AWARDS AND ACCREDITATIONS

WPP companies received numerous awards and accreditations in the area of human resources management during 2016. Examples include:

Burson Marsteller New York, Diversity Distinction in PR Awards, Diversity Champion Award ■ Cohn & Wolfe UK, *PR Week* Best Places to Work Award, Gold Trophy and Highly Commended Best Internship Programme 2016 ■ Cohn & Wolfe Europe, *The Holmes Report*, Best European Network to Work for ■ Cohn & Wolfe New York, *The Holmes Report*, Holmes Large PR Agency of the Year and *PR Week* Best Places to Work Award ■ GroupM Düsseldorf, IHK Chamber of Commerce Düsseldorf-Exceptional Achievement in Training apprentices ■ GroupM India, Asia Pacific HRM Congress, Best Talent/Recruiting Initiative ■ GroupM Mexico, Workplace Wellness Council, Distintivo Organización Responsablemente Saludable ■ GroupM Mumbai, HR Tech Awards 2016, Most Effective Recruitment Strategy using Technology and Best Use of Social Media ■ GroupM Spain, Top Employers ■ Hill+Knowlton Strategies Canada, Great Places to Work, Best Workplace in Canada ■ Hill+Knowlton Strategies Chicago, *PR News*, Top Places to Work in PR ■ Hill+Knowlton Strategies Hong Kong, Home Affairs Bureau, Family Friendly Employers Award ■ Hill+Knowlton Strategies USA, WorldatWork Alliance, 2016 Seal of Distinction ■ J. Walter Thompson UK, The IPA Effectiveness Awards, CPD Gold accreditation for excellence in professional development ■ LMRB Colombo, The Employer Branding Institute Awards, Asia Best Employer Brand Award ■ Maxus Global London, *Sunday Times* 100 Best Companies to Work For 2016 ■ Mediacom London, The IPA Effectiveness Awards, CPD Gold Award for excellence in professional development ■ Mindshare London, The IPA Effectiveness Awards, CPD Gold Award for excellence in professional development ■ MEC New York, Great Place to Work, Great Place to Work Certification ■ MEC Toronto, Canada's top 100 Employers, Canada's Best Employers for Recent Graduates

Environment

Climate change is one of the most pressing global challenges. We aim to cut our carbon footprint and use resources efficiently. We have been working to improve our environmental performance since 2006.

Fast read

Our goal

For WPP to be a low-carbon and resource-efficient Group, we focus on:

- Energy use and climate change: building and IT energy use, business air travel and carbon offsetting
- Resource use: paper, water and waste management
- Clients: environmental campaigns (see page 17 and our Pro bono book) and work to reduce carbon emissions in our value chain

Our Group targets are:

- 1.8 tonnes of CO₂e per person by 2020 – a 47% reduction from 2006
- 25% of global floor space certified to advanced green building standards by 2020
- 25% of electricity from renewable sources by 2020
- 80% of paper from recycled and/or certified sources by 2020

Business value

Reducing our environmental footprint also improves efficiency and reduces costs associated with energy use and travel. It enables us to comply with environmental requirements in client tender processes, contributes to employee engagement and supports our credibility as advisors to clients on sustainability communications.

Sustainability impact

Our most significant impact is the greenhouse gas emissions associated with our energy use and business air travel. We can have a positive impact through our client work, including pro bono support for environmental organisations.

Challenges and dilemmas

Decisions regarding energy contracts and waste management are often made at local level, making it harder to implement a consistent approach. Most of our 3,000 offices are leased and we need to work with hundreds of different landlords to achieve our goals. As marketing becomes more data-driven there is the potential for our carbon footprint associated with servers and data centres to grow.

Management approach

Our Group strategy is implemented by our regional Environmental Action Teams with representatives from IT, real estate and procurement, in partnership with our companies. Progress is regularly reviewed by our Group finance director.

Our companies implement environmental management systems, of which a small percentage are certified to standards such as ISO 14001.

We issue annual carbon performance reports and scorecards to over 200 senior decision-makers in our businesses, enabling them to compare performance with others in the Group and to identify lower-performing offices. We conducted in-depth performance reviews with financial controllers from operating companies representing over 80% of emissions in 2016. We hold regular workshops to help facilities managers use energy and carbon data to reduce their footprint. Our environmental toolkit summarises WPP policies and provides case studies and information on best practices.

External frameworks

GRI indicators in this section: G4-14, G4-36, G4-EC2, G4-EN3, G4-EN4, G4-EN6, G4-EN7, G4-EN8, G4-EN15, G4-EN16, G4-EN17, G4-EN18, G4-EN19, G4-EN23, G4-EN27, G4-EN30, G4-EN33

Global Compact Principles: 7, 8, 9

Progress on our KPIs in 2016

Performance in
2016

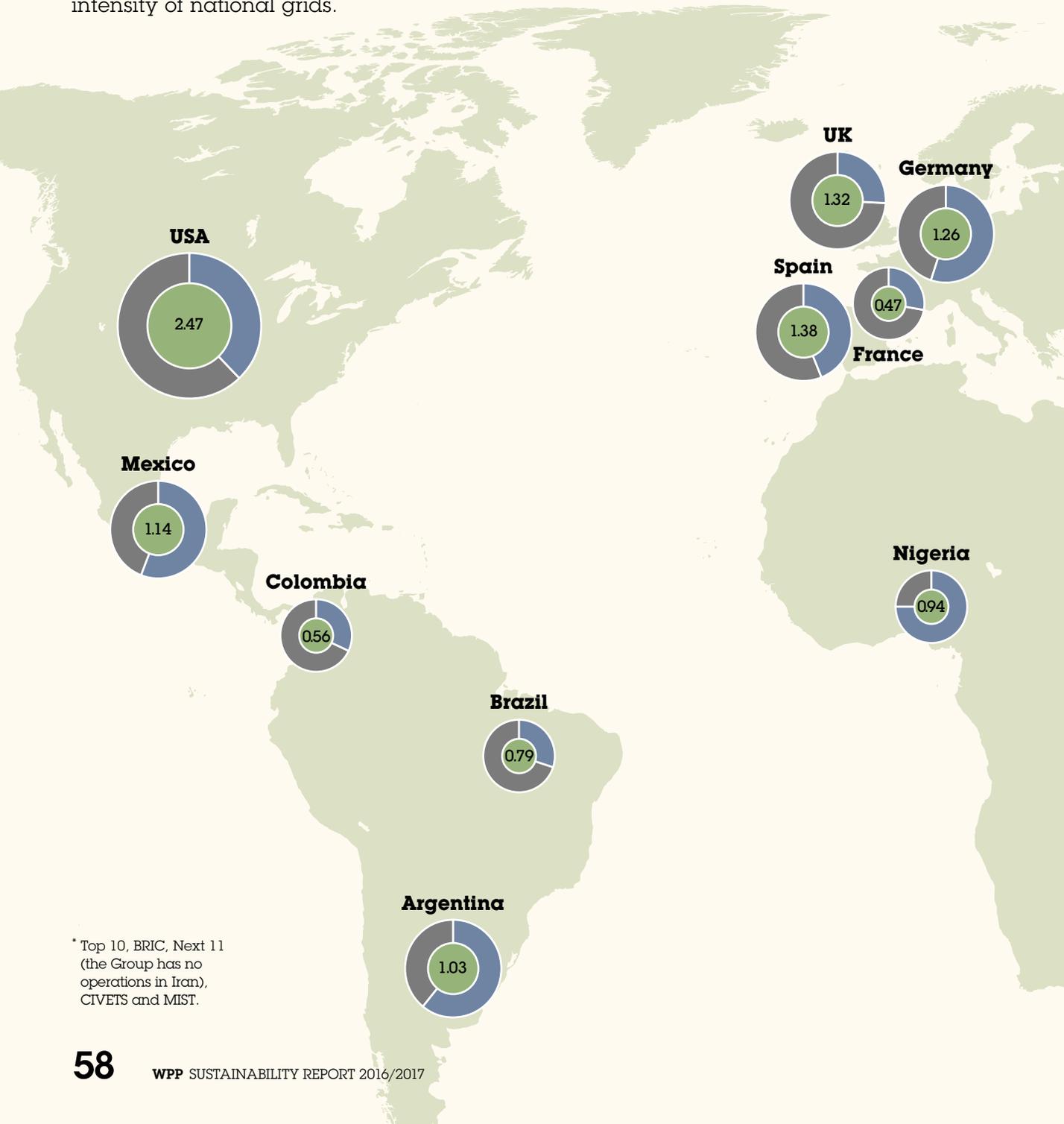
1.86 tonnes of CO ₂ e per person (target 1.8)	↑
18% of floor space certified to advanced green building standards (target 25%)	↑
22% of electricity from renewable sources (target 25%)	↑

Key:

Improved 

Our carbon footprint

We aim to be a low-carbon, resource efficient group. We support urgent action to tackle global climate change and have targeted a reduction in our own carbon footprint to 1.8 tonnes per person across our locations by 2020. This diagram shows how we are progressing in some of our key markets*. Our carbon footprint varies by market reflecting factors such as our work to improve energy efficiency in our offices; our purchase of electricity from renewable sources; and the carbon intensity of national grids.

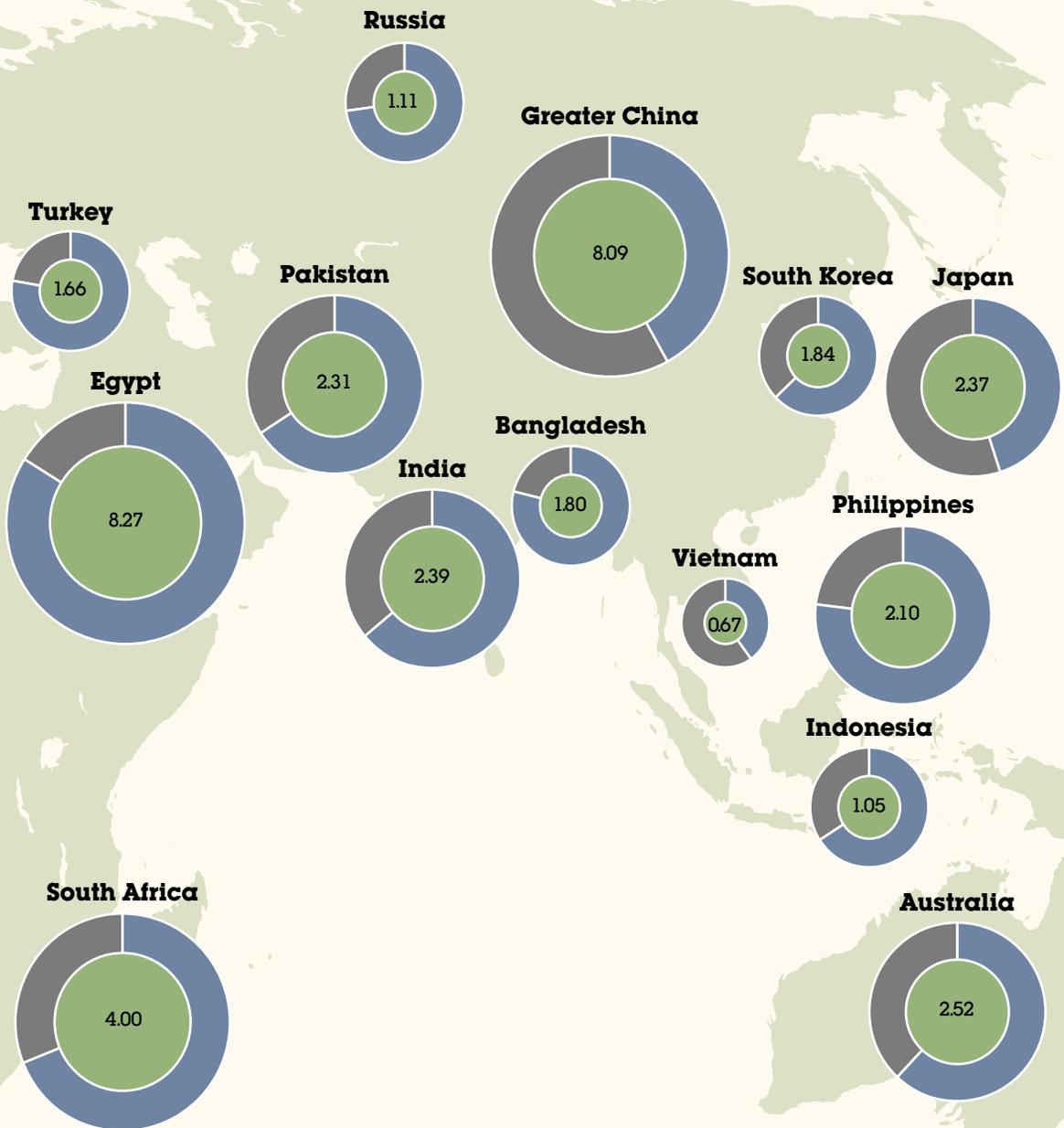


* Top 10, BRIC, Next 11 (the Group has no operations in Iran), CIVETS and MIST.

Environmental impact

- Carbon footprint per person (tonnes CO₂e)
- Building energy use (% total carbon footprint)
- Business air travel and other (% total carbon footprint)

The size of each pie chart is relative to the carbon footprint per person in each country.



Our carbon strategy

Our goal is to reduce carbon emissions to 1.8 tonnes of CO₂e per person by 2020, a 47% reduction from 2006.

Our annual reduction target is 4% and each of our operating companies has its own individual reduction target. We have selected a carbon intensity target per person, as headcount is closely linked to levels of business activity and this allows us to reflect the impact of acquisitions and disposals without needing to adjust our baseline.

Our strategy focuses on:

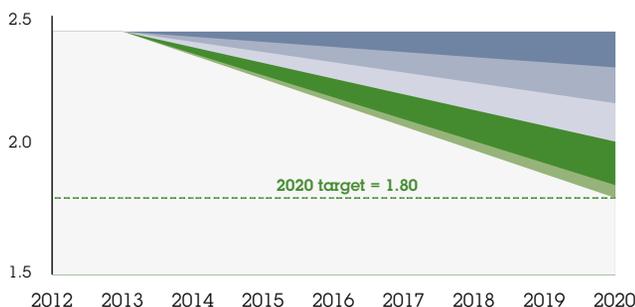
- **Office energy use:** Improving building and IT energy efficiency and consolidating office space.
- **Air travel:** Reducing non-essential flights by promoting videoconferencing. We offset 100% of emissions from our business air travel by supporting renewable energy generation projects in fast-growing economies.
- **Renewable energy:** Purchasing renewable electricity for our offices where available.

In 2012, we identified the savings we needed to achieve our target by 2020 for each area of our strategy. We have made significant progress in 2016 and expect to achieve our target ahead of schedule. As a result, we will be reviewing this strategy in the coming year.

Carbon strategy 2012-2020

tonnes of CO₂e per person

Tonnes per person %



2012 carbon intensity		2.45
■ Building energy efficiency	Investing in technology at new and existing buildings	-0.14 -6%
■ Office space consolidation	Reducing space requirements in key cities	-0.14 -6%
■ IT consolidation	Moving servers to best-in-class data centres	-0.15 -6%
■ Green-tariff electricity	Increasing supply from 16% to 25% of total electricity use	-0.17 -7%
■ Other reductions	From additional carbon reduction measures, to be identified	-0.05 -2%
2020 carbon intensity target		1.80 -26%

Performance in 2016

- **Carbon footprint per person:** 1.86 tonnes of CO₂e, down 10% on 2015 and 45% lower than 2006.
- **Carbon footprint per £million of revenue:** 17.36 tonnes of CO₂e, down 20% on 2015 and 62% lower than 2006.
- **Absolute carbon footprint:** Down on the previous year at 249,782 tonnes CO₂e (2015: 264,774 tonnes CO₂e). Since 2006, our absolute carbon footprint has decreased by 7%, compared to a growth in reported headcount of 69% and revenue growth of 144%.

The reduction in our carbon footprint this year is due to a number of factors, including: changes in carbon emissions factors for scope 2 emissions in some countries reflecting an increase in the percentage of lower-carbon and renewable energy used to power national grids; an increase in the amount of Renewable Energy Certificates (RECs) that we purchase in the US, with enough RECs purchased to offset 41% of the electricity used by WPP companies in the US during 2016; improvements in our office energy efficiency and a drop in business air travel.

Carbon footprint in 2016

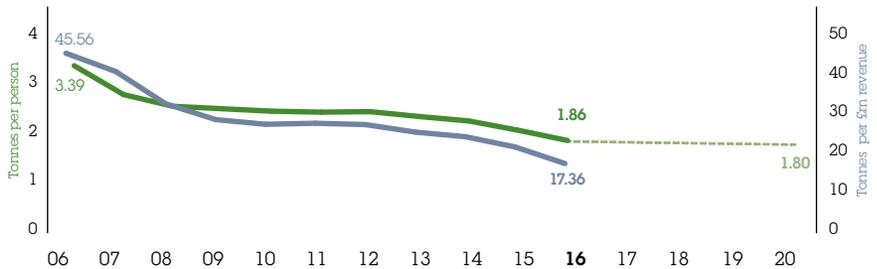
%



- Stationary fuel combustion 3%
- Purchased electricity 47%
- Business air travel 37%
- Other estimated impacts 13%

Carbon intensity 2006-2016

tonnes of CO₂e



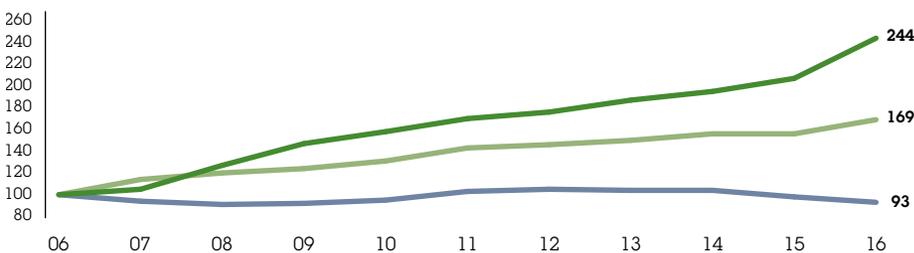
- Headcount intensity
- Target headcount intensity
- Revenue intensity

In 2016, total energy use fell by 4% year-on-year and energy use per person by 9%, largely due to improvements in office energy efficiency and consolidation of office space. Total air travel decreased by 3% year-on-year and air travel per person by 7%. This may be due to cost pressures, for example the impact of exchange rates on the cost of travel as well as an increase in the use of our videoconferencing facilities.

Since 2006, our total energy consumption increased by 10%. However, energy use per person decreased by 35%. As a result, we have avoided £8.3 million in annual utility costs and 103,000 tonnes of CO₂e. Total air miles increased by 37% since 2006, but air miles per person decreased by 19%, avoiding over 134 million air miles and 46,000 tonnes of CO₂e annually.

Decoupling emissions from business growth

Index (2006 = 100)



- Revenue
- Headcount
- Emissions

We participate in the CDP Climate Change program, a collaboration of institutional investors encouraging companies to disclose climate change risks and opportunities. We scored A- and were the leading company in our sector for our climate change strategy and reporting. The CDP scoring system changed this year so our score is not directly comparable with our score of 97B in 2015. We also take part, as a responding company, in the CDP Supply Chain program.

Madrid: designing sustainable buildings

The Rios Rosas building designed by BDG architecture + design, a WPP company, will be home to all our agencies in Madrid and has a number of sustainability features. The building will be operational in 2018.



Building energy use

Half of WPP's carbon footprint comes from energy used in our offices. Investing in low-carbon, energy-efficient buildings is therefore a key component of our strategy. We also aim to use space more efficiently so we can reduce the overall amount of space we occupy, and therefore the total amount of energy we consume.

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. This includes the US standard LEED (Leadership in Energy and Environmental Design) and the UK standard BREEAM (Building Research Establishment Environmental Assessment Method).

Today, over 4.4 million square feet, 18% of our total floor space, is certified to recognised standards (2015: 16%) against our target of 25% by 2020. We have made steady progress since 2007 when 1% of our floor space was certified to such standards, and have a pipeline of major projects in cities in Europe, Asia and the Americas.

1 Accessibility

City-centre location with both underground rail and bus stops immediately outside the building. Bike storage will be provided for people who cycle to work.

2 Façade

The façade has been carefully engineered using thermal modelling to reduce heat gain and keep the building cool.

3 Workspace

The workspace has been designed to facilitate both individual concentrated work and group collaborative working. The variety and availability of spaces will encourage movement and enhance the potential for chance encounters between people.

4 Auditorium/conference space

The auditorium and conference facilities provide a flexible presentation space to be used for formal or informal presentations or screenings. The equipment and room set-up enables WPP in Madrid to host seminars and broadcast these to other WPP offices, allowing large WPP gatherings to happen virtually.

5 Lighting

The lights are energy-efficient LEDs which are controlled through a central system. Daylight sensors automatically dim the lights depending on the daylight levels.

6 Heating, cooling and ventilation

The central heating and cooling plant has been selected to maximise energy efficiency. Local ventilation units have been used in the office space to minimise the energy lost through the ductwork. A central building management system will monitor the building's operational uses allowing the equipment to be fine-tuned to operate at maximum efficiency.

7 Solar panels

There are 49 solar hot water panels integrated into the roof, these will provide more than 50% of the building's hot water demand.

8 Terrace garden

Existing trees have been preserved and complemented with a mixture of low-maintenance landscaping designed to cope with changes in climate.

Moves to certified buildings have reduced our energy use by an average of 21% at each location. Recent examples include the new London workspace for Ogilvy and MEC at Sea Containers (BREEAM Excellent) and the WPP Campus in Shanghai (LEED Gold).

Offices below 50,000 square feet must either be certified to recognised green building standards (as described left) or assessed against our own scorecard. This 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 and other environmental data is one of the factors considered. We aim to integrate this into lease agreements with landlords and/or to install sub-metering.

Office space consolidation includes redesigning offices to use space more efficiently and encouraging flexible working to reduce the overall number of desks needed.

Well-being in our buildings

We aim to design and run our offices in a way that promotes our people's well-being, looking at factors such as indoor air quality (especially in large congested cities), thermal comfort, lighting levels, noise and acoustics. This is good for our people and can contribute to productivity. To increase our understanding of healthy buildings, we successfully tested a new methodology in 2016, the WELL Building Standard, at GTB's new offices in Shanghai.

IT energy use

As part of a major transformation program to improve the efficiency of our IT infrastructure across WPP companies, we have signed a partnership with IBM. The contract was signed at the end of 2014 and includes energy and environmental targets to ensure we realise the potential carbon reduction opportunities from improving IT.

In 2016, we started the complex task of migrating WPP's server infrastructure to best-in-class external data centres and we aim to transfer up to 4,000 servers by the end of 2017. We are in the process of quantifying the environmental impact of these transfers with preliminary results available in early 2018. We will use these to optimise the migration of the remaining servers in 2018 and 2019.

Our managed print program is being deployed at 35 of our largest locations globally and is expected to reduce paper use by 14% and printer energy use by 63% at these locations.

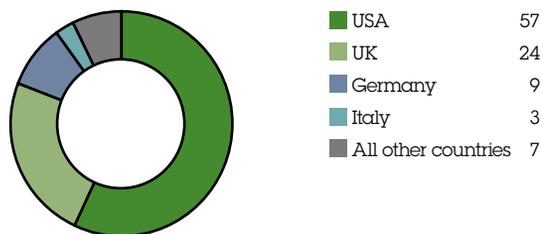
Renewable energy

We aim to increase our use of electricity generated from renewable sources, including green-tariff electricity contracts. We reached 22% in 2016 (2015: 21%).

We reviewed green-tariff uptake at our 100 largest locations and found that, in many locations, suitable contracts are not available or electricity purchasing is controlled by the landlord. As an alternative, and to help us reach our target of 25% renewable energy, we purchase renewable energy certificates (RECs) in the US, our largest market. Each REC purchased is equivalent to purchasing 1MWh of renewable energy and promotes investment in renewable energy generation. We purchased 23,145 Green-e Energy certified RECs for 2016, working with Renewable Choice Energy, a US-based business providing clean energy products and services. Our use of renewable electricity and our RECs purchases reduces our carbon footprint by 29,941 tonnes of CO₂e.

Total renewable electricity purchased

% breakdown by country, 2016



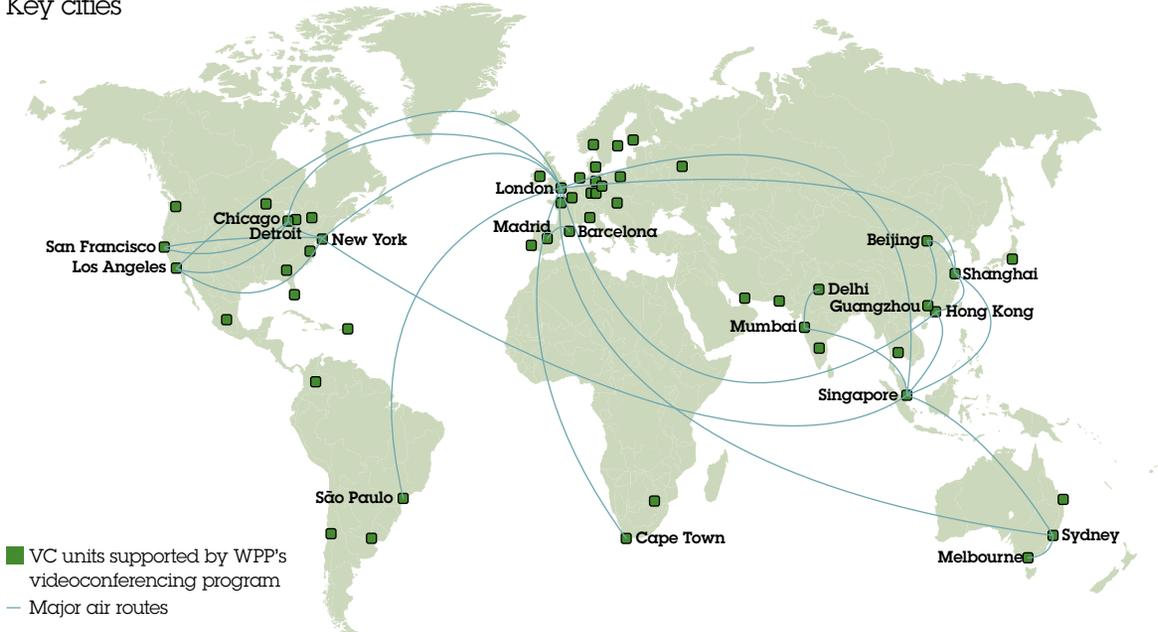
Air travel, videoconferencing and offsetting

Face-to-face meetings with clients are often essential so, while we cannot eliminate air travel, we can reduce unnecessary flights and use audio and videoconferencing to replace some face-to-face meetings.

We have invested in a videoconferencing network that now incorporates over 720 units in 173 cities worldwide. With the introduction of a new conferencing system and the purchase of 68 new VC units, usage continued to grow in 2016. Our 24-hour, five-day-a-week helpdesk offers support to our people wanting to use the service. We are integrating this service into other online collaboration platforms, enabling us to extend video services to all users within the Group.

Worldwide videoconferencing network

Key cities



We offset 100% of our air travel emissions by purchasing high-quality carbon credits. We work with South Pole Group, a company that develops emission-reduction projects. In 2016, we invested £150,000 to support four renewable energy-generation projects in faster-growing economies. Together, these projects generate over 230m kWh of renewable electricity a year and support almost 600 direct jobs. Our operating companies cover the cost of the carbon credits, based on their air travel mileage, which encourages initiatives to reduce air travel.

Since 2007, we have purchased and permanently retired over 1.2 million carbon credits and supported 15 projects. We focus on projects that provide both environmental benefits and support local socio-economic development, see following page for our current projects.

Carbon offsetting projects 2016



Brazil
Renewable biomass
Ituiutaba

10,000

tonnes of CO₂e offset

Project

Ceramic factory running on thermal energy from agricultural waste instead of native forest timber in south-eastern Brazil

Standards

Verified Carbon Standard (VCS)

Social Carbon

WPP coverage

58% 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)



China
Small hydropower
Hezhou III and V

11,266

tonnes of CO₂e offset

Six small run-of-river hydropower plants in southern China generating 6m kWh of renewable electricity annually

Gold Standard

100% of annual credit issuance

30 direct jobs created

Decrease in open fireplaces in households (switch from burning wood for energy to hydroelectricity)



India
Wind power
Mitcon

51,179

tonnes of CO₂e offset

138 wind turbines across five regions in western India generating 161m kWh of renewable electricity annually

Verified Carbon Standard (VCS)

34% of annual credit issuance

450 direct jobs created

9,700 indirect jobs created

4,200 students with improved educational facilities



Turkey
Geothermal power
Dora II

20,000

tonnes of CO₂e offset

Geothermal plant in western Turkey generating 70m kWh of renewable electricity annually

Gold Standard

48% of annual credit issuance

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. Used in voluntary and CDM (Clean Development Mechanism) projects. Aims to ensure that projects are both reducing emissions and providing sustainable benefits to local populations.

Social Carbon Standard – Created in 2008 by the Ecologica Institute in Brazil. Assesses the social, environmental and economic performance of projects. Works in conjunction with carbon accounting standards that measure emissions reductions, such as VCS.

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

Resource use and waste

We aim to use resources efficiently, reduce waste and reuse and recycle where possible. Many procurement and waste management decisions are made at operating company level and we encourage our companies to use preferred supplier partners selected by WPP who offer products and services with improved environmental credentials.

Paper

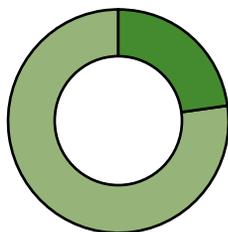
As an office-based business, paper use is one of our most significant resource impacts and we have set a target to purchase 80% sustainably-sourced paper by 2020. This includes paper with recycled content and paper certified to recognised sustainability standards such as FSC and PEFC. We sourced 23% in 2016.

During 2016, we continued working with our largest paper users, including companies purchasing paper on behalf of clients, to implement our approach.

Our total paper usage in 2016 was 4,460 tonnes (2015: 4,897 tonnes). Our managed print program (see IT energy use on page 64) helps us to reduce paper use by up to 40% per location. We are working to improve the accuracy of our data in this area.

Paper purchased

%



■ Paper with recycled and/or certified content	23
■ Other paper	77

Water

We do not use significant volumes of water and, as an office-based company, water use is not a material issue for WPP. However, we recognise that water scarcity is a major challenge in some regions of the world and we aim to use water carefully.

We estimate that our total water use is around 1.9 million cubic metres, equivalent to 14.8 cubic metres per person per year. This is based on data from external benchmarks and the results of a previous pilot project we ran at 11 offices in areas of water scarcity.

We provide guidance for our offices, available on our intranet, on reducing water use by identifying and repairing leaks; upgrading water fixtures and fittings during renovations; and reusing rainwater and wastewater where feasible. We integrate water conservation into our property acquisition and refurbishment process, see Building energy use on pages 62 and 63.

Waste

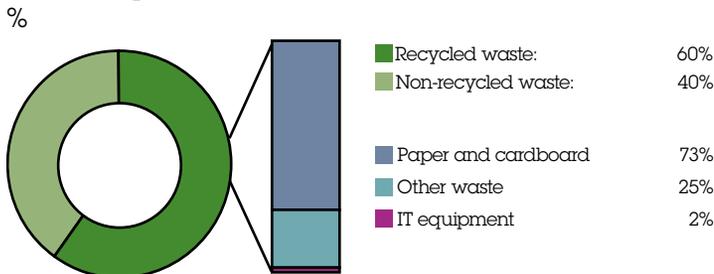
Our main types of waste are electronic waste and office consumables such as paper, card, cans, plastic bottles and toner cartridges. We look for opportunities to reduce waste and increase recycling, working with landlords in our leased properties. To encourage recycling among our companies, we have identified preferred supplier partners of recycling services for paper, standard office consumables and mobile phones in all major markets.

In 2016, we estimate the Group generated 10,233 tonnes of waste (2015: 8,772 tonnes) of which 60% was recycled (2015: 65%). The remaining 40% was disposed via landfill or incineration. We are working to improve our data collection on waste and recycling but have further to go to improve data quality.

We recycled 6,122 tonnes of waste in 2016 (2015: 5,713 tonnes), of which 73% was paper and cardboard.

Management of electronic waste is a particular priority for WPP. Our policy is that obsolete IT equipment should be refurbished and sold for reuse, or if this is not possible, 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. As part of our IT Transformation program, our main contractor IBM is working to increase reuse and safe recycling of old IT equipment.

Waste recycled



Our wider carbon impact

As well as managing our direct greenhouse gas emissions, we can influence indirect emissions associated with our business activities – our value chain emissions. Our analysis shows there are opportunities to work with clients and supplier partners to reduce value chain emissions, for example, those connected with client media plans and other parts of our supply chain.

Carbon emissions across our value chain



Our value chain footprint in the UK is around 1.2 million tonnes of CO₂e. Our main sources of emissions are:

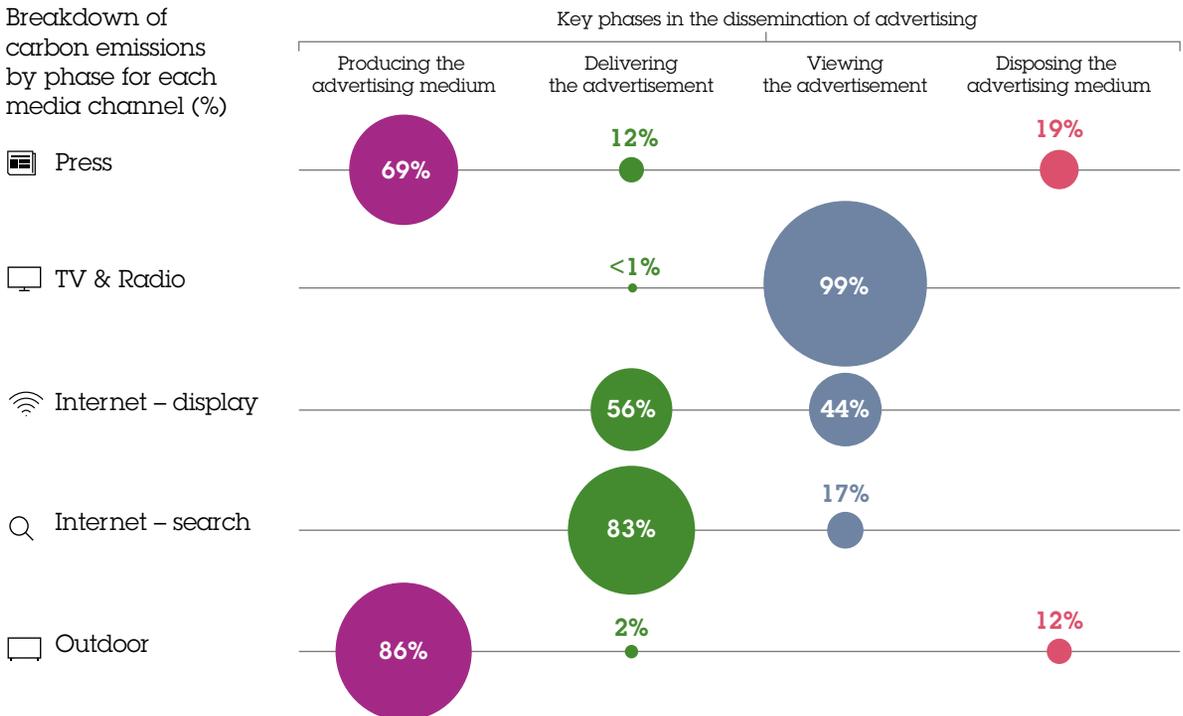
- **Advertising we place for clients:** Emissions from the physical dissemination of advertising through press, TV, radio, internet and outdoor channels. See chart below.
- **Goods and services we buy:** Emissions associated with the goods and services we buy from supplier partners to create marketing campaigns for clients and to run our business. For example, emissions from travel to an advertising shoot or emissions associated with manufacturing the ICT equipment used in our offices.
- **Day-to-day activities (direct emissions):** Emissions associated with running our business including office energy use, business air travel, commuting and waste. With the exception of commuting, these emissions are covered by our current carbon strategy and target.

We are developing a carbon metric for GroupM, our media investment management business, to use in its media plans, and exploring how we can work with clients to reduce the carbon footprint of media campaigns.

In 2017, we are adding a carbon dashboard to our procurement spend analytics system that identifies more carbon-intensive supplier partners and categories of spend. This will help procurement teams consider carbon impacts in their decision-making.

The carbon impact of the advertising we place for clients

Breakdown of carbon emissions by phase for each media channel (%)



What we've included in our analysis:

- Emissions from the manufacturing and printing of paper used for newspaper and billboard advertisements.
- Emissions from the energy used to transmit TV and radio advertisements, 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.

Carbon emissions statement 2016

This data covers the year ended 31 December 2016 in line with the Group's financial reporting period.

Emissions breakdown (in tonnes CO₂e)

Emission source		2016	2015	2014	2013	2012	2011	Base year 2006
Scope 1	Natural gas combustion	6,617	6,677	7,203	8,757	7,584	7,486	1,946
	Heating oil combustion	1,234	1,458	2,546	2,548	2,256	2,228	682
Total scope 1 emissions		7,851	8,135	9,748	11,305	9,840	9,714	2,628
Scope 2	Total purchased electricity at grid average intensity (gross)	146,846	153,798	159,540	157,471	164,212	152,968	149,728
	Less purchases of renewable electricity (see note 6)	29,941	30,580	21,192	21,299	23,765	22,572	0
Total scope 2 emissions (net)		116,905	123,218	138,348	136,171	140,446	130,396	149,728
Scope 3	Business air travel	92,445	98,885	96,590	95,879	96,080	100,961	81,714
	Other estimated scope 3 emissions (see note 4)	32,581	34,536	36,703	36,503	36,955	36,161	35,111
Total scope 3 emissions		125,026	133,421	133,293	132,382	133,034	137,121	116,825
Total CO₂e emissions (net)		249,782	264,774	281,389	279,859	283,321	277,231	269,181
Total CO₂e emissions (gross)		279,723	295,354	302,581	301,158	307,086	299,803	269,181

Carbon intensity (in tonnes CO₂e)

Intensity metric	2016	2015	2014	2013	2012	2011	Base year 2006
Tonnes per person (net)	1.86	2.07	2.28	2.35	2.45	2.44	3.39
Percentage change from 2006	-45%	-39%	-33%	-31%	-28%	-28%	-
Tonnes per £m of revenue (net)	17.36	21.64	24.41	25.40	27.31	27.66	45.56
Percentage change from 2006	-62%	-53%	-46%	-44%	-40%	-39%	-

Office energy use (in megawatt hours)

Energy type	2016	2015	2014	2013	2012	2011	Base year 2006
Direct energy use (natural gas and heating oil)	37,174	38,287	44,847	52,532	45,673	45,090	12,099
Indirect energy use (purchased electricity)	301,863	315,731	314,773	328,374	323,582	307,245	295,396
Total energy use	339,037	354,018	359,620	380,906	369,255	352,335	307,495
% of electricity from renewable sources	22%	21%	14%	15%	16%	16%	-

Notes to carbon emissions statement 2016

1. Reporting standard

Our carbon emissions statement 2016 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 (CO₂e). They include three of the six greenhouse gases covered by the Kyoto Protocol – carbon dioxide (CO₂), methane (CH₄) and nitrous oxide (N₂O). Per fluorocarbons (PFCs), hydro fluorocarbons (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 134,000 people. 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, purchased heat and steam, and renewable electricity purchased under specific contractual instruments, such as green-tariff contracts with supplier partners and energy attribute certificates (e.g. renewable energy certificates in the US or guarantees of origin in the EU).
- Other indirect emissions (scope 3): Business air travel and 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 CO₂e emissions data covers our worldwide operations.

6. Emission factors

CO₂e 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 2016, we updated our emission 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 (fuel used to heat WPP premises)	IPCC 2006 Guidelines for National Greenhouse Gas Inventories (using global warming potentials from the 2007 IPCC Fourth Assessment Report).
Scope 2 (purchased electricity)	<ul style="list-style-type: none"> – For the US: US Environmental Protection Agency eGRID 2014 (released in August 2016) – For the UK: UK Department for Environment, Food & Rural Affairs (Defra), GHG Conversion Factors for Company Reporting (2016) – For all other countries: International Energy Agency, CO₂ Emissions from Fuel Combustion, 2016 Edition
Scope 3 (business air travel)	UK Department for Environment, Food & Rural Affairs (Defra), GHG Conversion Factors for Company Reporting (2016).

When calculating our carbon footprint, we rate purchased renewable electricity as zero emissions to account for WPP’s use of renewable electricity. We follow the market-based method of the revised version of the GHG Protocol Scope 2 Guidance. For full transparency, we also disclose total electricity purchased at grid average carbon intensity according to the location-based method of the Guidance mentioned above.

7. Data collection methodology

Data used to calculate CO₂e 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 2016, our data covered 98% of our operations by headcount. The remaining 2% 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 2015 data, Bureau Veritas made a number of recommendations for improving our approach. We have implemented many of these in our 2016 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, page 105.

Supply chain

We spend £6 billion on goods and services each year¹, sourcing from thousands of supplier partners worldwide. We aim to source responsibly, selecting supplier partners who meet high standards in areas such as ethical conduct, human rights, workplace standards and environmental management. This reduces risks for WPP and our clients.

Fast read

Our goal

We aim to build a responsible and sustainable supply chain by:

- Setting clear standards for supplier partners
- Integrating sustainability criteria into supplier selection
- Monitoring risks in priority areas of our supply chain
- Working with supplier partners to drive social and environmental change, prioritising areas most relevant to our business

Business value

By improving oversight of our supply chain we can identify opportunities to: consolidate spend and reduce costs; protect our reputation and that of our clients; and meet the requirements of the growing number of client tender processes that include supply chain management criteria.

Sustainability impact

By working with supplier partners we can have a positive impact on human rights and environmental protection beyond our business.

Challenges and dilemmas

We have a large supply chain. We work with thousands of supplier partners, with many buying decisions made at operating company level. This makes it more challenging to ensure consistent standards.

Our current approach focuses on our tier-one supplier partners. However, higher-risk practices may be more likely to occur further down the supply chain where we have limited influence.

¹Not including media space purchased on behalf of clients.

Management approach

Our Group Procurement Leadership Team (PLT) is responsible for managing sustainability in our supply chain. All PLT members have sustainability included in their performance objectives. The PLT oversees procurement teams at the WPP parent company level and works with our operating companies to implement our sustainability requirements and communicates on sustainability through quarterly reporting, team meetings and regular newsletters.

External frameworks

GRI indicators in this section: G4-12, G4-36, G4-58, G4-EN32, G4-LA14, G4-HR1, G4-HR6, G4-HR10

Global Compact Principles: 1, 2, 3, 4, 5, 6, 7, 8, 9, 10

Progress on our KPIs in 2016

Performance in 2016

236 supplier partners covered by our supply chain risk program



£236 million annual spend covered by our supply chain risk program



Key:

Improved

About our supply chain

Around half of our spend is with WPP preferred supplier partners who provide goods and services to our companies, such as IT, travel, telecommunications, professional services and facilities. Many of these contracts are negotiated centrally.

The other half of our spend is primarily made up of goods and services used in client work, such as advertising production, market research operations and other marketing services. These contracts are usually smaller and negotiated by budget holders within our companies.

To track spend with supplier partners and monitor performance, we have implemented an online analytics system that enables us to monitor 70% of our total spend with supplier partners across 12 of our largest markets.

The large numbers of supplier partners we work with and the diversified nature of procurement within WPP means we have to prioritise our efforts. We currently focus on tier-one supplier partners, those with whom we have a direct commercial relationship. Higher-risk practices may be more likely to occur further down the supply chain, for example among raw material suppliers. We do not have a direct commercial relationship with these suppliers; however, by working with our tier-one supplier partners and requiring them to implement their own supply chain management programs, we can influence standards further down the supply chain.

Our standards for supplier partners

Our supplier standards are set out in our Code of Business Conduct – Supplier Version. This explains how our own Code should be applied by companies in our supply chain. It includes 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 issues.

Our procurement policy is also aligned with the WPP Data Code of Conduct, our data protection and privacy principles (pages 34 and 35), our Sustainability Policy (pages 120 and 121), and our Human Rights Policy Statement (pages 123 and 124).

Our key policies and information about our approach are available to supplier partners and prospective suppliers and the public on our website, wpp.com/sustainability. The Code of Business Conduct – Supplier Version is also available on our procurement website – wpp.com/wpp/about/how-we-buy.

Our supplier partners have access to a whistleblowing mechanism, the WPP Right to Speak helpline, with contact details provided on our website at www.wpp.com/wpp/contact/. See page 28.

Assessing modern slavery risks in our supply chain

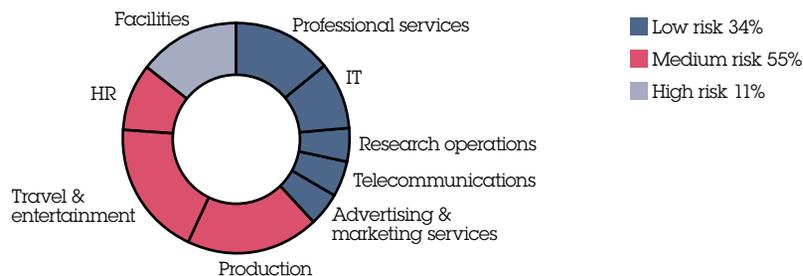
The UK's Modern Slavery Act now requires companies to explain their approach to preventing slavery in their operations and supply chain. Read page 31 for a summary of our approach.

We updated our procurement policy in 2016 to ensure it is aligned with our Human Rights Policy Statement and the requirements of the Modern Slavery Act.

As part of our due diligence processes we have assessed the risk of modern slavery for WPP amongst our direct workforce, whereby we concluded the risk to be very low. We also extended our due diligence exercise to assess the risk of modern slavery amongst our preferred supplier partners, across nine categories of spend, with whom we have a direct contractual relationship. To ascertain the risk of modern slavery among these supplier partners, we evaluated their category risk in relation to category spend. Almost 90% of our spend with preferred supplier partners is in medium- or low-risk categories such as HR and professional services. We identified facilities as a high risk category, accounting for 11% of our spend. For the country risk evaluation we referred to a third party, Maplecroft. Most of our spend with preferred supplier partners (94%) is in countries deemed medium- or low-risk according to Maplecroft's Modern Slavery Risk Index.

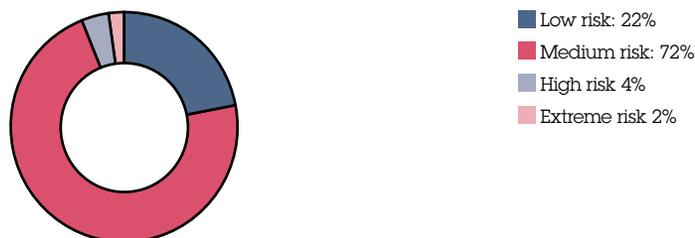
Preferred supplier partner spend by category risk

%



Preferred supplier partner spend by country risk

%



*Based on Maplecroft Modern Slavery Index.

In addition, we also assessed another category of spend – promotional goods – which was found to be high-risk both in terms of category and country. Here, we not only assessed our preferred supplier partners but also additional suppliers where the relationship is managed by our companies.

How we select supplier partners

We evaluate potential new supplier partners on factors such as assurance of supply, quality, service, cost, innovation and sustainability. Our sustainability criteria cover six areas: policy; senior responsibility; materiality and identification of key issues; reporting; supply chain; and anti-bribery and corruption. We do not have a standard weighting for sustainability criteria, which varies from supplier to supplier.

All WPP companies and Group buyers are required to take the following steps when selecting supplier partners:

- Conduct due diligence to assess whether supplier partners pose a potential financial or reputational risk to WPP or its clients.
- Assess operational, commercial and sustainability criteria to determine whether supplier partners are fit for purpose.
- Apply our anti-bribery and corruption policies.
- Have supplier partners read and sign the supplier version of the WPP Code of Business Conduct, confirming that they will comply with our standards.
- Include a right-to-audit clause in purchase orders where appropriate.

How we monitor risks

We have identified two areas of 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: this part of our supply chain involves many small companies and costs for these services are typically passed onto clients. This category includes suppliers of promotional goods.
- Data collection: a higher-risk area because of the importance of protecting consumer data and the many legal and contractual requirements relating to data security and privacy.

We are engaging with higher-risk supplier partners in these areas. A supplier may represent a potentially higher risk due to factors such as spend, the type and volume of goods or services we buy, the supplier's strategic value to WPP or their location. See chart on page 77.

Selected supplier partners are asked to complete a self-assessment questionnaire, 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.

Over the last four years (2013-2016) we have assessed 236 advertising production and data collection supplier partners working with our companies in China, the UK and the US. This covers £236 million in annual spend, or approximately 15% of our total spend on advertising production and data collection.

Supplier risk monitoring

We follow three key steps:



Advertising production supplier partners

Since 2013, we have assessed 213 supplier partners, the majority of which carry a medium sustainability risk as defined by Sedex. Based on the issues identified during this process, we hold supplier meetings and workshops and train supplier partners on the practical steps they can take to align with our Code of Business Conduct.

In 2016, Maxx Marketing – an Ogilvy company specialised in the sourcing of promotional goods – joined our Sedex program and is using the platform to engage with key tier 1 supplier partners mostly in Asia.

In the US, we are conducting audits for five higher-risk supplier partners and will work with these supplier partners to improve their social and environmental performance and correct issues identified during the audits.

Data collection supplier partners

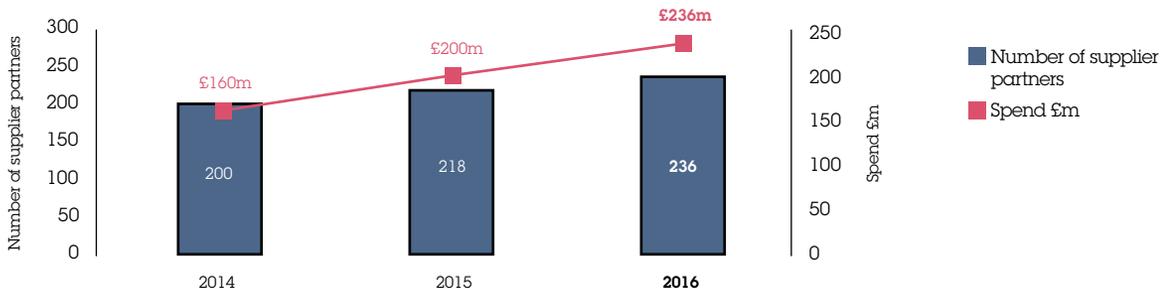
Starting in 2014, we carried out a pilot, assessing 23 supplier partners that provide and/or manage data for Kantar, KBM and Xaxis. In addition to signing our Code of Business Conduct – Supplier Version and completing the Sedex questionnaire, these supplier partners were asked to read and sign the WPP Data Code of Conduct and complete a WPP-designed data security and privacy survey. Areas covered include supplier standards for collection, use, storage and transfer of data, physical security measures, testing, access controls and data security accreditations and certifications. This methodology is based on the WPP Data Health Checker (see page 35 for more information).

We have worked with The Data Alliance, our horizontal team supporting our data businesses, on integrating key elements of this approach into the way we manage data collection supplier partners. Future engagement with data supplier partners will take place mainly via our operating companies.

During 2016, our Group procurement team began working with the procurement team at Kantar, our data investment management group, to embed our standards in their global procurement program. We are reviewing seven categories of supplier starting with suppliers of translation services and survey incentives, used to increase consumer survey response rates.

Read more about our approach to Privacy and our Data Code of Conduct on pages 34 and 35.

Suppliers and spend covered by our supply chain risk program



Embedding sustainable procurement

To broaden our efforts and encourage accountability at a regional and category level, we have established social and environmental action plans for each Group procurement team and Kantar's procurement team for implementation in 2017. These action plans, which are specific to each team, have three components:

1. **Category initiatives:** Integrate sustainability objectives in the daily management of up to three categories of products and/or services. Initial examples include cleaning services in the UK and local couriers in Brazil.
2. **Training:** All team members to receive online training on sustainability (including on the UK Modern Slavery Act). This will be completed in 2017.
3. **Risk monitoring:** Map key social and environmental risks for their categories, countries and regions as well as helping to implement Group initiatives in the areas of advertising production and data collection.

We work with supplier partners to reduce the environmental impact of our procurement, to embed ethical standards and to increase diversity in our supply chain. This includes:

- **Living wage:** We support the principle of the living wage, see page 52. Our UK companies have been mandated to pay the voluntary living wage set by the Living Wage Foundation for on-site contractors such as cleaning, security and catering staff by the end of the first quarter of 2017. We have issued guidance to our companies on the Responsible Procurement of Cleaning Services.
- **Diversity:** We incorporate diverse supplier partners in our supply chain, including small businesses and those owned by women and minorities. This enables us to comply with client requirements in markets such as the US, and can boost innovation and creativity.
- **Green goods and services:** We have identified preferred supplier partners for our operating companies to use, which provide goods and services with better environmental credentials for energy, paper and waste management. See page 67.
- **Carbon emissions:** We have estimated the carbon emissions of our supply chain and work with supplier partners to target reductions in key areas. See pages 68 and 69.

Social investment

Within WPP and our operating companies, we have the expertise and resources to help charities and NGOs raise awareness of social issues and realise their aims. Through our pro bono work we offer organisations working in areas such as health, education and human rights the benefits of our professional communications services for little or no fee.

Fast read

Our goal

We aim to support the UN Sustainable Development Goals and their ambition to end poverty, protect the planet and ensure prosperity for all through:

- Pro bono work, creative services provided for little or no fee
- Negotiating free media space for charity campaigns
- Charitable donations
- Volunteering and fundraising

Business value

The benefits of pro bono work flow both ways. As we support the vital work of charities and NGOs, we access exciting creative opportunities for our people, supporting their professional development. As part of their pro bono work, our companies produce many award-winning campaigns, which enhances their creative reputation. Companies with sustainability credentials have a higher reputation among the workforce – actual and prospective – and our social investment helps motivate our people.

Sustainability impact

By contributing to the success of charities and NGOs, we help to ensure that they can achieve their aims in a sustainable, long-term way. Our pro bono work is especially valuable because campaigns and awareness raising are key tools in enabling them to achieve their aims – and our input is often worth more than an equivalent cash donation.

Challenges and dilemmas

Social investment is carried out at a local level by our operating companies. As the parent company, WPP has limited control over the amount of time and resources donated. It is hard to measure the impact of our social investment, particularly as we work with so many different charity partners across our many locations.

Management approach

Our social investment falls within the broad themes of arts, education, environment, health, human rights and local community. Individual projects are decided by our local operating companies, but WPP, the parent company, helps coordinate some pro bono initiatives involving multiple WPP companies.

External frameworks

GRI indicators in this section: G4-22

Global Compact Principles: 1, 8

Progress on our KPIs in 2016

Performance in 2016

£12.5m in pro bono work	↓
£7.0m in charitable donations	↑
£19.5m total social investment, equivalent to 1.03% of reported profit before tax	↑
£22.8m worth of free media space negotiated by WPP companies	↑
£42.3m total social contribution, equivalent to 2.23% of reported profit before tax	↑

Key:

Improved  Decreased 

Performance in 2016

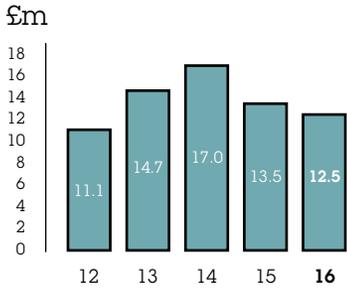
In 2016, our social investment amounted to £19.5 million (2015: £19.4 million), equivalent to 1.03% of reported profits before tax (2015: 1.3%). Cash donations to charities stood at £7.0 million and the worth of pro bono work – based on fees the organisations would have paid for our work if we had charged commercially – at £12.5 million. The value of our social investment (pro bono work and charitable donations) increased by 0.5% on the previous year.

Our companies also negotiate free media space for charity campaigns, enabling them to reach a wide audience. This free media space was worth £22.8 million in 2016 (2015: £20.8 million) bringing our total social contribution to £42.3 million (2015: £40.2 million). This is equivalent to 2.23% of reported profit before tax. We identified an error in our exchange rate calculation for free media space in 2015 and as a result have restated our data for 2015.

The impact of our social investment

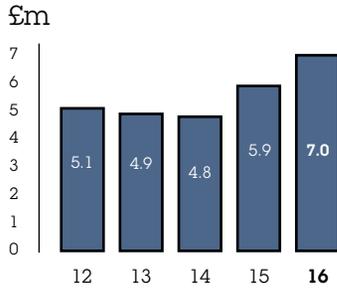
Our support helps NGOs and charities to carry out important work in areas such as improving health and education, and protecting human rights. We have conducted research to understand the value of this impact to society. This shows that our pro bono work and charitable donations generated social benefits worth around £156 million in 2016, for example, by helping to improve health and well-being in communities. Read more on page 101.

Pro bono contributions



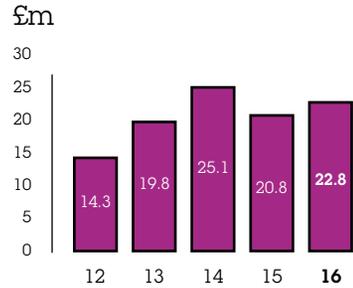
WPP companies undertook pro bono work worth £12.5 million in 2016.

Charitable contributions



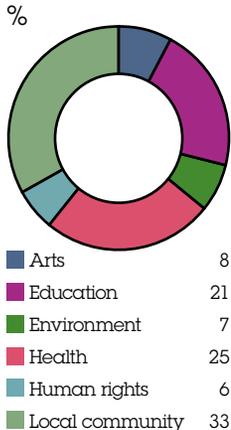
WPP companies made cash donations worth £7.0 million in 2016.

Free media space

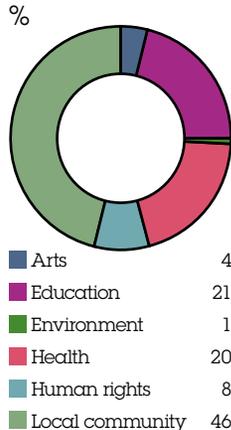


WPP media agencies negotiated media space worth £22.8 million in 2016.

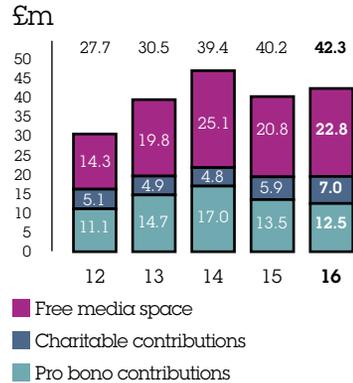
Pro bono work by sector



Charitable donations by sector



Total social contribution



Volunteering and fundraising

We encourage our people to take part in the work of local charities and community organisations and help raise funds for them. This also benefits our business by improving team working and engagement with our people. Around 49% of our companies have a formal volunteering policy and 56% organise volunteering activities for their people.

Recent examples include:



WPP company: **Kinetic UK**
Cause: **Church Housing Trust**

The Church Housing Trust (CHT) provides modest grants to homeless people to help them get their lives back on track. In 2016, Kinetic UK raised over £70,000 for the charity through volunteering initiatives. Around £20,000 of that money is being used to provide IT skills to help homeless people apply for jobs.



WPP company: **Sentrix Health**
Cause: **National Brain Tumour Society**

Sentrix Health created an internal campaign to encourage people to participate in the NYC Brain Tumour Walk, in support of the National Brain Tumour Society. A series of posters were developed by creative teams featuring artistic interpretations of the left and right sides of the brain. The initiative was inspired by the experience of a Sentrix employee whose father received a diagnosis of stage 4 glioblastoma in 2013 and passed away just over a year later, largely because of a lack of effective treatment options. Sentrix raised \$3,300 for the organisation and the campaign took bronze at PM360 Pharma Choice Awards.



WPP company: **Kantar**
Cause: **Unicef**

Kantar established the Brighter Futures fundraising program for Unicef across all of its operating businesses in 2010. Through this partnership, Kantar is helping to protect children in Bangladesh, Bolivia, Malawi and Mauritania from violence, exploitation and disease. In 2016, Kantar raised over \$348,646 for Unicef, of which \$42,000 was for emergency donations following Hurricane Matthew and the Ecuador earthquake.

Finding Common Ground for the Global Goals

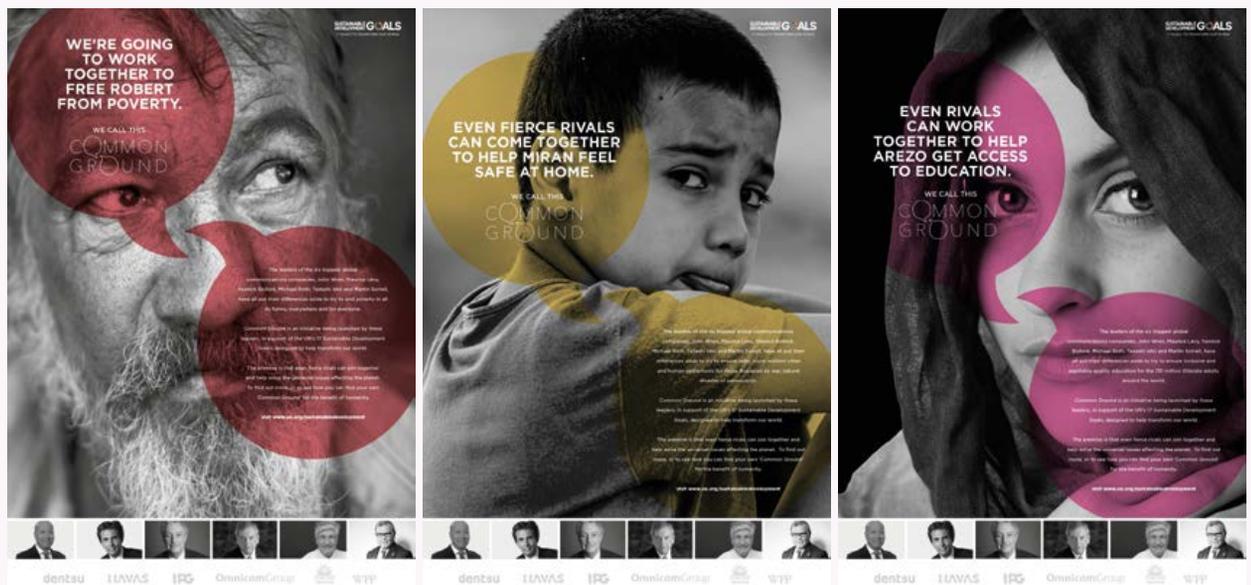
The goal of Common Ground – a collaboration between the six largest advertising and marketing groups – is to harness the power of communication to help tackle global sustainability challenges.

Launched in June 2016 at the Cannes Lions Festival, with Ban Ki-moon, then UN Secretary-General, this new partnership in support of the UN Global Goals, sees the six companies set aside competitive differences to advance the 2030 Agenda for Sustainable Development.

Each company has selected one of the Global Goals as their initial priority. WPP has chosen gender equality and has teamed up with UN Women. Gender equality is important in its own right and has knock-on benefits for tackling poverty and improving education and economic growth. Havas is focusing on climate change, IPG on safe water, Publicis on food, Dentsu on health and Omnicom on education.

Many WPP companies are involved in Common Ground, providing pro bono communications services on a wide range of projects. Some projects, like #techmums, featured below, are concerned with empowering women through access to technology. Other projects are aimed at tackling stereotypes in the media and online, connecting women with smartphone technology in Uganda, making public environments safer and preventing violence against women.

The six groups will report on their progress across the Common Ground projects at the Cannes Lions Festival 2017. Some of the initial projects involving WPP companies include:



Opening doors with #techmums

Since 2012, the UK charity #techmums has been offering a five-week course free of charge to mothers with no prior IT experience. The course covers a range of subjects from online safety to basic coding, and helps open doors to jobs and further education. Now, with support from WPP and Capgemini, the charity will be expanding its offering making its training available for free, online. Three WPP companies, Addison Group, Cognifide and Hogarth are helping to develop a brand identity, a marketing strategy and strong content. Dr Sue Black OBE, who founded the charity, aims to create one million #techmums across the globe by 2020.

Rewriting the Code

#RewritingTheCode aims to raise awareness of the obvious – and less obvious – attitudes that prevent girls and women around the world from achieving their full potential. The campaign, launched by global children’s charity Theirworld on International Women’s Day, was created by WPP company The Partners, with support from sister companies Kantar Added Value, Kantar Millward Brown, MEC and VML.

#RewritingTheCode questions gender stereotypes and encourages the audience to consider the cultural codes that hide beneath the surface of our daily lives, shaping our experiences and holding back women and girls.

“The aim of the #RewritingTheCode campaign is to expose the hidden codes and values that shape the world around us, and ask questions such as: ‘Why don’t girls around the world have equal access to education? Why don’t women have equal pay in the workplace?’ We want a future where no girl is left out of the classroom, the boardroom or the conversation. Working with The Partners and its sister WPP agencies gives us the chance to get the campaign seen and heard by a far greater number of people and make an emotional connection that results in real actions that help children around the world.”

Sarah Brown

Founder and president, Theirworld



Pro bono work by WPP data, PR and media companies

Our research, PR and media companies around the world offer pro bono services to organisations working in areas such as health, education, human rights, community, the environment and the arts. The range of our activities is wide: see the selection of examples from 2016 right. Further examples of our pro bono work are published on our website – www.wpp.com/sustainability.

Selected pro bono campaigns by our advertising agencies and our branding, direct marketing and digital companies are published in our Pro bono book, available at www.wpp.com/probono/2016/.



Campaign: **Don't Label**

WPP company:
Mindshare Denmark
Client: **Fair Welcome**

Mindshare Denmark worked with the human rights charity Fair Welcome to challenge stereotypes. They created a browser plug-in that changes discriminating words online to neutral ones. This allows online sources of information to be objective, helping people form their own opinions.

Results:

- ★ 12.5m impressions
- ★ 55,600 downloads of the plug-in, removing over 200m discriminating words

Awards:

- ★ Global Cristal Awards 2016: Gold
- ★ Creative Circle Awards 2016: Silver
- ★ Global Epica Awards 2016: Bronze
- ★ Danish Marketing Association: Gold

Video:

wpp.com/dontlabel



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

WPP company:
Burson-Marsteller EMEA
Client: **G(IRLS)20**

G(IRLS)20 encourages G20 leaders to recognise the female labour force as a key to economic growth. Burson-Marsteller EMEA supported the G(IRLS)20 Summit 2016 as media and communications partner, creating awareness around the empowerment of girls and women.

Results:

- ★ 4m people reached
- ★ Widespread international media coverage



Campaign:
#TakeOffTheTape

WPP company:
MEC Manchester
Client: **MIND**

MIND enlisted the help of MEC Manchester to help tackle the stigma surrounding mental health conditions. The team developed a digital campaign to show young people how important it is to discuss mental health issues before symptoms exacerbate. A series of campaign assets were created showing people how to get involved and encouraging social influencers to join the movement.

Results:
★ 42.5m twitter impressions

Awards:
★ 2016 MPA Awards: Best Digital Agency Campaign, Big Bang and Best in Class

Video:
wpp.com/takeoffthetape



Campaign:
I Am a Refugee

WPP company:
Coley Porter Bell
Client: **JCWI**

Coley Porter Bell teamed up with the Joint Council for the Welfare of Immigrants (JCWI) to encourage a positive narrative around the impact of refugees on UK culture at a time of heightened sensitivity. Inspiration came from the iconic blue English Heritage plaques which recognise historically important people in Britain. They erected plaques featuring influential refugees who have settled and contributed to life in the UK. They also created a website highlighting the growing refugee crisis, sharing stories of refugees and calling for peoples support.

Result:
★ Tenfold increase in tweets including #iamarefugee over four months

Video:
wpp.com/iamarefugee



Campaign:
Real Time Donations

WPP company:
Kinetic Germany
Client: **Diakonia**

In response to the refugee crisis many Germans donated generously to Diakonia, a local charity. However, many of the donations were either unusable or not required when they arrived. To encourage people to donate in a better way Kinetic created the first real-time donation drive that told donors exactly what was needed and when. Data was collected by on-the-ground social workers and shared via 160 live billboards reaching hundreds of thousands of people.

Results:
★ 65% increase in donations
★ 78% increase in brand awareness

Awards:
★ Outdoor Advertising Awards: Gold
★ Cristal Awards 2016: Gold

Video:
wpp.com/realtimedonations

WPP the parent company

Our social investment is largely determined at local level where our operating companies are well placed to identify where our contributions can play a significant role. But WPP, the parent company, also makes donations to organisations working in the areas of education, the arts and young people. Our senior executives also act as communications advisors to many NGOs and non-profits.

WPP, the parent company, also provides pro bono support directly to a number of charities.

In 2016, these included:

- Academy of St Martin in the Fields
- Education and Employers Taskforce/Inspiring the Future
- FIA Foundation/Road Safety
- Heads Together
- Icould
- In Kind Direct
- Invictus Games
- JPO
- Lifebox
- Movement to Work
- National Deaf Children's Society
- Pearson Degree
- Place2Be
- Prince's Foundation
- Rhodes Trust
- Royal College of Music
- St George's Society (New York)
- Teach First
- United Westminster Foundation
- VCM Foundation
- WELL
- RAF 100th Anniversary/Appeal 2018

WPP India CSR Foundation

India is one of the world's fastest-growing economies and an important market for WPP, but the country faces many social challenges and poverty is a major barrier to education for many children.

We established the WPP India CSR Foundation in 2015, with a vision to “enable children and youth from vulnerable and marginalised communities to achieve their full potential through holistic child development with a focus on education, life skills and health”. The Foundation is investing £3 million to reach 10,000 children aged 11-18 over three years, with a focus on supporting education and vocational training.

So far, 8,000 children from vulnerable communities across Mumbai and Greater Delhi have been reached through a range of interventions. These include increasing access to technology in schools, e-learning programs, upgrading school sanitary facilities and investing in a vocational centre for teaching technical skills. During 2017, the Foundation aims to work with schools to introduce computers into classrooms and enable more people from WPP companies in India to get involved as volunteers.

**A SELECTION OF
ORGANISATIONS
WPP COMPANIES
SUPPORTED
IN 2016:**

Afrika Tikkun ■ Cape Town Center ■ Leukemia & Lymphoma Society
 ■ Smile Train ■ Unhomeless Kids ■ United Way Adopt ■ Habitat for Humanity
 ■ Do Good and Do More ■ The Tea Gardens ■ ASPCA ■ Off the Street Club ■
 Breakthrough.org ■ Daily Bread Food Bank ■ Everybody Wins! ■ Fund a
 Family ■ New York Cares ■ The Salvation Army ■ SOS Kinderdörfer ■
 Garrahan Hospital ■ National Park Foundation ■ SAGE ■ Hole In The Wall
 Gang Camp ■ New Alternatives for Children ■ High Water Women ■
 American Heart Association ■ Atlanta Humane Society ■ Can Jam-ThinkLA
 ■ Project Open Hand ■ The Wellspring Charity Foundation ■ LiftUp Atlanta ■
 Meals on Wheels ■ Angel Tree Program, Covenant House: Helping Homeless
 Children & Youth ■ Portland Homeless Family Solutions ■ Oregon Food
 Bank ■ American Kidney Fund ■ Cardz for Kidz ■ RUOK? ■ Chicago Food
 Depository ■ Bowery Mission ■ Nelson Mandela Foundation ■ Unicef ■
 Willing Hearts ■ The Lost Dogs' Home Melbourne ■ Nourish Foodbank ■
 Encore Community Services ■ Repack in Hunts Point ■ Holy Apostle Soup
 Kitchen ■ St. Clements Food Pantry ■ Community Kitchen of West Harlem
 ■ Gay Men's Health Crisis ■ Little Sisters of the Assumption Family ■ Grand
 Central Neighborhood Social Services ■ American Red Cross ■ Project
 Sunshine ■ Sing for Hope ■ Career Gear ■ Big Brothers Big Sisters ■ Grand
 Street Settlement ■ Manhattan Child & Family Center ■ VISIONS ■ Harley
 House ■ Animal Rescue Coalition ■ Jewish Lifecare ■ Sean Casey Animal
 Rescue ■ Yorkshire Cancer Research ■ Denver Rescue Mission ■ Toys for Tots
 ■ Feeding Tampa Bay ■ Dubai Centre for Special Needs ■ Hands to Help
 Uganda ■ Knitting for Charity ■ Making a Difference Foundation ■ Sacred
 Heart Mission ■ Children's Home Portland ■ Gift of Light ■ Shoebox Project,
 Mother's Choice ■ Children in Need for Care ■ ELA Foundation ■ Build The
 Future Foundation ■ Comitato Letizia Verga ■ Red Door Shelter ■ Ottawa
 Community Housing ■ Dare to Care ■ Macmillan Cancer Support ■ Make-A-
 Wish Foundation ■ Haribon Foundation ■ United Way ■ New York Cares Coat
 Drive ■ Save the Children ■ Caritas Frankfurt ■ Hug a Baby ■ Rebuilding
 Together New York ■ Race Against Dementia ■ National Park Service ■ Hope
 Pick-Up ■ Ad Relief ■ Singapore Special Olympic Flag ■ New York Cares ■
 Camp Ooch ■ Feed the Homeless ■ Food Centre Drive Bronx ■ MicroLoan
 Foundation ■ Community Kitchen ■ James J. Peters VA Medical Center ■
 Gallop NYC-Therapeutic Horsemanship ■ Head Start ■ APEX for Youth ■ Blind
 and Visually Impaired ■ Hartley House ■ Senior Breakfasts ■ Animal Haven ■
 Foodcycle ■ The Roby Charity ■ Operations Backpack ■ Futureversity ■ Scope
 ■ Publicidar Foundation ■ Anti-Cruelty Society of Chicago ■ Cancer Council
 ■ RSPCA ■ Samaritan's Purse UK ■ CARE International ■ City Harvest ■ Clean
 City Together Toronto ■ Red Door Shelter ■ Caritas Frankfurt ■ American
 Cancer Society ■ Run For Charity ■ Haribon Foundation ■ Bethanien
 Kinderdorf ■ Acton Homeless Concern ■ Urban Roots ■ Project Onward ■
 Bideawee ■ North Texas Food Bank ■ Muscular Dystrophy Association

Governance & management

WPP is a large group with over 3,000 offices in 112 countries and we operate in a decentralised way, with many decisions made at operating company level. We aim to achieve consistently-high standards on sustainability across the Group and we provide a clear framework for our companies through our Group policies, including our Code of Business Conduct, Sustainability Policy, Data Code of Conduct and Human Rights Policy Statement.

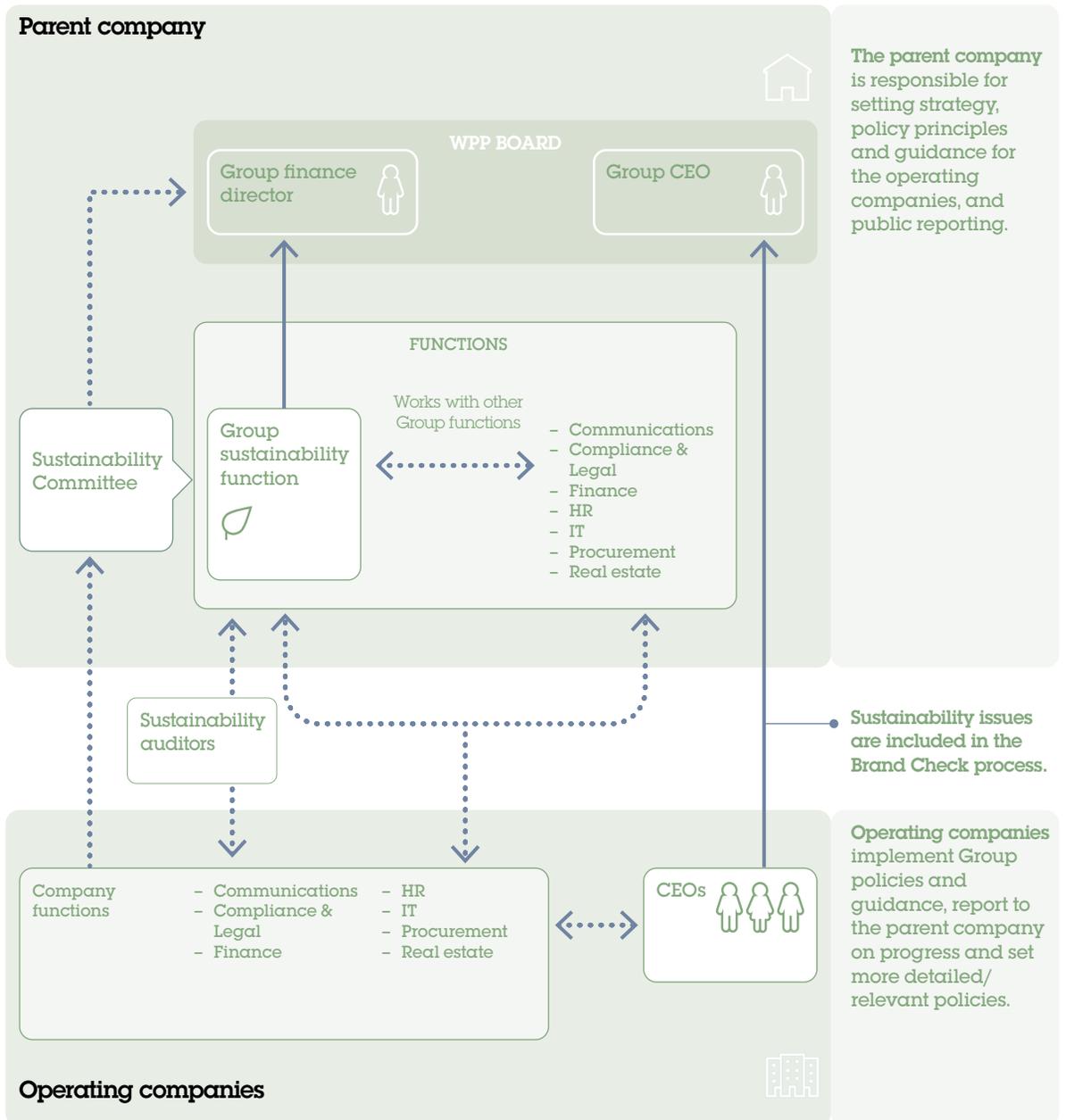
Roles and responsibilities

Paul Richardson, WPP's Group finance director, is the Board director responsible for sustainability. He chairs our Sustainability Committee made up of senior representatives from Group functions, which reviews progress on key sustainability issues. Our central sustainability function develops strategy and coordinates data collection. It communicates on sustainability matters on behalf of the Group and works with Group functions (such as our talent team, legal, real estate, IT and procurement). The head of sustainability reports directly to the Group finance director.

Strategic direction and policy frameworks for sustainability are established at Group level with implementation devolved to our companies. During 2016, we appointed two sustainability advisors centrally to support our operating companies on sustainability, build capacity and to audit compliance with the WPP Code of Business Conduct, Sustainability Policy and Human Rights Policy Statement. During 2017, we will launch a sustainability self-assessment questionnaire to all WPP offices to help us identify gaps in implementation focusing on governance, employment practices, environment and supply chain. The sustainability advisors will use the results of the assessment to identify gaps, prioritise companies for further engagement including on-site assessments and training and promote continual improvement.

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

How we manage sustainability issues



Stakeholder engagement and materiality

We interact with a wide range of stakeholders in the course of doing business and benefit from their views and insights. Our most important stakeholder groups are clients, investors and our people.

Stakeholder feedback helps us to identify the priority sustainability issues for our business and to manage these effectively. We carried out a materiality assessment in 2014 and we updated this during 2016 through research with external stakeholders and senior people. The findings are summarised on page 12.

We engaged with investors, rating agencies and benchmarking organisations on sustainability during 2016 including CDP, Dow Jones Sustainability Index, ET Carbon Index Research, La Financière de l'Echiquier, FTSE4Good, Generali Investments, Human Rights Campaign Corporate Equality Index, Institute of Business Ethics, MSCI, STOXX Global ESG Leaders, Sustainalytics, Trillium Asset Management and Vigeo. To raise investor awareness of our activities, we submit the Sustainability section of our Annual Report for share owner voting at our AGM.

We are included in the FTSE4Good Index. We participate in the Carbon Disclosure Project (CDP) and received a score of A- in 2016.

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 FRC guidance on risk management and internal control, as well as the relevant provisions of the Securities Exchange Act of 1934.

Assessing and managing our risks

The Board, with support from the Audit Committee, has overall responsibility for the system – internal control and risk management in the Group. Social, environmental and ethical risks are considered in the Group's risk identification, management and monitoring processes. Our approach is summarised opposite. More detail is provided in our Annual Report including a list of principal risks and uncertainties, see www.wpp.com/annualreports/2016/risks.

Control environment and culture

The quality and competence of our people, their integrity, ethics and behaviour and the culture embedded within the Group are all vital to the maintenance of the Group's system of internal control.

The Code of Business Conduct, which is regularly reviewed by the Board, sets out the principal obligations of all our people. Senior executives throughout the Group are required to sign this Code each year and all our people are required to complete the WPP How We Behave, Anti-Bribery and Corruption and Privacy & Data Security Awareness training modules, see page 28. The WPP Policy Book, which is updated with control bulletins, includes required practices in many operational, tax, legal and human resource areas. Breaches or alleged breaches of the Code are investigated by the director of internal audit, head of compliance, the Group chief counsel and external advisers where appropriate. Group companies are also required to follow the Data Code of Conduct and the Code of Business Conduct – Supplier Version.

The Group has an independently operated helpline, Right to Speak, to enable our people to report issues that they feel unable to raise locally, and anonymously, if necessary, see page 28. The Compensation Committee reviews how the Group's performance rewards support the risk management and internal control systems.

Risk assessment

The Group uses a three lines of defence model in relation to risk management.

First, each operating company undertakes monthly and quarterly procedures and day-to-day management activities to review their operations and business risks, supported by Group policies, training and SOX and reviews within their network.

Secondly, operating network reviews are formally communicated to the Group chief executive, the Group finance director and senior parent company executives in monthly reports and quarterly review meetings. At each Board meeting, the Group chief executive presents a Brand Check review of each of the business' operations, including an assessment of risk. This includes the possibility of winning or losing major business, succession and the addition or loss of a key executive; introduction of new legislation in an important market; sustainability, including risks relating to marketing ethics, privacy and employment; political instability and changes in accounting or corporate governance practice.

Thirdly, internal audit, with Audit Committee oversight and external resource as required, provides an independent review of risk management and internal control.

Control activities and monitoring

Policies and procedures for all operating companies are set out and communicated in the WPP Policy Book, internal control bulletins and accounting guidelines. The application of these policies and procedures is monitored within the individual businesses and by the director of internal audit, head of compliance and the Group chief counsel.

Operating companies are required to maintain and update documentation of their internal controls and processes. The internal audit department was responsible for reviews and testing of the documentation and the relevant controls for a majority of the Group during 2016, the results of which were reported to the Audit Committee.

Read more in our Annual Report, www.wpp.com/annualreports/2016/.

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.

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.

The Group paid corporation taxes of £414.2 million in 2016, an increase on £301.2 million in 2015 following increased profits earned during the current year. Estimated employer social security-related taxes paid during 2016 were £660 million (2015: £625 million), and estimated employee social security-related taxes paid during 2016 were £375 million (2015: £360 million). Other taxes (primarily property taxes) paid during 2016 were £57.3 million (2015: £49.0 million).

We are starting to quantify the wider economic impacts of our business and the benefits associated with our activities including tax payments to governments. More information is available on page 13.

We maintain constructive engagement with the tax authorities and relevant government representatives, as well as active engagement with a wide range of international companies and business organisations with similar issues. We engage advisors and legal counsel to obtain opinions on tax legislation and principles. 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.

We have a Tax Risk Management Strategy in place which sets out the controls established and our assessment procedures for decision-making and how we monitor tax risk. We monitor proposed changes in taxation legislation and ensure these are taken into account when we consider our future business plans. Our directors are informed by management of any tax law changes, the nature and status of any significant ongoing tax audits, and other developments that could materially affect the Group's tax position.

Factors that may affect the Group's future tax charge include the levels and mix of profits in the many countries in which we operate, the prevailing tax rates in each of those countries and also the foreign exchange rates that apply to those profits. The tax charge may also be affected by the impact of acquisitions, disposals and other corporate restructurings, the resolution of open tax issues, future planning, and the ability to use brought forward tax losses. Furthermore, changes in local or international tax rules, for example prompted by the OECD's Base Erosion and Profit Shifting (a global initiative to improve the fairness and integrity of tax systems), or new challenges by tax or competition authorities, may expose us to significant additional tax liabilities or impact the carrying value of our deferred tax assets, which would affect the future tax charge.

The Group has a number of open tax returns and is subject to various ongoing tax audits in respect of which it has recognised potential liabilities, none of which are individually material. The Group does not currently expect any material additional charges, or credits, to arise in respect of these matters, beyond the amounts already provided.

Annual Board and Committee Evaluation

For 2016/17, the Senior Independent Director conducted the annual Board effectiveness review. The review covered Board organization and structure, Board meetings, Board performance and responsibilities, the Chairman's performance and the performance of the three Board Committees. The review additionally covered the areas previously identified by the external evaluator, including Board membership and director succession planning (both executive and non-executive) and particular Board processes. The results of the evaluation and feedback from interviews with Directors were discussed by the Board at its meeting in April 2017.

The review identified significant progress in WPP's Board processes, to include in-depth engagement and discussions with management about business operations and short- and mid-term strategy and challenges, positive and informed interaction and collaboration among Directors, effective leadership by the Chairman, and overall effective Committee functioning and briefings to the full Board. The review also identified progress in certain aspects of director succession planning, which remains a focus as described below.

The recommendations to improve Board effectiveness further over the next year focused on:

- i) Succession planning – further developing Board activities and process for both emergency and longer term succession plans for key senior roles at the Board level, including ongoing identification of leadership criteria and skill sets for such roles, and increasing Board knowledge of the talent pool, both internal and external, building on progress this past year
- ii) Training – development of both an induction programme for Board joiners and ongoing training and knowledge briefings for the Non-Executive Directors.
- iii) Board composition – further improving the contribution that the Board can make to the business, by assessing skill sets that will match WPP's business strategy, best practice corporate governance requirements and stakeholder expectations, so as to continue to attract the appropriate and diverse Non-Executive Director talent for future Board refreshment, while optimising Board and Committee size.
- iv) Use of Board time – good progress has been made, and the goal is to further develop the agenda to ensure that a proper balance of strategy, performance and governance issues are included through the annual cycle of board meetings, with increased time allocation for strategy, risk reviews, and the rapidly changing industry landscape.

The Chairman, supported by the Company Secretary, will monitor and ensure progress on the implementation of the appropriate recommendations.

Other information

About this report

Our 15th Sustainability Report explains how we manage the social, ethical and environmental impacts of our business and our performance during 2016.

Data

Data is for the calendar year 2016. The majority of our data is collected quarterly through our financial reporting system. Some people data is collected through an HR Survey issued to our global HR directors.

Data from our financial reporting system covers all subsidiaries of the Group – 134,000 direct employees. 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 from the HR survey covers 77% of the Group. We are working to improve the coverage of this survey.

Our carbon footprint, some environmental and some people data has been externally assured by Bureau Veritas. Our per person carbon footprint figures are calculated using data for full-time equivalent employees (FTEs).

As a result of an error identified in the currency conversion factors used to estimate our 2015 free media space data, we have restated the 2015 free media space figure to £20.7 million (previously £24.4 million). This reduced the 2015 total social contribution figure to £40.2 million.

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.

Guidelines and reporting frameworks

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 G4 context index for a list of disclosures and their location in our Report. See pages 110 to 119.

WPP are members of the United Nations Global Compact (UNGC) and this Report forms our second communication on progress. We provide an index on pages 107 to 109 which summarises our approach and progress on each of the UNGC's 10 principles.

Accessibility

We aim to make our website, including our online Sustainability Report, as accessible as possible. In Q1 2017, our site was ranked third out of 494 company websites tested by Sitemorse for accessibility. See www.sitemorse.com.

Data summary

Key data

Basic Group info

	Units	2016	2015	2014	2013	2012
Number of countries		112	112	111	110	110
Number of offices		3,000	3,000	3,000	3,000	3,000

Benchmarks

FTSE4Good	Member	Member	Member	Member	Member
CDP	A-	97 B	98 B	95 B	81 B

Economic

	Units	2016	2015	2014	2013	2012
Billings	£m	55,245	47,632	46,186	46,209	44,405
Revenue	£m	14,389	12,235	11,529	11,019	10,373
Headline PBIT	£m	2,160	1,774	1,681	1,662	1,531
Market capitalisation at year-end	£m	24,500	20,237	17,831	18,613	11,237
Staff costs	£m	7,785	6,653	6,440	6,477	6,106
Taxation	£m	389	248	300	284	197

Social investment

	Units	2016	2015	2014	2013	2012
Charitable donations	£m	7.0	5.9	4.8	4.9	5.0
Arts	%	4	4	9	6	6
Education	%	21	23	22	20	19
Environment	%	1	1	2	2	1
Health	%	20	23	22	21	15
Human rights	%	8	8	4	–	–
Local community	%	47	41	40	21	24
Pro bono	£m	12.5	13.5	17.0	14.7	11.1
Arts	%	8	5	6	4	7
Education	%	21	13	17	14	15
Environment	%	7	5	5	6	5
Health	%	24	37	39	29	18
Human rights	%	7	5	2	–	–
Local community	%	32	36	31	20	26
Social investment (excl. free media space)	£m	19.5	19.4	21.8	19.6	16.2
As a proportion of profit before tax	%	1.03	1.30	1.51	1.51	1.48
Free media space	£m	22.8	20.7	25.1	19.8	14.3
Total social contribution (incl. free media space)	£m	42.3	40.2	46.9	39.4	30.5
As a proportion of profit before tax	£m	2.23	2.70	3.24	3.04	2.79

Our people

	Units	2016	2015	2014	2013	2012
Headcount						
Excluding people from associate companies		134,000	128,000	124,000	119,000	116,000
Including people from associate companies		198,000	190,000	179,000	175,000	166,000
Age						
19 or under	%	0	0	0	1	1
20-29	%	36	36	36	36	36
30-39	%	37	37	38	37	37
40-49	%	18	18	18	18	18
50-59	%	7	7	7	7	7
60 and over	%	2	2	1	1	1
Gender						
WPP Board	% women	29	29	24	29	19
Executive leaders	% women	34	33	31	32	32
Senior managers	% women	48	47	46	47	47
All staff	% women	54	54	54	54	54
Ethnicity in the UK and US						
Executive leaders	% minority	16	13	11	10	11
Senior managers	% minority	21	20	19	18	18
All staff	% minority	28	26	26	25	23
Training	£m	45.1	41.1	38.2	40.0	38.1
Paid internships and apprenticeships		6,413	5,378	5,911	4,000	–
Days lost due to sickness per person		3.2	3.0	3.2	3.5	3.4

Client work

	Units	2016	2015	2014	2013	2012
Revenue from clients who engaged with us on sustainability	£bn	1.64	1.29	1.35	1.26	0.76
As a % of total revenue	%	11.4	10.6	11.2	10.6	7.3

Environment

	Units	2016	2015	2014	2013	2012
Carbon footprint*						
Total CO ₂ e emissions	tonnes	249,782	264,774	281,389	279,859	283,321
Scope 1 emissions from stationary fuel combustion	tonnes	7,851	8,135	9,748	11,305	9,840
Scope 2 emissions from purchased electricity	tonnes	115,021	123,218	138,348	136,171	140,446
Scope 2 emissions from purchased heat and steam	tonnes	1,884	–	–	–	–
Scope 3 emissions from business air travel	tonnes	92,445	98,885	96,590	95,879	96,080
Scope 3 emissions from other estimated impacts	tonnes	32,581	34,536	36,703	36,503	36,955
Total CO ₂ e emissions per person	tonnes/FTE	1.86	2.07	2.28	2.35	2.45
Total CO ₂ e emissions per £m revenue	tonnes/£m	17.36	21.64	24.41	25.40	27.31
Office energy use						
Total energy use	megawatt hours	339,037	354,018	359,620	380,906	369,255
Direct energy use (natural gas and heating oil)	megawatt hours	37,174	38,287	44,847	52,532	45,673
Indirect energy use (purchased electricity)	megawatt hours	301,863	315,731	314,773	328,374	323,582
Energy use per person	kilowatt hours/ FTE	2,524	2,763	2,909	3,198	3,191
% electricity from renewable sources	%	22	21	14	15	16
Business air travel						
Total business air travel	million miles	571	588	560	538	490
Long haul	million miles	297	316	306	303	346
Medium haul	million miles	213	215	200	171	
Short haul	million miles	60	58	54	64	144
Business air travel per person	miles/FTE	4,249	4,591	4,532	4,519	4,237
Paper†						
Total paper purchased	tonnes	4,460	4,897	5,101	6,584	5,879
Paper purchased with recycled content or FSC/PEFC Certified	%	23	31	–	–	–
Waste and Recycling						
Total non-recycled waste	tonnes	4,111	3,059	–	–	–
Breakdown by category						
Incineration (energy recovered)	%	16	22	–	–	–
Incineration (non-energy recovered)	%	17	9	–	–	–
Landfill	%	62	64	–	–	–
Unknown	%	5	5	–	–	–
Total waste recycled	tonnes	6,122	5,713	5,416	5,106	4,886
Breakdown by category						
Paper and cardboard	%	73	71	73	81	82
IT waste	%	2	2	3	3	3
Other waste recycled	%	25	27	24	16	15

* Renewable electricity rated at zero emissions.

† In 2015, we had to estimate our paper consumption. This year we are able to use actual data. This means it is not possible to compare performance year-on-year.

Quantifying our impacts: methodology and results

This section explains the results, principles, methods and data used in quantifying the economic, social and environmental impacts associated with our operations; see page 13 for a summary of the results. This analysis was carried out with Sustain Value, and is based on established social and environmental accounting techniques.

This is the fourth year we have carried out this research to assess and quantify our impacts and the findings should be viewed in light of the following considerations:

- **Impacts:** We have captured only a relatively limited selection of the important sustainability impacts associated with our business. There are still opportunities to expand this further to enable more comprehensive reporting.
- **Methods:** To calculate our impacts we have used, wherever possible, recognized 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 the results and our approach to calculating each measure.

Economic impacts

We considered the benefits associated with our economic activities including salaries, payments to supplier partners, taxes to governments and dividends to share owners.

As for last year, 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 supplier partners to create jobs and spend in the economy.

Gross value added: £12.4 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. The value of services we produce stands at £12.4 billion for 2016/17. This income is used to cover operating costs and taxes, and dividends.

Payroll: £7.1 billion in salaries and benefits

We are a major global employer, offering many thousands of well-remunerated positions. The £7.1 billion we spend on salaries and benefits (excluding social security costs) provides a cash injection into local economies in the 112 countries in which we operate. Our contribution through payroll is calculated based on the aforementioned items as disclosed in the Group's audited financial statements for 2016/17.

Taxes: £1.5 billion paid to governments

Payments of taxes to national and local governments, including corporation and overseas taxes (£414 million), employer and employee taxes (£1 billion) and other taxes (primarily property taxes) (£57 million), enables them to invest in local socio-economic development. Our contribution through taxes is calculated based on tax payments as disclosed in the Group's audited financial statements for 2016/17.

Supply chain: £2.3 billion indirect economic benefit

Our companies provide indirect benefits to economies across the world through procurement of a range of 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.

In 2016, we spent an estimated £6.0 billion with our supplier partners. 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 using a weighted average multiplier based on the 2014 analysis, which determined the total value of expenditure with supplier partners 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 used purchasing-power parity indices from IMF datasets.

Indirect client impact: 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. However, we also recognise that the associated increase in production and consumption will also result in other indirect environmental and social costs. We are still considering ways of measuring this.

Social impacts

Our companies support social and charitable activities through cash donations, by undertaking pro bono work (marketing advice and campaigns for little or no fee) and negotiating free media space for charity campaigns. 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 provide internship and apprenticeship opportunities, which equip people with skills and experience that enhance their future life prospects. In addition, our companies train staff at all levels that not only improves WPP's performance, but also enhances the human capital (e.g. skills base) within the company.

Pro bono work: £101 million social benefit

The direct value of our pro bono work was £12.5 million in 2016, based on the fees that organisations would have paid for our work. When the full potential societal benefit is taken into account, the overall benefit to society may be in the order of £101 million.

The benefits of pro bono work (primarily undertaken for the benefit of charities) are difficult to quantify. They include things such as helping to improve health and well-being in communities. 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 undertook a literature review of reports and papers (i.e. secondary data) to ascertain the average social return on investment (SROI) ratio generated by the same categories as those represented by the pro bono work undertaken. This includes arts, education, environment, health, human rights and local community.

The average ratio calculated for each category was then applied for each of these categories to the annual direct value of pro bono work, in line with the approach adopted over the past two years.

We believe this to be a conservative assumption, because 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.

Charitable donations: £55 million social benefit

In 2016, the Group's direct charitable donations were £7 million. These donations support important work in areas such as education, health, human rights, local community, environment and the arts. The overall value of social benefits resulting from these donations is estimated to be around £55 million per year.

The approach to determining the additional societal value is based on the literature review of SROI ratios mentioned above, covering the same six categories. The average SROI ratios found for each category were applied to the direct spend for each of those same categories. 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.

Free media space: £183 million of social benefit facilitated

WPP has also helped negotiate free media space for our pro bono clients worth £22.8 million in 2016. This represents the cost saving to our pro bono clients for them not to have to purchase media space for their environmental and social campaigns. For the purposes of this assessment, we have assumed that free media space has an impact similar to that of the pro bono work and charitable donations, calculated to be around £183 million. As there is no breakdown of spend by category for this, we have applied an overall weighted average SROI ratio based on the ratios and spend for pro bono work and charitable donations.

Internships and apprenticeships: £6 million social benefit

In 2016, we provided 6,413 paid internship and apprenticeship positions across the Group. We estimate these create benefits worth £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.

The value is based on the same value multiplier as developed in 2014. This 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. The approach takes into account the number of interns worldwide and the proportion 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.

Training: £45.1 million minimum societal benefit

In 2016, WPP spent £45.1 million on training courses for staff at all levels, with additional travel, accommodation and subsistence costs of £7.6 million also being incurred. The £45.1 million represents a lower-end estimate of overall value as it only reflects course costs rather than the overall benefit that staff receiving the training will gain in terms of their enhanced human capital value. The latter will be manifested when they leave the company, along with the human capital gained through their on the job experience. It is also recognised that this training will generate additional value (i.e. SROI) for WPP from improved staff productivity and recruitment cost savings. These should effectively be captured through future enhanced gross value added (GVA) generated by WPP. We hope to include an estimate of additional added value to staff in subsequent reports.

Environmental impacts

Climate change is our most significant environmental impact, but again this year we have also analysed impacts associated with water consumption and waste disposal.

Greenhouse gas emissions: £5.4 million net 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 was £9.5 million in 2016. 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 (zero emissions assumed). With our investments in renewable energy offsets included (see below), our net cost to society is £5.4 million.

In 2016, WPP invested in renewable energy projects to offset 92,445 tCO₂e emissions associated with climate change impacts of business air travel. Based on the assumed social cost of carbon, this represents a positive societal impact of £3.4 million. In addition, WPP purchased renewable energy certificates (RECs) in the US, equivalent to saving 11,867 tCO₂e, with an assumed societal value of £0.4 million.

The basis of the above GHG calculations is that each tonne of GHG released into the atmosphere damages society, the environment and the economy by impacting on, for example, climate, health, and the built environment. The economic cost of this damage is called the social cost of carbon. Many studies have identified a range of estimates for the social cost of carbon. The estimates span from 0 to over £400/tCO₂e as they take into account uncertainties in climate and climate change impacts.

For consistency, we applied the same approach and value as 2014 (i.e. based on the Stern Report), but adjusted upwards to allow for inflation (i.e. £36.96 tCO₂e). For transparency, we split the value into the negative impact of our gross emissions and the positive impact of our carbon offsets. In addition, we assume zero emissions for the purchase of renewable electricity. 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.

Water impacts: £1.3 million cost to society

As with any other services company, our staff and office operations depend on water, which is increasingly recognised to have an unpaid-for societal cost. The societal cost of WPP's direct water consumption is estimated to be in the order of £1.3 million.

This is based on actual water consumption data from 11 offices located in water-stressed areas (an average 11.6m³ of water per person – using 2014 data) and an average assumed consumption rate of water for all other offices (15m³ per person per year). For each of the 11 office locations and for each country with an office, a water stress ratio (total water withdrawals to total renewable supply) was established from the WRI Aqueduct Water Risk Atlas (for office locations) and from FAO AQUASTAT data (for countries). An indicative societal value for water was determined based on the PUMA (2012) water scarcity valuation approach, with values updated to 2016 values based on World Bank global consumer price inflation data. Actual market costs incurred for purchasing water are included within operational costs in the financial accounts.

Waste disposal: £0.08 million cost to society

Whilst 61% of WPP's waste was recycled in 2016, the remainder was either sent to landfill or incinerated with or without energy recovery. The societal cost associated with the non-recycled waste is estimated to be around £82,000, which relates to GHG and other air emissions, leachate and other associated dis-amenity impacts (e.g. visual and odour).

This value is based only on the non-recycled waste data, although it is acknowledged that the recycled waste will have an overall net negative impact too. Societal costs per tonne of incinerated (with and without energy recovery) and landfilled waste have been derived from Rabl, Spadaro and Zoughaib (2008), and updated using World Bank consumer price inflation data. Societal costs are estimated to be £50,000 for landfilled waste, £5,000 for incinerated waste with energy recovery, and £22,000 for incinerated waste with no energy recovery. Waste that is disposed of that is not allocated to any of the previous categories is assumed to have the same negative cost as the incineration without energy recovery (with a societal cost of £6,000). However, these values are based on average societal costs determined for European countries. More detailed country-specific costs could be estimated in future assessments. Actual market costs incurred for waste disposal are included within operational costs in the financial accounts.

References

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- Stern, N. (2007) *Stern Review: The Economics of Climate Change*. Cambridge University Press.
- WRI Aqueduct Water Risk Atlas, <http://www.wri.org/applications/maps/aqueduct-atlas/#x=8.00&y=0.38&s=ws!20!28!c&t=waterrisk&cw=def&g=0&i=BWS-16!WSV-4!SV-2!HFO-4!DRO-4!STOR-8!GW-8!WRI-4!ECOS-2!MC-4!WCG-8!ECOV-2!&tr=ind-1!prj-1&l=3&b=terrain&m=group>

Independent Verification Statement

Bureau Veritas UK Limited (Bureau Veritas) has been engaged by WPP Ltd. (WPP) to provide limited assurance of selected sustainability data for 2016. This Assurance Statement applies to the related information included within the scope of work described below.

Scope of verification

The scope of our work was limited to assurance over the accuracy of the sustainability data listed below and included in WPP's Sustainability Report (the report). Our work includes all global operations under WPP's control for the period of 1 January 2016 to 31 December 2016 for the following indicators (Selected Information):

GHG emissions & associated activity data

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

Employment data

- Age and gender data
- Ethnicity data (UK and USA operations only)
- Health and safety data

Waste management data

- Waste to recycling
- Non-recycled waste

Assessment standard

We performed our work in accordance with a comprehensive internal protocol that guides our verification activities. Our methodology is based on international best practice and incorporates the requirements of the most widely used assurance international standards including AA1000 Assurance Standard, ISAE3000, and ISO14064-3. Our conclusions are for 'limited' assurance as set out in ISAE 3000.

Methodology

As part of the independent verification, Bureau Veritas undertook:

- interviews with relevant personnel of WPP responsible for GHG emissions accounting, waste data 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;
- a remote review of a sample of the Selected Information against the corresponding source documentation from 10 of WPP's operations worldwide, the sample was selected based on air travel, energy consumption, geographical location and head count;
- audit visits to five of WPP's operation: MediaCom Dusseldorf, H+K Strategies London, Westbourne Terrace Management Services Ltd. London, WPP Group USA Inc., Y&R Paris; and
- a review of the consolidated 2016 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 2016/2017 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, waste and employment data for WPP.

Reported GHG emissions

Scope 1: 7,851 tonnes of CO₂e

Scope 2: 116,905 tonnes of CO₂e (net, including the carbon reduction of green-tariff electricity & Renewable Energy Certificates)

146,846 tonnes of CO₂e (gross, excluding the carbon reduction of green-tariff electricity & Renewable Energy Certificates)

Scope 3: 92,445 tonnes CO₂e (air travel)

Such opinion is based on work undertaken and the limitations and exclusions defined in this statement.

Limitations and exclusions

Excluded from the scope of our work is any verification of information relating to:

- activities outside the defined reporting period;
- 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'. These scope 3 GHG emissions were not subject to verification; and
- one of the 10 of WPP's locations selected for remote data verification could not provide the relevant back-ups for waste and sickness days in due time and hence was not subject to verification.

Observations and recommendations

- WPP has demonstrated a consistent and structured approach towards sustainability data reporting across operations and parameters.
- Several sites are not currently reporting all of the waste that they generate, due to a lack of available source information. In these instances, applying a consistent estimation would help to avoid gaps in the waste data.

Statement of independence, integrity and competence

Bureau Veritas is an independent professional services company that specialises in quality, environmental, health, safety and social accountability with over 185 years' history. Its assurance team has extensive experience in conducting verification over environmental, social, ethical and health and safety information, systems and processes.

Bureau Veritas operates a certified Quality Management System which complies with the requirements of ISO 9001:2008, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Bureau Veritas has implemented a code of ethics across its business which ensures that all our staff members maintain high standards of integrity and independence. Bureau Veritas believes this assignment did not raise any conflicts of interest.



Bureau Veritas UK Limited

April, 2017

106

WPP SUSTAINABILITY REPORT 2016/2017

United Nations Global Compact Index

"I am pleased to reaffirm WPP's commitment to the 10 principles of the United Nations Global Compact covering human rights, labour, environment and anti-corruption. We are working to integrate these principles into our strategy, culture and operations, and we are committed to collaborating with our clients, suppliers, the UN and others on these issues and to sharing our progress with stakeholders through our Sustainability Report."

Sir Martin Sorrell, Group chief executive

We joined the United Nations Global Compact in 2015, and are committed to its 10 principles covering the areas of human rights, labour, environment and anti-corruption.

This report is our second Communication on Progress against the Global Compact Principles, covering the year 2016. This table provides a summary of our approach in each area and links to where further information and performance data can be found in our report.

Human rights and labour	Summary of approach	Location in our reporting
<p>Principle One Businesses should support and respect the protection of internationally proclaimed human rights; and</p>	<p>Respect for human rights is a fundamental principle for WPP and we take steps to prevent, identify and address any negative human rights impacts associated with our business as well as looking for opportunities to positively promote and support human rights.</p>	<p>Human rights, pages 30 and 52 Our ethical standards, page 28</p>
<p>Principle Two make sure they are not complicit in human rights abuses.</p>	<p>Our human rights policy statement reflects international standards and principles including the International Bill of Human Rights, the UN's Guiding Principles on Business and Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the Children's Rights and Business Principles. Our commitment is also explained in our Code of Business Conduct, page 121, our Sustainability Policy, page 120, and our Code of Business Conduct – Supplier Version, page 74. We updated a number of other policies relating to employment and procurement during 2016 to reflect our commitment to human rights.</p>	<p>Diversity and inclusion, page 40 Health, safety and well-being, page 53</p>
<p>Principle Three Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;</p>	<p>Our people Our main human rights impact is as a major employer in 112 countries and we aim to embed respect for human rights into our employment practices. This includes providing safe workplaces, selecting and promoting our people on the basis of their qualifications and merit, preventing discrimination and encouraging diversity. We recognise the rights of our people to freedom of association and collective bargaining and will not tolerate discrimination, harassment or any form of forced, compulsory or child labour. We report our progress in areas such as diversity and health and safety in our Sustainability Report.</p>	

Human rights and labour	Summary of approach	Location in our reporting
<p>Principle Four the elimination of all forms of forced and compulsory labour;</p>	<p>Our people can report concerns or suspected cases of misconduct including those relating to human rights through our third party-managed Right to Speak facility, overseen by our internal audit department.</p>	<p>Ethical standards, page 28</p>
<p>Principle Five the effective abolition of child labour; and</p>	<p>Modern slavery We do not tolerate any form of modern slavery, forced labour or human trafficking in any part of our business or supply chain. As part of our due diligence processes we have assessed the risk of modern slavery for WPP. This found the risk of modern slavery to be very low in our direct workforce and among our strategic tier-one suppliers, those with whom we have a direct contractual relationship. During 2017, we will publish our first annual slavery and human trafficking statement in response to the UK's Modern Slavery Act that will contain more information on our approach. This will be publicly available on our website.</p>	<p>Modern slavery, pages 31 and 75 Modern Slavery Act Transparency statement www.wpp.com/wpp/about/howwebehave/governance/</p>
<p>Principle Six eliminate discrimination in respect of employment and occupation.</p>	<p>Supplier partners We expect supplier partners to adopt similar human rights standards to our own and all major supplier partners are asked to sign our Code of Business Conduct – Supplier Version. This includes 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) and other sustainability issues. We assess supplier partners in key areas of our supply chain on sustainability risks, including human rights risks.</p>	<p>Supply chain, page 72</p>
	<p>Wider impacts Our companies provide creative services to organisations involved in protecting and promoting human rights, often on a pro bono basis. This is our main opportunity to positively promote human rights. We report the value of this work and publish recent examples in our Pro bono book. www.wpp.com/probono/2016/</p>	<p>Social investment, pages 84 to 87 Pro bono book www.wpp.com/probono/2016/</p>
Environment	Summary of approach	Location in our reporting
<p>Principle Seven Business should support a precautionary approach to environmental challenges;</p>	<p>We aim for WPP to be a low-carbon and resource-efficient Group and we support a precautionary approach to environmental challenges such as climate change. Our approach is summarised in our Sustainability Policy, page 120.</p>	<p>Environment, page 56 Supply chain, pages 67 and 72</p>
<p>Principle Eight undertake initiatives to promote greater environmental responsibility; and</p>	<p>We focus on:</p> <ul style="list-style-type: none"> ▪ Energy use and climate change: building and IT energy use, renewable energy purchasing, business air travel, videoconferencing and carbon offsetting ▪ Resource use: paper, water and waste management <p>We are close to meeting our target to reduce our per head carbon footprint to 1.8 tonnes, a 47% reduction since 2006. We report our progress annually.</p> <p>Supplier partners We aim to select supplier partners who meet high environmental standards and we work with suppliers on environmental issues.</p>	

Environment	Summary of approach	Location in our reporting
<p>Principle Nine Encourage the development and diffusion of environmentally friendly technologies.</p>	<p>Working with clients Our companies work with clients on environmental campaigns designed to raise the profile of greener products and services and engage consumers on sustainability issues. We have also analysed the carbon footprint of our value chain and are exploring how we can work with clients to reduce the carbon footprint of media campaigns.</p> <p>Our companies provide pro bono creative services to organisations involved in environmental protection. We report the value of this work and publish recent examples in our Pro bono book. www.wpp.com/probono/2016/.</p>	<p>Sustainability in marketing, page 16 Our wider carbon impact, page 68 Pro bono book, www.wpp.com/probono/2016/</p>
Anti-corruption	Summary of approach	Location in our reporting
<p>Principle 10 Businesses should work against corruption in all its forms, including extortion and bribery.</p>	<p>The WPP Code of Business Conduct provides the framework for how we operate. It establishes the values and ethical standards that all our companies must implement, including zero tolerance for bribery or corruption. It is supported by detailed policies on anti-bribery and corruption, gifts and entertainment and the appointment of third-party advisors.</p> <p>Senior managers in all our companies and our business partners and major supplier partners are asked to sign a copy of the WPP Code of Business Conduct each year to confirm they will comply with its principles.</p> <p>We have a Group-level committee that meets regularly to discuss ethical and compliance issues including risks relating to bribery and corruption.</p> <p>Our ethics training, 'How we behave', is compulsory for all our people. It covers topics such as diversity, human rights and avoiding misleading work. Our online training on anti-bribery and corruption covers the Foreign Corrupt Practices Act and UK Bribery Act on issues such as hospitality and gifts, facilitation payments and the use of third-party advisors. All our people are required to complete both sets of training and over 120,000 have done so since the last update in 2016.</p> <p>Acquisitions and sensitive countries Our due diligence process for acquisitions and expansion into new markets includes a review of ethical risks including those relating to bribery and corruption, human rights or ethical issues associated with client work. We take steps to ensure that acquired businesses embed our policies and undertake our anti-bribery training.</p> <p>Supplier partners Supplier partners must comply with our Anti-Bribery and Corruption Policy and our procurement professionals work with supplier partners to ensure our policy is implemented.</p>	<p>Our ethical standards, page 28 Supply chain, page 74 Code of Business Conduct, page 121</p>

GRI G4 content index

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	Comment	Location in document
GENERAL STANDARD DISCLOSURES		
STRATEGY AND ANALYSIS		
G4-1 Statement from most senior decision maker.		From our CEO, page 2
G4-2 Key impacts, risks and opportunities.		Sustainability and our strategy, page 8 Our sustainability priorities, page 11 Our materiality process, page 11 Our client work, page 14 Governance and management, page 90 Principle risks and uncertainties, www.wpp.com/annualreports/2016/risks
ORGANISATIONAL PROFILE		
G4-3 Name of the organisation.		WPP plc
G4-4 Primary brands, products and services.		WPP – What we do, www.wpp.com/wpp/about/whatwedo/
G4-5 Location of the organisation's headquarters.		WPP – Where we are, www.wpp.com/wpp/about/whereweare/
G4-6 Number of countries where the organisation 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.		WPP – Who we are, www.wpp.com/wpp/about/whoweare/ WPP – Where we are, www.wpp.com/wpp/about/whereweare/
G4-7 Nature of ownership and legal form.		WPP Annual Report and Accounts 2016, www.wpp.com/annualreports/2016/
G4-8 Markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries).		Introduction, page 1 WPP – What we do, www.wpp.com/wpp/about/whatwedo/ WPP – All countries, www.wpp.com/wpp/companies/
G4-9 Scale of organisation.		WPP – At a glance, www.wpp.com/wpp/about/wppataglance/
G4-10 (M) Total workforce by employment contract and gender.	We do not currently report employee numbers by contract type or the number of freelance workers.	Our people, page 36 Our people/Gender balance, page 41

General Standard Disclosures	Comment	Location in document
G4-11 Percentage of total employees covered by collective bargaining agreements.		Our people/Monitoring progress/ Labour relations, page 54
G4-12 Describe the organisation's supply chain.		Supply chain, page 72
G4-13 Significant changes during the reporting period regarding the organisation's size, structure, ownership, or its supply chain.	No major changes during the year.	About this report, page 96
G4-14 Whether and how the precautionary approach or principle is addressed by the organisation.		United Nations Global Compact Index, page 107
G4-15 Externally developed economic, environmental and social charters, principles, or other initiatives to which the organisation subscribes or which it endorses.		Client work/Human Rights, page 30 Our people/Diversity and inclusion, page 40 Governance and management/ Corporate Governance, page 92 United Nations Global Compact Index, page 107
G4-16 Memberships in associations (such as industry associations) and/or national/international advocacy organisations in which the organisation: * has positions in governance bodies; * participates in projects or committees; * provides substantive funding beyond routine membership dues; or * views membership as strategic.		Client work/Public policy and lobbying, page 32 Client work/Privacy and data security, page 34 Our people/Gender balance, page 41 Our people/Disability, page 46
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES		
G4-17 All entities included in the organisation's consolidated financial statements or equivalent documents and whether any of these entities is not covered by the report.	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.	Our companies & associates, page 6 About this report, page 96 Annual Report and Accounts www.wpp.com/annualreports/2016/
G4-18 Explain the process for defining the report content and the Aspect Boundaries and how the organisation has implemented the Reporting Principles for Defining Report Content.		Our sustainability priorities, page 11 Our materiality process, page 12 Governance and management/ Stakeholder engagement and materiality, page 92
G4-19 All the material Aspects identified in the process for defining report content.		Our sustainability priorities, page 11 Our materiality process, page 12

General Standard Disclosures	Comment	Location in document
G4-20 The Aspect Boundary within the organisation for each material Aspect.	All Material Aspects selected in this report apply equally to all of our operations and entities as listed in G4-17, unless otherwise noted.	Our sustainability priorities, page 11 Our materiality process, page 12 About this report, page 96
G4-21 The Aspect Boundary outside the organisation for each material Aspect.	Our materiality assessment diagram (page 12) indicates the relative importance of each of our material issues to stakeholders. The material Aspects apply equally across stakeholder groups and geographies unless otherwise noted.	Our materiality process, page 12 Our sustainability priorities, page 11
G4-22 The effect of any restatements of information provided in previous reports, and the reasons for such restatements.		Notes to carbon emissions statement 2016, page 71 Social investment/Performance in 2016, page 82 About this report, page 96
G4-23 Significant changes from previous reporting periods in the Scope and Aspect Boundaries.	There have been no significant changes from previous reporting periods.	
STAKEHOLDER ENGAGEMENT		
G4-24 A list of stakeholder groups engaged by the organisation.		Governance and management/ Stakeholder engagement, page 92
G4-25 The basis for identification and selection of stakeholders with whom to engage.		Governance and management/ Stakeholder engagement, page 92
G4-26 The organisation's approach to stakeholder engagement, including frequency of engagement 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.		Our sustainability priorities, page 11 Our materiality process, page 12 Governance and management/ Stakeholder engagement, page 92
G4-27 Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns, including through its reporting. The stakeholder groups that raised each of the key topics and concerns.	The topics raised by our stakeholders are included on our materiality matrix and the issues of high 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 raised by individual stakeholders.	Our materiality process, page 12 Our sustainability priorities, page 11 Governance and management/ Stakeholder engagement and materiality, page 92 Materiality, page 12

General Standard Disclosures	Comment	Location in document
REPORT PROFILE		
G4-28 Reporting period for information provided.		About this report, page 96
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 96
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 organisation has chosen; the GRI Content Index for the chosen option and the reference to the External Assurance Report, if the report has been externally assured.		About this report, page 96 Assurance statement, page 105 GRI Index, page 110 Online GRI Index www.wpp.com/sustainabilityreports/2016/gri
G4-33 The organisation's policy and current practice with regard to seeking external assurance for the report.		Carbon emissions statement, page 70 About this report, page 96 Independent Verification Statement, page 105
GOVERNANCE		
G4-34 (M) The governance structure of the organisation, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts.		Annual Report and Accounts www.wpp.com/annualreports/2016/ Governance and management/Roles and responsibilities, page 90 Corporate governance, page 92 Our client work/Our ethical standards/Ethical decisions in our work, page 29 Our client work/Public policy and lobbying, page 32
G4-36 Whether the organisation has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body.		Environment/Management approach, page 57 Supply chain/Management approach, page 73 Government and management/Roles and responsibilities, page 90
ETHICS AND INTEGRITY		
G4-56 (M) The organisation's values, principles, standards and norms of behaviour such as codes of conduct and codes of ethics.		Our client work/Our ethical standards, page 28 Code of Business Conduct, page 121 Sustainability Policy, page 120 Human Rights Policy Statement, pages 123 to 124 Our client work/Sustainability in marketing, page 16
G4-58 The internal and external mechanisms for reporting concerns about unethical or unlawful behaviour, and matters related to organisational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines.		Our client work/Our ethical standards, page 123 Supply chain, page 74

General Standard Disclosures	Comment	Location in document
SPECIFIC STANDARD DISCLOSURES		
G4-DMA for all material economic impacts		Our overall approach to managing material sustainability issues – Governance and management, pages 90 to 91 From our CEO, page 2 WPP Annual Report and Accounts, Letter to share owners, www.wpp.com/annualreports/2016/how-were-doing/strategic-report-to-share-owners/ Our management approach for material issues relating to employment – Our people/Management approach, page 37
INDICATORS BY ASPECTS		
CATEGORY: ECONOMIC		
Economic Performance		
G4-EC1 Direct economic value generated and distributed		WPP Annual Report 2016 – Our Financial Statements, www.wpp.com/annualreports/2016/financials Quantifying our impacts, page 13
G4-EC2 Financial implications, risks and opportunities due to climate change		Environment, page 56 Principle risks and uncertainties, www.wpp.com/annualreports/2016/risks
Market Presence		
G4-EC6 Portion of senior management hired from the local community at significant locations of operation.		Our people/Diversity and inclusion/Nationalities and local recruitment, page 44
Indirect Economic Impacts		
G4-EC7 (M) Development and impact of infrastructure investments and services supported	We provide pro bono services, donate money to charity and negotiate free media space on behalf of pro bono clients which can have a positive social impact.	Quantifying our impacts, page 13
G4-EC8 Significant indirect economic impacts, including the extent of impacts.		
G4-EC8 Significant indirect economic impacts, including the extent of impacts.		Quantifying our impacts, page 13

General Standard Disclosures	Comment	Location in document
CATEGORY: ENVIRONMENTAL		
G4-DMA for all material environmental aspects		Our overall approach to managing material sustainability issues – Governance and management, pages 90 to 91 Our management approach for material issues relating to our environmental impact – Environment/Management approach, page 57 Our management approach for material issues relating to our supply chain – Supply chain/Management approach, page 73
Energy		
G4-EN3 Energy consumption within the organisation.		Environment/Our carbon strategy/ Building energy use, page 62 Environment/WPP's carbon emissions statement, page 70 Data summary, page 97
G4-EN4 Energy consumption outside of the organisation.		Environment/Our carbon strategy/ Air travel, videoconferencing and offsetting, page 65 Environment/Our wider carbon impact, page 68 Data summary, page 97
G4-EN6 Reduction of energy consumption.		Environment/Our carbon strategy/ Building energy use, page 62 Environment/WPP's carbon emissions statement, page 70 Data summary, page 97
G4-EN7 (M) Reduction in energy requirements of products and services.		Environment/Our wider carbon impact, page 68
Emissions		
G4-EN15 Direct greenhouse gas (GHG) emissions (scope 1).	This data is externally assured.	Environment/Our carbon strategy/ Performance in 2016, page 60 Environment/WPP's carbon emissions statement, page 70 Data summary, page 97 Independent Verification Statement, page 105
G4-EN16 Energy indirect greenhouse gas (GHG) emissions (scope 2).	This data is externally assured.	Environment/Our carbon strategy/ Performance in 2016, page 60 Environment/WPP's carbon emissions statement, page 70 Data summary, page 97 Independent Verification Statement, page 105

General Standard Disclosures	Comment	Location in document
G4-EN17 Other indirect greenhouse gas (GHG) emissions (scope 3).	Data for business air travel is externally assured.	Environment/Our carbon strategy/ Performance in 2016, page 60 Environment/WPP's carbon emissions statement, page 70 Environment/Our wider carbon impact, page 68 Data summary, page 97 Independent Verification Statement, page 105
G4-EN18 Greenhouse gas (GHG) emissions intensity.		Environment/Our carbon strategy/ Performance in 2016, page 60 Environment/WPP's carbon emissions statement, page 70 Data summary, page 97
G4-EN19 Reduction of greenhouse gas (GHG) emissions.		Environment/Our carbon strategy/ Performance in 2016, page 60 Environment/WPP's carbon emissions statement, page 70 Data summary, page 97
Effluents and Waste		
G4-EN23 Total weight of waste by type and disposal method.	Waste to recycling data is externally assured.	Environment/Resource use and waste/ Waste, page 68 Independent Verification Statement, page 105
Products and Services		
G4-EN27 Extent of impact mitigation of environmental impacts of products and services.		Environment/Our carbon strategy/ Air travel, videoconferencing and offsetting, page 65 Environment/Our wider carbon impact, page 68
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.		Environment/Our carbon strategy/ Air travel, videoconferencing and offsetting, page 65 Environment/Our wider carbon impact, page 68
Supplier Environmental Assessment		
G4-EN32 Percentage of new suppliers that were screened using environmental criteria.		Supply chain/How we select supplier partners, page 76 Supply chain/How we monitor risks, page 76
G4-EN33 Significant actual and potential negative environmental impacts in the supply chain and actions taken.		Environment/Our wider carbon impact, page 68

General Standard Disclosures	Comment	Location in document
CATEGORY: SOCIAL		
LABOUR PRACTICES AND DECENT WORK		
G4-DMA		Our overall approach to managing material sustainability issues – Governance and management, pages 90 to 91 Our management approach for material issues relating to employment – Our people/Management approach, page 37 Our management approach for material issues relating to our supply chain – Supply chain/Management approach, page 73
Employment		
G4-LA1 Total number and rates of new employee hires and employee turnover by age group, gender and region.	We do not currently report turnover rates.	Our people/Appraisals and performance development, page 51
G4-LA3 Return to work and retention rates after parental leave, by gender.		Our people/Diversity and inclusion/Flexible working and support for working parents, page 43
Occupational Health and Safety		
G4-LA6 Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender.	Health and safety data is externally assured.	Our people/Health, safety and well-being, page 53 Independent Verification Statement, page 105
G4-LA8 Health and safety topics covered in formal agreements with trade unions	Health and safety data is externally assured.	Our people/Health, safety and well-being, page 53
Training and Education		
G4-LA9 (M) Average hours of training per year per employee by gender, and by employee category.	We report training spend per person and by gender but not by category.	Our people/Training and development/Performance in 2016, page 50
G4-LA10 Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.		Our people/Training and development, page 50
G4-LA11 Percentage of employees receiving regular performance and career development reviews, by gender and by employment category.	We do not report data by gender.	Our people/Training and development/Appraisals and performance development, page 51
Diversity and Equal Opportunity		
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.	Our data on age, gender and ethnic diversity is externally assured.	Our people/Diversity and inclusion, page 40 Independent Verification Statement, page 105
Supplier Assessment for Labour Practices		
G4-LA14 Percentage of new suppliers that were screened using labour practices criteria.		Supply chain/How we select supplier partners, page 76 Supply chain/How we monitor risks, page 76

General Standard Disclosures	Comment	Location in document
Labour Practices Grievance Mechanisms		
G4-LA16 Number of grievances about labour practices filed, addressed, and resolved through formal grievance mechanisms.		Our people/Monitoring progress/ Employment infringements, page 54
HUMAN RIGHTS		
G4-DMA for all material human rights related aspects		Our overall approach to managing material sustainability issues – Governance and management, pages 90 to 91 Our management approach for material issues relating to human rights – Our client work/Management approach, page 15 Our management approach for material issues relating to our supply chain – Supply chain/Management approach, page 73 Our management approach for material issues relating to employment – Our people/Management approach, page 37
Investment		
G4-HR1 Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening.	Human rights issues are covered in our Code of Business Conduct – Supplier Version, which supplier partners are asked to sign.	Supply chain, page 72
G4-HR2 (M) Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	Human rights issues, including in relation to the impact of advertising on human rights, are covered in our online ethics training.	Our client work/Our ethical standards, page 28 Our client work/Human rights, page 30
Non-discrimination		
G4-HR3 Total number of incidents of discrimination and corrective actions taken.	We do not report separate data on this. Any cases involving allegations of discrimination against our people are included in the data on employment infringements.	Our people/Monitoring progress/ Employment infringements, page 54
Forced or Compulsory Labour		
G4-HR6 Operations and suppliers identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of all forms of forced or compulsory labour.		Our client work/Human rights/Modern slavery, page 52 Modern Slavery Act Transparency Statement www.wpp.com/wpp/about/howwebehave/governance/ Supply chain/Our standards for supplier partners, page 74

General Standard Disclosures	Comment	Location in document
Assessment		
G4-HR9 Total number and percentage of operations that have been subject to human rights reviews or impact assessments.		Our client work/Human rights, page 30 Supply chain/How we select supplier partners, page 76 Supply chain/How we monitor risks, page 76
Supplier Human Rights Assessment		
G4-HR10 Percentage of new suppliers that were screened using human rights criteria.		Supply chain/How we select supplier partners, page 76 Supply chain/How we monitor risks, page 76
SOCIETY		
G4-DMA		Our overall approach to managing material sustainability issues – Governance and management, pages 90 to 91 Our management approach for material issues relating to our client work – Our client work/Management approach, page 15
Anti-corruption		
G4-SO4 Communication and training on anti-corruption policies and procedures.		Our client work/Our ethical standards, page 28
Public Policy		
G4-SO6 Total value of political contributions by country and recipient/beneficiary.	WPP the parent company does not make political contributions.	Our client work/Public policy and lobbying, Political contributions, page 33
PRODUCT RESPONSIBILITY		
G4-DMA		Our overall approach to managing material sustainability issues – Governance and management, pages 90 to 91 Our management approach for material issues relating to our client work – Our client work/Management approach, page 15
Marketing communications		
G4-PR7 (M) Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	We do not currently report data in this area.	Our client work/Our ethical standards/ Compliance with marketing standards, page 29
Customer Privacy		
G4-PR8 Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	We do not currently report data in this area.	Our client work/Privacy and data security, page 34

WPP Policies

WPP Sustainability Policy

We believe our business can make a positive contribution to society and the environment by managing our activities with care and by working with responsible organisations that promote social and environmental causes. Our operating companies are required to comply with this Sustainability Policy and report performance to the parent company quarterly.

We recognise that many different stakeholders have an interest in our business and we welcome discussion of our policies and performance.

Social investment

WPP companies are encouraged to:

- Undertake pro bono work for not-for-profit organisations involved in tackling social and environmental issues.
- Make appropriate financial and other donations to social and environmental organisations.

Managing relationships

In all our relationships we will be open, honest and transparent and will not pay or receive bribes or inducements of any kind.

Employee development

WPP companies:

- Will select and promote our people on the basis of qualifications and merit, without discrimination or concern for race, religion, national origin, colour, sex, sexual orientation, gender identity or expression, age or disability.
- Will support training and career development for our people.
- Will provide a safe and civilised workplace free from sexual harassment or offensive behaviour.

Marketing ethics

WPP companies:

- Will comply with applicable regulations and self-regulatory codes of practice in the countries in which they operate.
- Will not knowingly create work which contains statements, suggestions or images offensive to general public decency and will give appropriate consideration to the impact of our work on minority segments of the population, whether that minority be by race, religion, national origin, colour, sex, sexual orientation, gender identity, age or disability.
- Will not undertake work designed to mislead in any respect, including social, environmental and human rights issues.

Environment

WPP companies will respect the environment by minimising their impact from:

- Energy use
- Transport
- Consumption of paper and other resources
- Water use
- Managing any significant sustainability risks in our supply chains.

WPP sets quantitative targets for reducing our key environmental impacts. We aim to minimise the environmental impacts associated with the advertising and communications campaigns we create for clients. Our operating companies are encouraged to help achieve these goals.

Human rights

In our business activities we aim to prevent, identify and address negative impacts on human rights and we look for opportunities to positively promote and support human rights, including children's rights. WPP companies must comply with our Human Rights Policy Statement which reflects international standards and principles.

We support the right of our people and their families to basic human rights, including the right to organise, the right to collective bargaining, the right to fair conditions of work, freedom of opinion and expression and freedom from forced labour and child labour.

We expect our suppliers to adopt human rights standards consistent with our own.

WPP Code of Business Conduct

WPP and its companies operate in many markets and countries throughout the world. In all instances, we respect national laws and any other laws with an international reach, such as the UK Bribery Act and the US Foreign Corrupt Practices Act, and the Modern Slavery Act, where relevant, and industry codes of conduct. We are committed to acting ethically in all aspects of our business and to maintaining the highest standards of honesty and integrity.

- We, the officers and staff of all companies in the WPP Group (the Group), recognise our obligations to all who have a stake in our success including share owners, clients, staff and suppliers;
- Information about our business shall be communicated clearly and accurately in a non-discriminatory manner and in accordance with local regulations;
- We select and promote our people on the basis of their qualifications and merit, without discrimination or concern for race, religion, national origin, colour, sex, sexual orientation, gender identity or expression, age or disability;
- We believe that a workplace should be safe and civilised and that employment must be freely chosen; we will not tolerate sexual harassment, discrimination or offensive behaviour of any kind, which includes the persistent demeaning of individuals through words or actions, the display or distribution of offensive material, or the use or possession of weapons on WPP or client premises;

- We will not tolerate the use, possession or distribution of illegal drugs, or our people reporting for work under the influence of drugs or alcohol;
- We will treat all information relating to the Group's business, or to its clients, as confidential. In particular, 'insider trading' is expressly prohibited and confidential information must not be used for personal gain;
- We are committed to protecting consumer, client and employee data in accordance with national laws and industry codes;
- We will not knowingly create work which contains statements, suggestions or images offensive to general public decency and will give appropriate consideration to the impact of our work on minority segments of the population, whether that minority be by race, religion, national origin, colour, sex, sexual orientation, gender identity or expression, age or disability;
- We will not undertake work which is intended or designed to mislead, including in relation to social, environmental and human rights issues;
- We will consider the potential for clients or work to damage the Group's reputation prior to taking them on. This includes reputational damage from association with clients that participate in activities that contribute to the abuse of human rights;
- We will not for personal or family gain directly or indirectly engage in any activity which competes with companies within the Group or with our obligations to any such company;
- We will not give, offer or accept bribes, whether in cash or otherwise, to or from any third party, including but not restricted to government officials, clients and brokers or their representatives. We will collectively ensure that all staff understand this policy through training, communication and by example;
- We will not offer any items of personal inducement to secure business. This is not intended to prohibit appropriate entertainment or the making of occasional gifts of minor value unless the client has a policy which restricts this;
- We will not accept for our personal benefit goods or services of more than nominal value from suppliers, potential suppliers or other third parties;
- We will not have any personal or family conflicts of interest within our businesses or with our suppliers or other third parties with whom we do business;
- No corporate contributions of any kind, including the provision of services or materials for less than the market value, may be made to politicians, political parties or action committees, without the prior written approval of the WPP Board; and
- We will continue to strive to make a positive contribution to society and the environment by: maintaining high standards of marketing ethics; respecting human rights in our business, supply chain and through our client work; respecting the environment; supporting community organisations; supporting employee development; and managing significant corporate responsibility risks in our supply chain. Our Sustainability Policy and Human Rights Policy Statement provide more detail about our commitments in these areas.

WPP Human Rights Policy Statement

Introduction

Respect for human rights and compliance with relevant law are fundamental principles for WPP and our companies. In our business activities we aim to prevent, identify and address negative impacts on human rights and we look for opportunities to positively promote and support human rights, including children's rights.

We are guided in our approach by international standards and principles including the International Bill of Human Rights, the UN's Guiding Principles on Business and Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the Children's Rights and Business Principles. We are members of the United Nations' Global Compact.

This policy statement explains how human rights are relevant to our business and the steps we take to protect human rights. It applies to all WPP subsidiaries and should be read in conjunction with the WPP Code of Business Conduct and Sustainability Policy.

What Human Rights issues means to WPP

The main ways that human rights are relevant to WPP are:

Employees

We respect the human rights of all employees, including permanent, temporary and contract workers. We select and promote our people on the basis of their qualifications and merit, encouraging diversity. We expect all employees to be treated without discrimination or concern for factors such as race, religion, national origin, colour, sex, sexual orientation, gender identity or expression, age or disability. We seek to provide safe workplaces. We recognise the rights of our employees to freedom of association and collective bargaining. We will not tolerate harassment or any form of forced, compulsory or child labour.

Suppliers

We expect our suppliers to respect the human rights of their own employees and suppliers and to meet human rights standards that are consistent with WPP's. All major suppliers are asked to sign the Supplier Version of our Code of Business Conduct, which includes human rights requirements, and they are expected to apply these requirements to their own supply chain.

Client work

WPP companies will not undertake work designed to mislead on human rights issues. Where relevant, we will work with our clients on human rights issues and comply with client policies in relation to human rights and marketing.

Work for human rights organisations

Communications campaigns can be used to raise awareness of human rights issues and to encourage action to protect human rights. Our agencies provide creative services to organisations involved in protecting and promoting human rights, often on a pro bono basis (for little or no fee). WPP the parent company supports and encourages this involvement.

Our policy

To embed our commitment to protect and promote human rights, WPP and its companies will:

- Comply with all relevant laws and support international human rights standards.
- Reflect our commitment to human rights in our policies and procedures.
- Take steps to identify, prevent or address human rights impacts. This includes integrating human rights into our risk management processes.
- Provide training for our employees on human rights.
- Operate a grievance mechanism to enable employees and suppliers to report human rights concerns.
- Publish our Human Rights Policy Statement and report on our approach to human rights.
- Regularly review and update our approach to human rights.
- Take steps to support and promote human rights, including through our pro bono work.

Responsibilities

Our Group finance director has responsibility for overseeing our approach to human rights. Each WPP company is expected to comply with this policy and to implement the procedures needed to meet its requirements.

It is the role of the parent company to communicate this policy to all WPP businesses, to provide support and guidance for WPP business leaders and employees on human rights and to integrate human rights considerations into Group-level policies and procedures where relevant.

Reporting a concern

WPP employees can report any human rights concerns via our Right to Speak facility. This is managed by a third-party and overseen by our Internal Audit function.

Suppliers and other stakeholders can report any human rights concerns in relation to WPP and its companies via an independently-managed phone line. This is overseen by our Legal and Internal Audit functions. Details are provided on our website.

Get in touch

We'd like to know what you think about our report and sustainability at WPP. Please get in touch sustainability@wpp.com.

To talk to our companies about sustainability, contact:

Addison Group

addison-group.net

Burson-Marsteller

burson-marsteller.com

Cohn & Wolfe

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