

# WPP

Sustainability Report 2015/2016



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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](http://wpp.com)



Throughout this report this icon denotes that case study campaign footage can be viewed in the Sustainability Report online at [wpp.com/sustainabilityreport2015-16](http://wpp.com/sustainabilityreport2015-16)

# Introduction

Welcome to our Sustainability Report.



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

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

We were named Holding Company of the Year at the 2015 Cannes Lions International Festival of Creativity for the fifth year running, ranked Most Effective Holding Company, globally, in the 2015 Effie Effectiveness Index for the fourth consecutive year and awarded top holding company in Warc's 100 annual ranking of the world's best campaigns and companies for the second consecutive year.

We directly employ 128,000 people and, when associate companies are included, we have almost 190,000 people working in 3,000 offices now in 112 countries; the latest: Cuba. We serve 352 of the Fortune Global 500 companies, all 30 of the Dow Jones 30, 77 of the NASDAQ 100 and nearly 830 national or multinational clients in three or more disciplines. We work for public sector clients in more than 60 countries. WPP is quoted on the London Stock Exchange and NASDAQ in New York (WPPGY).

We purchase goods and services from thousands of suppliers around the world spending around £6 billion a year on advertising production, research operations, facilities, IT and telecoms, travel and professional and recruitment services.

This report explores how our commitment to sustainability creates value for WPP through better access to skills, new business opportunities and reduced financial and reputational risks. It explains our approach to reducing negative social, ethical or environmental impacts associated with our business and to maximising our positive contribution to society. It details how we work with clients on sustainability, providing the insights and communications services they need to respond successfully to social and environmental change.

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

# From our CEO



I don't know any CEOs today who see sustainability as anything other than a central, strategic issue. They know integrating sustainability into their business is not in opposition to their commercial interests, but in tune with them and often an opportunity to stimulate innovation and improve market position.

This is clearly evident in our own client base. Clients who engaged with WPP on sustainability were worth at least £1.29 billion to the Group in 2015, equivalent to 11% of revenues.

But while governments and businesses alike recognize the need for action, we don't yet have all the solutions to the world's great challenges. Despite huge advances 795 million people still do not have enough food, 124 million children and young adolescents aren't in school, 12.6 million deaths each year are attributable to environmental factors such as pollution and obesity has the potential to create a global health crisis. How can we address these issues in a world where our natural resources and environment are under threat from pollution, climate change, unsustainable consumption and degraded ecosystems?

Innovation on a vast scale is needed. Neither governments nor any one business can possibly unlock the solutions by working alone. Collaboration is essential and we must all be willing to share ideas, to learn from each other's successes and failures and to work together to galvanise investment and create change. That's why it was exciting during 2015 to be personally involved in a number of opportunities for dialogue and to show WPP's support for collaboration.

During September 2015, for example, along with the heads of more than 20 of the world's leading businesses (including Alibaba, Facebook, Dow Chemical and Virgin Group), we were a signatory to an open letter in the *Financial Times* supporting the UN's Sustainable Development Goals (SDGs) and the ambition to end poverty, to protect the planet, and ensure prosperity for all. It is in everyone's interests that the goals are a success. But governments alone do not have the resources to tackle the huge problems the SDGs seek to address. There are only so many levers they can pull. Our letter called on political leaders to work actively and constructively with the private sector to help deliver the goals. Through collaboration with business, policy-makers will find that many more levers become available to them, and a great deal more can be achieved. Our own Pro bono book shows some of the ways WPP companies are supporting NGOs and charities working in these areas.

The marketing services sector has something of a unique role to play in sustainability. We are not large consumers of resources ourselves, but by working with our clients in both the public and private sectors we can help create the right conditions for sustainable change by building awareness, stimulating debate and engaging citizens and consumers on these issues.

During the Cannes International Festival of Creativity, I was fortunate to share a platform with Al Gore, founder and chairman of The Climate Reality Project, discussing his work on climate change and the role of communications in political and environmental campaigning. This will continue to be a priority for us. And of course, the COP21 climate summit in Paris was a timely reminder for us all on the need for rapid and large-scale change to avert climate disaster.

To find new solutions we need to think differently and at WPP we have long recognised that diversity is a source of creativity and new ideas. We know that diverse teams, which bring together people of all backgrounds and perspectives are more likely to generate innovative and original ideas. So I was pleased to have the opportunity to interview Lord Browne, former CEO of BP, on his new book, *The Glass Closet*, at an event hosted by Ogilvy Pride, Ogilvy & Mather's LGBT network. We can all learn from John Browne's reflections on the importance of bringing your authentic self to work and the need for businesses to value diversity; this continues to be a focus for our agencies.

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## 2015 highlights



# 39%

reduction in carbon  
emissions per employee  
since 2006



# 5,378

paid internships and  
apprenticeships



# 200,000

employees completed  
our Ethics and Anti-Bribery  
and Corruption training

---

Gender balance is an important issue for WPP and the business imperative for improving our record is crystal clear: companies with greater gender balance in their leadership teams outperform their peers. In addition to work within our agencies, at a Group level we have X Factor, a mentoring and development program for senior women run by Charlotte Beers, the former CEO of Ogilvy & Mather and chairman of J. Walter Thompson, and Women In Leadership Lessons, again led by Charlotte, for those in mid-level management roles. In the UK, WPP Stella is a network that supports efforts to achieve gender balance and encourages the sharing of best practice between our companies. We aim to roll it out in other markets soon. There are also many external-facing initiatives, such as J. Walter Thompson's *Female Tribes*, a new proprietary study about women and the value of female capital, see page 26. We will renew our efforts in this critical area over the coming year, particularly given recent events.

2015 has been a year of progress on many sustainability issues within WPP. Highlights include: cutting our per head carbon footprint by 39% since 2006; our investment in skills and education through innovative partnerships with universities, internships and £41.1 million invested in training for our employees; our social contribution worth £43.8 million including the value of pro bono work, charitable donations and negotiated free media space; and our ongoing focus on improving standards in areas such as privacy and supply chain management. We submit our carbon footprint and employment data to Bureau Veritas for external assurance. And of course we continue to work with our clients on these issues helping them to use communications, marketing strategy and consumer insight to reshape their businesses to be sustainable for the long term.

Respect for human rights is a fundamental principle for us and we took the opportunity this year to make our commitment clear by publishing a human rights policy statement and joining the United Nations Global Compact. We are committed to sharing our progress each year against the Compact's 10 principles (see page 101) and to working with the UN, our clients and other members of the Compact to share experiences and to make progress.

### Sir Martin Sorrell

Group chief executive

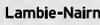
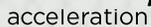
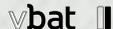
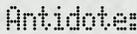
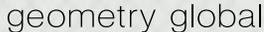
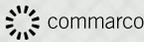
[sirmartinsorrell@wpp.com](mailto:sirmartinsorrell@wpp.com)

# Who we are



TAXI AKQA OgilvyOne  
 worldwide  
 WUNDERMAN GO cognifide  
 Global Counsel  
 deepblue  
 metro™ ieg. H&O ALWAYS  
*Real Facts Marketing Solutions*  
 Lightspeed SMI cba designing brands with heart gho greyhealth group SOHO SQUARE  
 DSG DEWEYSQUAREGROUP SIZIGY the food group INNOVATIVE FOOD MARKETING JOHANNES LEONARDO  
 KANTAR RETAIL ADK<< Ogilvy CommonHealth Worldwide THE STORE WPP GLOBAL RETAIL PRACTICE  
 Adgistics  
 MEC MillwardBrown KBM GROUP  
 part of the WUNDERMAN network  
 essence. maxus IMRB FITCH The Government & Public Sector Practice  
 International  
 cohn&wolfe Mando bdg Eicoff KANTAR ULTRAPANEL DIGIT  
 UNITED VISIONS moving media BU Burson-Marsteller DAVOD BPG group addition group  
 WUNDERMAN HEALTH the farm HS Ad IPAN HILL+KNOWLTON STRATEGIES Y&R  
 gtb S&H SUDLER&HENNESSEY msc WPP SCANGROUP PRISM TAPSA | Y&R cerebra  
 Benenson Strategy Group mirum THE PARTNERS BARROWS Shopper Conversion Specialists Ogilvy & Mather Advertising  
 quisma Buchanan POSSIBLE WPP Digital john st  
 PENN SCHOEN BERLAND HighCo SANTO GROUPSJR at interlude THE DATA ALLIANCE WPP bottle rocket FINSBURY  
 WPP





# Our companies & associates

## Advertising

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

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

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

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

Cole & Weber  
[coleweber.com](http://coleweber.com)

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

GTB  
[gtb.com](http://gtb.com)

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

J. Walter Thompson  
 Worldwide  
[jwtd.com](http://jwtd.com)

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

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

WPP-Scangroup  
[wpp-scangroup.com](http://wpp-scangroup.com)

Scholz & Friends<sup>\*</sup>  
[s-f.com](http://s-f.com)

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

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

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

The Jupiter Drawing Room<sup>1</sup>  
[thejupiterdrawingroom.com](http://thejupiterdrawingroom.com)

### Key

- <sup>1</sup> Associate
- <sup>2</sup> Joint venture
- <sup>3</sup> Investment
- <sup>♦</sup> A Hill+Knowlton Strategies company
- <sup>†</sup> An Ogilvy company
- <sup>■</sup> A Young & Rubicam Group company
- <sup>•</sup> A member of Group XP
- <sup>\*</sup> A member of The Partnership
- <sup>\*</sup> Part of the Wunderman network
- <sup>\*</sup> A Commarco company
- <sup>‡</sup> A J. Walter Thompson company
- <sup>▲</sup> Partnership with GroupM/Kantar As at May 2016.

WPP AUNZ  
[wppaunz.com](http://wppaunz.com)

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

## Media Investment Management and Data Investment Management

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

Catalyst  
[catalystdigital.com](http://catalystdigital.com)

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

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

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

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

MetaVision Media  
[metavisionmedia.com](http://metavisionmedia.com)

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

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

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

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

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

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

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

Spofax  
[spofax.com](http://spofax.com)

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

### Other media agencies

Gain Theory  
[gaintheory.com](http://gaintheory.com)

m/SIX<sup>2</sup>  
[msixagency.com](http://msixagency.com)

### Kantar:

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

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

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

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

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

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

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

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

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

Lightspeed GMI  
[lightspeedgmi.com](http://lightspeedgmi.com)

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

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

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

comScore<sup>3,▲</sup>  
[comscore.com](http://comscore.com)

## Public Relations & Public Affairs

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

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

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

BWR<sup>†</sup>  
[bwr-pr.com](http://bwr-pr.com)

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

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

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

Finsbury  
[finsbury.com](http://finsbury.com)

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

HERING SCHUPPENER  
[heringschuppener.com](http://heringschuppener.com)

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

Ogilvy Government  
 Relations<sup>†</sup>  
[ogilvygr.com](http://ogilvygr.com)

Ogilvy Public Relations<sup>†</sup>  
[ogilvypr.com](http://ogilvypr.com)

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

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

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

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

## Branding & Identity

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

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

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

CBA<sup>†</sup>  
[cba-design.com](http://cba-design.com)

Coley Porter Bell<sup>†</sup>  
[coleyporterbell.com](http://coleyporterbell.com)

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

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

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

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

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

SET<sup>•</sup>  
[set-live.com](http://set-live.com)

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

## Healthcare Communications

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

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

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

Ogilvy CommonHealth  
 Worldwide<sup>†</sup>  
[ogilvychw.com](http://ogilvychw.com)

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

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

## Direct, Digital, Promotion & Relationship Marketing

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

A. Eicoff & Co<sup>+</sup>  
[eicoff.com](http://eicoff.com)

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

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

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

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

deepblue networks<sup>+</sup>  
[db-n.com](http://db-n.com)

Digit<sup>•</sup>  
[digitlondon.com](http://digitlondon.com)

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

FullSIX<sup>3</sup>  
[fullsix.it/en](http://fullsix.it/en)

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

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

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

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

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

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

Maxx Marketing<sup>†</sup>  
[maxx-marketing.com](http://maxx-marketing.com)

Mirum<sup>2</sup>  
[mirumagency.com](http://mirumagency.com)

OgilvyOne Worldwide<sup>†</sup>  
[ogilvyone.com](http://ogilvyone.com)

SJR<sup>•</sup>  
[groupsjr.com](http://groupsjr.com)

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

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

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

## Specialist Communications

### Corporate/B2B

OgilvyOne Business<sup>†</sup>  
[ogilvyonebusiness.com](http://ogilvyonebusiness.com)

### Demographic marketing

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

UniWorld<sup>1</sup>  
[uwg.is](http://uwg.is)

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

### Employer branding/ recruitment

JWT INSIDE<sup>2</sup>  
[jwinside.com](http://jwinside.com)

### Event/face-to-face marketing

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

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

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

### Foodservice marketing

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

### Sports marketing

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

Bruin Sports Capital<sup>3</sup>  
[bruinsportscapital.com](http://bruinsportscapital.com)

Chime Communications<sup>1</sup>  
[chimegroup.com](http://chimegroup.com)

ESP  
[espglobal.com](http://espglobal.com)

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

### Real estate marketing

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

### Media & production services

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

H+O  
[hogarth-ogilvy.com](http://hogarth-ogilvy.com)

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

Pointblank  
[pointblankproductions.com](http://pointblankproductions.com)

United Visions<sup>+</sup>  
[uv.tv](http://uv.tv)

### Policy & regulation

Global Counsel<sup>1</sup>  
[global-counsel.co.uk](http://global-counsel.co.uk)

## WPP Digital

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

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

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

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

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

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

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

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

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

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

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

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

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

Szygy  
[szygy.net](http://szygy.net)

## WPP Digital partner companies

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

AppNexus<sup>3</sup>  
[appnexus.com](http://appnexus.com)

CMC Capital<sup>3</sup>

Domo<sup>3</sup>  
[domo.com](http://domo.com)

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

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

Indigenous Media<sup>3</sup>  
[indigenousmedia.com](http://indigenousmedia.com)

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

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

Mitú<sup>3</sup>  
[mitunetwork.com](http://mitunetwork.com)

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

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

MRC<sup>3</sup>  
[mrcstudios.com](http://mrcstudios.com)

OrderDynamics<sup>3</sup>  
[orderdynamics.com](http://orderdynamics.com)

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

Polestar<sup>3</sup>

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

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

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

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

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

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

## WPP knowledge communities

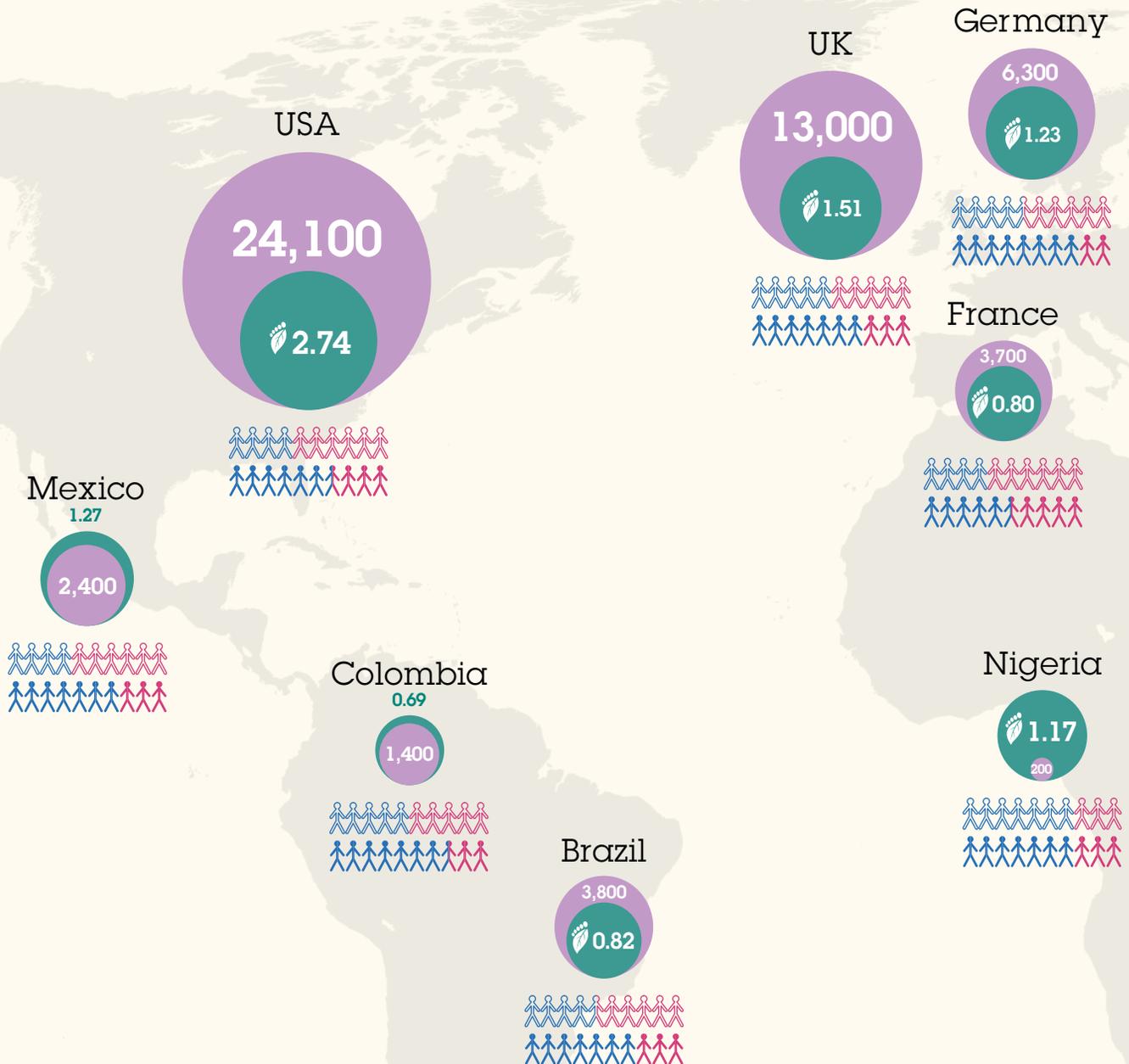
Government & Public Sector Practice

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

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

# WPP: a global company

WPP companies now operate in 112 countries; the latest: Cuba. Here we show WPP's strength in growth markets of the world as well as in some of our key mature markets.



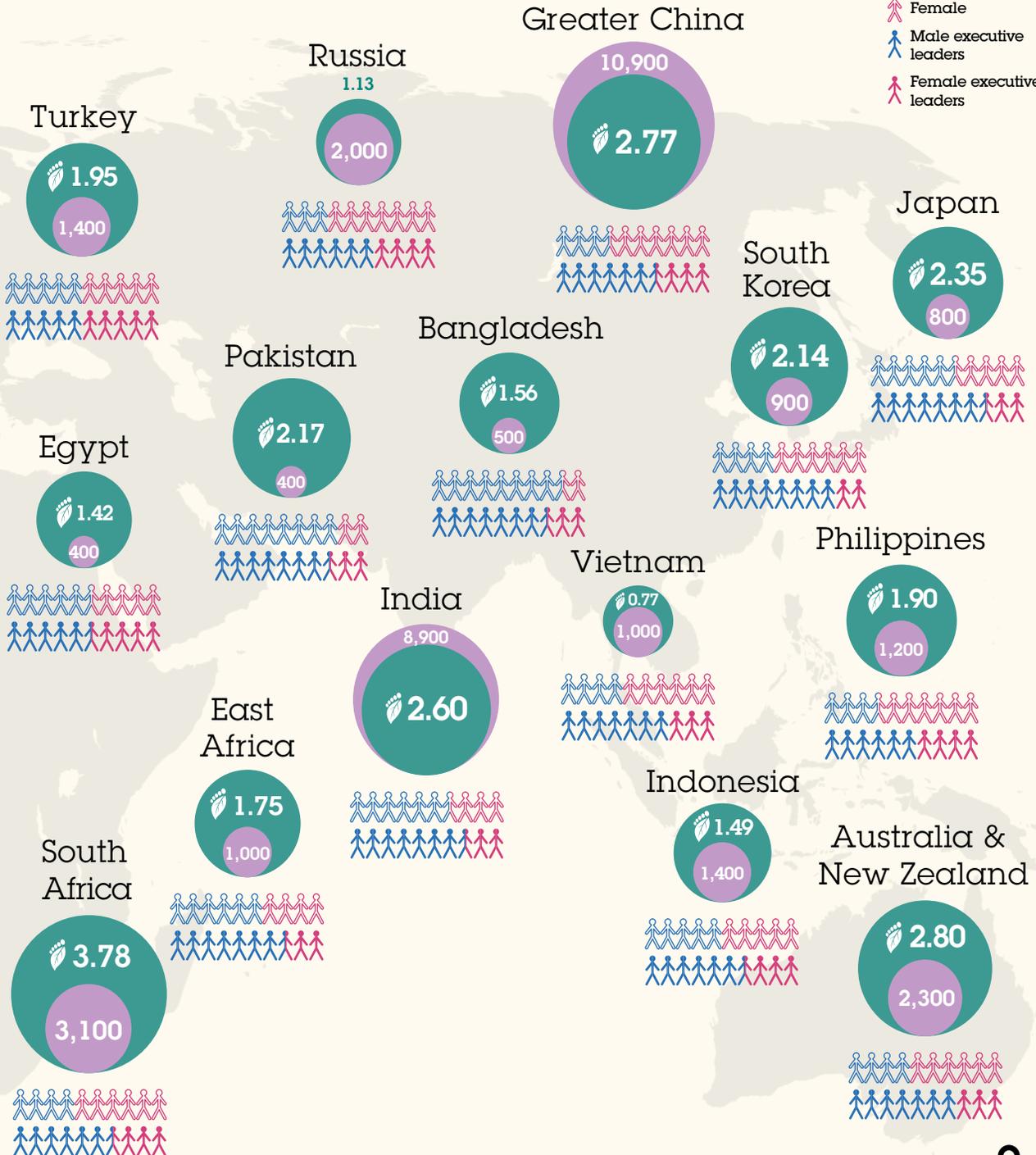
**People** denotes the number of people employed by WPP companies (excluding associates) in a given country.

**Carbon footprint per head** denotes the tonnes of CO<sub>2</sub>e per person. Our target is 1.8 tonnes by 2020.

(As at 31 December 2015.)



- People**
- Male
  - Female
  - Male executive leaders
  - Female executive leaders



# 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 relieve our companies of much administrative work; we encourage and enable our companies of different disciplines to work together, for the benefit of clients and the satisfaction of our people; and, for a minority of clients, WPP itself can function as the 21st century equivalent of the full-service agency.

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 WPP generates value for its share owners, clients, people

We draw on our resources and relationships

- 128,000 employees
- 62,000 associate employees
- 352 of the Fortune 500 companies are clients of WPP companies
- Thousands of suppliers
- Share owner equity £7,637 million
- 15,446 share owners
- Natural resources – 354,018 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
- Direct, Digital, Promotion & Relationship Marketing
- Specialist Communications
- Sustainability Services

Developing our business to help clients meet their goals

- Global presence, local insight – 3,000 offices in 112 countries
- Full-service agency – cross-company teams serve our 45 largest global clients
- Horizontality – 52% of revenues from clients served in four or more disciplines
- Creativity and effectiveness – for five 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 awarded top holding company in Warc's 100 annual ranking of the world's best campaigns and companies for the second consecutive year
- Shared values – sustainable business practices integrated into our services, operations and procurement. Clients that engaged with us on sustainability worth £1.29 billion in revenues

Generating value for our investors, people, suppliers and society

- Over £1.1 billion returned to share owners through dividends and share by-backs
- Total tax contribution £1.3 billion
- £6 billion in salaries and employee benefits
- Supplier spend £6 billion
- Training spend £41.1 million
- Community investment £19.4 million, creating a benefit to society worth £97 million

# Sustainability and our business

Our clients are prioritising sustainability, looking to integrate improved social and environmental performance into products, communications and operations. They need a marketing services provider with the right expertise and who shares their values.

By managing our own sustainability performance and developing our knowledge on social and environmental trends we can access this business and respond to the growing number of client procurement processes which include sustainability criteria. Our work on sustainability also increases access to talent, improves efficiency and reduces risks to our business.

## Enabling our strategy today

---

Our business strategy is focused on four strategic priorities (see page 12): horizontality; new markets; new media; and technology, data and content. Our work on sustainability enables our business strategy and supports our growth in three main ways:

**Gaining access to skills** – our employment practices and reputation for sustainability help us to recruit, retain and engage the best creative talent in our industry. By recruiting from a diverse talent pool and investing in training and development we can ensure we have the right people to serve our clients in all disciplines across our locations, including new markets where our industry is less well-established.

**Enabling new business wins** – clients who engaged with us on sustainability were worth at least £1.29 billion to the Group in 2015, equivalent to 11% of revenues. Our leading privacy and data security standards enable us to meet client expectations and to grow our digital and data investment management businesses.

**Improving efficiency, reducing risk and protecting our reputation** – managing social and environmental performance and selecting suppliers who meet standards consistent with our own, helps us to operate more efficiently, to reduce costs and risks and to enhance our reputation with clients, employees and stakeholders.

## Fit for the long term

---

The next decades present unprecedented opportunities and risks for brands. On the one hand, technological development and the rise of the global middle-class create huge commercial opportunities. On the other, climate change, ecosystem decline, water scarcity, obesity and a growing global population present major challenges.

These changes will disrupt old business models, alter supply chains and give rise to new products, services and businesses. Successful companies will find opportunity in this change, identifying new ways to do more with less, adopting circular and sharing economy models to avoid resource scarcity, rising prices and disruption to supply chains. They will look to generate shared value through their products and services, helping to improve quality of life as they grow their businesses.

Expectations of what business should contribute to society are also rising. Increasingly, business is expected to play a significant role in tackling the world's challenges, while technology and social media enable people to hold brands to account for their social and environmental performance, from anywhere in the world.

In this environment, brands will need the best insight, research and communications services and they will seek 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 fit for the future.

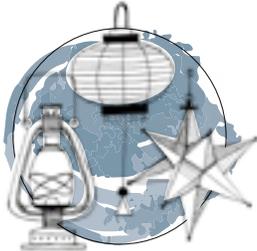
## Our 4 strategic priorities

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



### 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

## Why sustainability matters

### Efficiency, risk and reputation:

Operating responsibly and ethically and selecting suppliers who do the same, reduces legal and financial risks and protects our reputation with clients, employees, investors, governments and other stakeholders. Improving our sustainability performance improves efficiency, reducing operating costs and enabling us to focus more on what matters most.

### Access to skills:

Leading employment practices give us access to the people and skills we need to grow in new and established markets, across disciplines and to work with horizontality. Investing in skills and education, especially in our growth markets, widens our talent pool and helps us to grow.

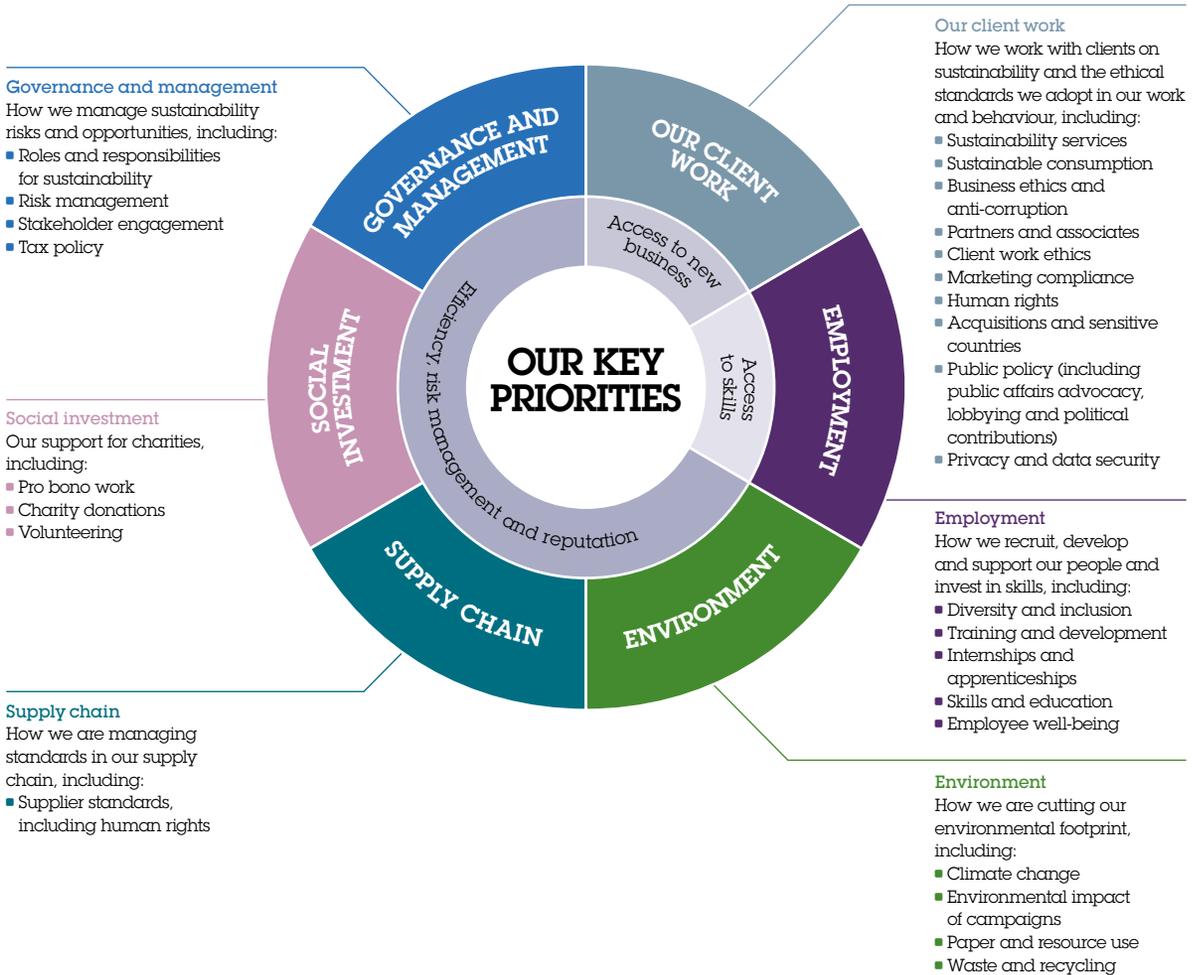
### Access to new business:

Leading privacy practices are essential to grow our new media and data investment management businesses. A significant number of client tender processes include sustainability requirements that we must meet to access this business. More global clients are prioritising sustainable business practices. This is a growing source of revenue for our businesses who are able to provide insight on social and environmental issues and longer-term business risks and opportunities.

# Our sustainability priorities

A wide range of sustainability issues are relevant to WPP, presenting both opportunities and risks for our business. We prioritise our areas of focus through dialogue with clients, investors, our people, regulators and partners, assessing the issues of most relevance both to our own business strategy and the concerns and priorities of our stakeholders.

We have identified six priority themes that are important for WPP and our stakeholders. The bullet points indicate how issues in our reporting and on our materiality matrix (see page 14) relate to these themes. The inside ring on the diagram indicates the main ways these themes relate to the three core elements of our business case for sustainability (see page 11).



## Prioritising our material issues

In prioritising the issues of most importance to WPP, we look at our own business goals, activities and impacts, we monitor emerging issues and we seek the views of our stakeholders. Most of our stakeholder engagement is through the dialogue and discussion that takes place as part of normal business practice. However, we also regularly carry out a structured materiality process that incorporates both internal and external stakeholder feedback. Our formal materiality assessment last took place in December 2014. This process included interviews with clients, investors, NGOs and sustainable business experts and gathered views from senior executives in our Group functions and our operating companies.

The assessment considered both positive and negative impacts and risks and opportunities for WPP. In the diagram below, importance to stakeholders is shown on the vertical axis, and materiality to WPP on the horizontal axis. We use this assessment to help us prioritise issues in our reporting. All issues of high importance are included in our report as well as the majority of issues of medium importance.

### WPP materiality assessment

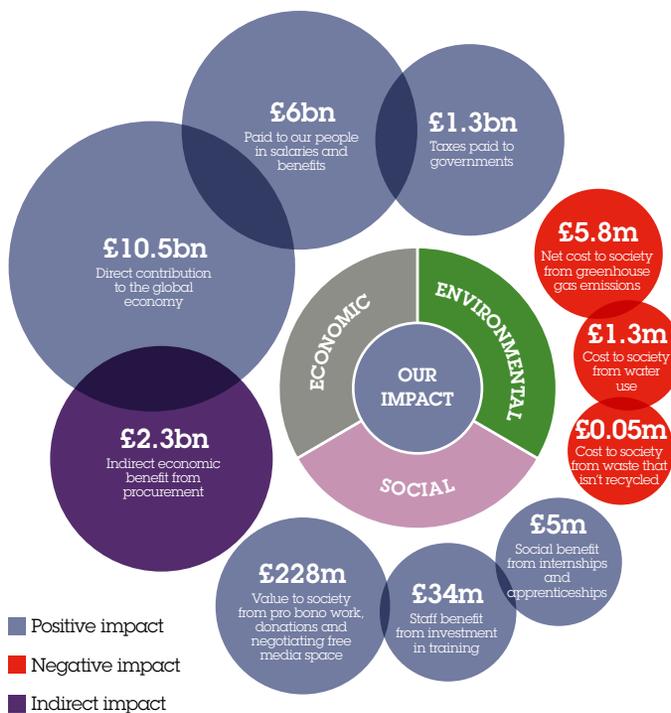


# Valuing our impacts

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

This year we have updated and extended our analysis, including quantifying for the first time the value gained from training staff and from the free media space we negotiate on behalf of pro bono clients, and the negative value associated with our waste disposal and water consumption.

## Summary of our impact



As for last year, our research shows a significant positive economic impact, both directly through our business activities, the salaries and benefits we pay to employees and our tax payments to governments and indirectly through the benefits resulting from our spend with suppliers. We also make a significant social contribution through the direct value of our pro bono work and charitable donations and indirectly through the impact of this support. Among the measures we have used, our main negative impact relates to the cost to society and future generations of greenhouse gas emissions associated with our business activities. Waste disposal and water consumption also represent negative impacts of our direct operations.

**Note:**  
The methodology used to evaluate these impacts is outlined on pages 96-99.

## Economic impacts

We considered the benefits associated with our economic activities including employee salaries, payments to suppliers, 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 suppliers to create jobs and spend in the economy.

### **Gross value added: £10.5 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 £10.5 billion. This income is used to cover operating costs and taxes, and dividends.

### **Payroll: £6 billion in salaries and employee benefits**

We are a major global employer, offering many thousands of well-remunerated positions. The £6 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.

### **Taxes: £1.3 billion paid to governments**

Payments of taxes to national and local governments, including corporation and overseas taxes (£301 million), employer and employee taxes (£981 million) and other taxes (primarily property taxes) (£49 million), enables them to invest in local socio-economic development.

### **Supply chain: £2.3 billion indirect economic benefit**

Our companies provide indirect benefits to economies across the world through procurement of advertising production, research operations, facilities, human resources, IT, telecoms, travel and professional services. This spending provides many indirect benefits to the economy by supporting livelihoods and job creation. These calculations exclude our media spend on behalf of clients.

### **Clients: not quantified**

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

## **Social impacts**

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Our companies support social and charitable activities through cash donations and by undertaking pro bono work (marketing advice and campaigns for little or no fee). This has an impact by helping charities to achieve campaign objectives, raise funds and recruit new members, and indirectly contributes to improving human health and community cohesion, and the protection of human rights and the environment. Our companies 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: £72 million social benefit**

The direct value of our pro bono work was £13.5 million in 2015, based on the fees that organizations would have paid for our work. Using the same multiplier as last year, we estimate that this work may create total benefits to society worth around £72 million, for example, by helping to improve health and well-being in communities.

### **Free media space: £131 million of social benefit facilitated**

WPP has also helped negotiate free media space for our pro bono clients worth £24.4 million in 2015. This client cost saving represents a societal benefit. In addition, assuming the same societal value multiplier (as for the pro bono work) for the positive impacts that this helps generate, the free media space gives rise to an overall societal value of £131 million.

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

In 2015, the Group's charitable donations were £5.9 million. These donations support important work in areas such as education, health, human rights, local community, environment and the arts. Using the same approach and multiplier as last year, the overall value of social benefits resulting from these donations is estimated to be around £25 million per year.

**Internships and apprenticeships: £5 million social benefit**

In 2015, we provided 5,378 paid internship and apprenticeship positions across the Group. Based on assumptions developed last year, we estimate these create benefits worth £5 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.

**Training: £34.2 million minimum societal benefit**

In 2015, WPP spent £34.2 million on training courses for staff at all levels. As well as supporting improved future financial performance for WPP, there is an additional personal human capital gain for those staff receiving training. The £34.2 million represents a lower-end estimate as it only reflects course costs rather than the value of the training. We hope to include an estimate of this additional added value in subsequent reports. Additional travel, accommodation and subsistence costs of £6.9 million were also incurred.

**Environmental impacts**

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

**Greenhouse gas emissions: £5.8 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 £9.7 million in 2015. 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 £5.8 million.

**GHG emission offsets: £3.9 million benefit to society**

In 2015, WPP invested in renewable energy projects to offset 98,885 tCO<sub>2</sub>e 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 £3.6 million. In addition, WPP purchased renewable energy certificates (RECs) in the US, equivalent to saving 7,470 tCO<sub>2</sub>e, with an assumed societal value of £272,000.

**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 recognized to have an unpaid-for societal cost. Based on actual water consumption data for 11 offices in water-stressed locations, and an assumed average consumption rate for all other offices, the societal cost of WPP's direct water consumption is estimated to be in the order of £1.3 million.

**Waste disposal: £0.05 million cost to society**

Whilst 65% of WPP's waste is recycled, the remainder is 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 £55,000, which relates to GHG and other air emissions, leachate and other dis-amenity impacts (e.g. visual and odour).

# Our client work

Marketing campaigns have the ability to influence views and behaviour and can help to bring about positive change on social and environmental issues. However, we must make sure we use this influence appropriately, meeting high ethical standards in our work and respecting human rights.

## Fast read

### Our goal

We aim to help our clients engage more 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 marketing services give us access to new business commissions and are a growing source of revenue for WPP.

Leading privacy practices enable us to access more business and reduce financial, legal and reputational risks to the business. Maintaining high ethical standards and protecting human rights safeguards our reputation and that of our clients.

### Sustainability impact

Our sustainability expertise helps clients engage consumers on sustainability and increase the market for more sustainable business models, products and services.

### Challenges and dilemmas

We work in 112 countries worldwide and must implement consistent standards even where local cultural practices or regulation differs, this includes 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.

Implementing leading privacy practices is challenging as technology and regulation in this area are both evolving rapidly.

### Management approach

Our Code of Conduct, Human Rights Policy Statement and Sustainability Policy help our people in dealing with a wide range of ethical, social and environmental subjects. Employees are trained on these policies through our online ethics training. Detailed policies in relation to issues such as marketing standards 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.

Our deputy general counsel, litigation and compliance, oversees our approach to ethics and compliance, and provides support and guidance to our companies. She reports to our Group chief counsel and director of internal audit.

### External frameworks

**GRI indicators in this section:** G4-15, G4-16, G4-34(M), G4-56(M), G4-HR2, G4-HR6, G4-HR9, G4-SO3, G4-SO4, G4-SO6, G4-PR7, G4-PR8

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

### Progress on our KPIs in 2015

Performance in 2015

|  |   |
|--|---|
| £1.29 billion revenue from clients who engaged with WPP on sustainability                | ✔ |
| 200,000 employees completed WPP ethics training and anti-bribery and corruption training | ➤ |
| Over 20,000 employees completed our SAFER DATA training                                  | + |

#### Key:

Stayed the same ➤ Declined ✔ New KPI +

# Sustainability in marketing

Our companies are working with clients on a growing number of briefs with a sustainability component. Our teams provide insight into new trends and opportunities such as the circular and sharing economies, and help companies integrate sustainability and purpose into their brands and communicate their commitment to consumers and stakeholders. Our sustainability in marketing work includes:

- **Research and insight:** 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 strategy:** 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.
- **Employee 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.

Many of our companies have established specialist sustainability offerings and social marketing units. These include: J. Walter Thompson Ethos, Ogilvy Social Change, OgilvyEarth, P&G's S-Team, Young & Rubicam Group companies' INSPIRE collaboration, Hill+Knowlton Strategies' CR + Sustainability Communications, Kinetic Future and TNS Political and Social.

WPP the parent company supports our agencies to develop and share expertise in this area, including organizing events, publishing background briefings on our Group intranet and our Sustainability Navigator, a directory of sustainability expertise within WPP that enables collaboration across our companies.



**George S. Rogers**  
Chief Client  
Team officer, WPP

## Perspective

### The value of sustainability to business

“Brands who intend to be around for a long time need to think long term about their role in society and their purpose as a business.

Business with a purpose beyond just making profit can command greater customer and employee loyalty and ultimately be far more resilient. Resilience has a huge value in these days when the conversations about a brand can change in the push of an emoticon.

Businesses that see their customers as more than just numbers create products and services that address customers' real and changing needs and make a difference in people's everyday lives.

By integrating sustainability into their business they can prepare successfully for resource scarcity and climate change, rethinking business models and supply chains to be fit for the future. They can benefit from new markets for more sustainable products and services in areas like smart technology, alternative energy and the sharing economy. They will be the ones to benefit from a more circular economy in which continual reuse and recycling will provide access to new and more resilient streams of resources.

This is a huge opportunity and, at WPP, our companies provide the insights, advice and communications services our clients need to make this transition successfully.”

## Social marketing

Social marketing campaigns can raise public awareness and help bring about positive behaviour change in areas such health, safety and the environment. We work with many clients, including campaign groups and governments, on social marketing campaigns and have several companies with specialist units, see page 20.

WPP companies work for the public sector in more than 60 countries. We have established a global Government & Public Sector Practice to drive excellence in our public sector communications, develop research insights and help governments better understand and engage citizens. See [www.wpp.com/govtpractice/](http://www.wpp.com/govtpractice/). We also partner with leading schools of public policy to train future government leaders to use communication to drive long-term behaviour change. This includes teaching a compulsory module on Communications for Public Policy on the Masters of Public Policy (MPP) Program at the Blavatnik School of Government, University of Oxford. We also partner with the Lee Kuan Yew School of Public Policy in Singapore to provide an executive education program on Communications for Public Policy Delivery.

## Recent work

### Engaging consumers and citizens on sustainability

#### Campaign:

#### Kit Kat: Better Farming

WPP company:  
Team Iconic  
J. Walter Thompson

Client: Kit Kat/Nestlé



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



#### Result:

★ Over 1m views of the videos in the first eight weeks

Team Iconic at J. Walter Thompson helped launch a campaign to celebrate and raise awareness of Nestlé's Kit Kat – the first global chocolate brand sourced from 100% sustainable cocoa. The campaign included four short documentary-style films shot in West Africa, including one featuring famous Ivory Coast footballer Didier Drogba. All were hosted by YouTube blogger Louis Cole, who has over 1.7 million YouTube followers.

#### Campaign:

#### Farewell to the Forest

WPP companies:  
David Buenos Aires/  
Ogilvy & Mather London

Client: Unilever



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



#### Results:

★ 77m views of the campaign video  
★ 57,326,386 reach and impressions  
★ 7% engagement rate

David Buenos Aires and Ogilvy & Mather London released this ad for Unilever in the run up to the Paris UN climate change conference. It features a tree that wants to move to the city from the rainforest to avoid the impact of deforestation and climate change.

**Campaign:**  
**Fish Forward**

WPP company:  
J. Walter Thompson  
Vienna & Düsseldorf

Client: WWF



wpp.com/fishforward



**Result:**

- ★ Reached 95m consumers across 11 countries

J. Walter Thompson teams in Vienna and Düsseldorf developed the Fish Forward campaign to raise awareness of sustainable fish consumption. The campaign draws consumers' attention to the social, ecological and economic impacts of seafood choices and shows the effects of overfished oceans on people in developing countries.

**Campaign:**  
**Sink Child**

WPP company:  
Red Fuse Communications  
New York

Client: Colgate Palmolive



wpp.com/sinkchild



**Results and Awards:**

- ★ More than 14m viral views
- ★ 950,000 views on Facebook Earth Day post
- ★ Over 18,000 people have pledged to turn off the tap, which would save over 146,000 gallons of water a day
- ★ Cannes Lions 2015: 1 Silver, 1 Bronze

Leave the tap running when brushing your teeth can waste the same amount of water that some people have to live off for days. This ad, which ran online, on TV and outdoor, and was aired during the 2016 Super Bowl, encouraged people to turn the tap off.

## Supporting equality and empowerment

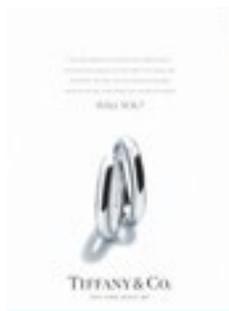
**Campaign:**  
**Will You?**

WPP company:  
Ogilvy & Mather New York

Client: Tiffany & Co



wpp.com/willyou



**Result:**

- ★ 1.15m views of the campaign video

In 2015, Ogilvy & Mather helped Tiffany launch "Will You?", its first print campaign featuring a same sex couple. The ads were shot by fashion photographer Peter Lindbergh and feature a real-life couple.

**Campaign:**  
**Signs of Progress**

WPP company:  
Ogilvy & Mather Costa Rica

Client: Claro



wpp.com/signsofprogress



**Results and Awards:**

- ★ 75 women participated and all saw their income increase on average by 32%
- ★ Ojo de Iberoamérica 2015: 1 Silver, 2 Bronzes
- ★ Festiva Antigua 2015: 2 Golds, 2 Silvers, 1 Bronze

Ogilvy & Mather Costa Rica teamed up with satellite TV company Claro to help women in low-income rural communities. Claro gave up its most valuable advertising space, its satellite dishes, to promote small businesses and start-ups run by women.

**Promoting healthier behaviour**

**Campaign:**  
**The Sugar Accumulator**

WPP company: MEC UK

Client: Public Health England



**Results and Awards:**

- ★ Over 1.2m shoppers engaged with the Sugar Accumulator
- ★ 18% uplift in sales of lower-sugar drinks and breakfast categories
- ★ 100% uplift in sales of lower-sugar puddings
- ★ Campaign Media Awards 2015: 1 Gold
- ★ The Drum DADI Awards 2015: 1 Gold
- ★ Direct Marketing Awards 2015: 1 Silver, 1 Bronze

The average Briton consumes 175 sugar cubes a week. In partnership with associate company, mySupermarket, MEC UK built the world's first Sugar Accumulator, a traffic light system to measure the overall volume of sugar in a shopper's online basket.

**Campaign:**  
**Your Future Is Not Pretty**

WPP company:  
MediaCom Australia

Client: Queensland Government



wpp.com/  
yourfutureisnotpretty



**Results and Awards:**

- ★ 204,951 views of the video campaign
- ★ 188 make-underes completed
- ★ PR reached 14.1m people (more than half the Australian population) across all media outlets
- ★ Festival of Media Global 2015: 1 Silver
- ★ Festival of Media APAC 2015: 1 Gold

For young women, image is often all important. MediaCom Australia used this interest in appearance to encourage young women not to smoke. They set up a mock beauty bar offering young women free make-overs. Working with special effects artists, each was given a 'make-under' to reveal what she might look like in the future if she chooses to smoke.

## Highlighting social issues

### Campaign: Back Off Radio

WPP company:  
Geometry Global Dubai

Client: Dubai Roads and  
Transport Authority



wpp.com/backoffradio



### Results and Awards:

- ★ Tailgating incidents fell on average by 14.8% in the first quarter of 2015
- ★ 416m media impressions, generating over \$1m of earned media spend
- ★ Cannes Lions 2015: 1 Silver, 1 Bronze
- ★ Effie Awards 2015: 2 Golds
- ★ Clio Awards 2015: 2 Silvers
- ★ Loerie Awards 2015: 1 Gold, 2 Silvers

Geometry Global Dubai partnered with Dubai's Roads and Transport Authority to tackle the issue of tailgating, one of the major causes of road traffic accidents in the UAE. Special devices were fitted to taxis so that when another driver gets too close or the taxi drives too near the car in front, a warning message plays directly through the offending vehicle's radio reminding drivers of the dangers of tailgating.

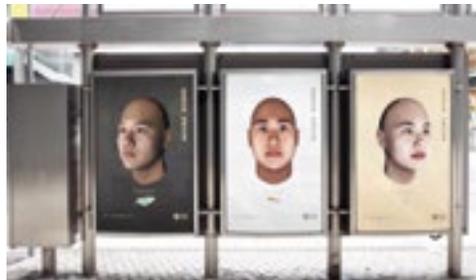
### Campaign: The Face of Litter

WPP company:  
Ogilvy & Mather Hong  
Kong

Client: Hong Kong Cleanup



wpp.com/thefaceoflitter



### Result:

- ★ Over 1,000 pieces of media coverage worth more than \$1m

Hong Kong Cleanup and Ogilvy & Mather launched a city-wide campaign to tackle litter by putting a face to what is usually an anonymous crime. Litter was collected and analysed using DNA technology, enabling analysts to identify ethnicity, eye, hair and skin colour. This was used to create posters showing what the people dropping litter may look like.

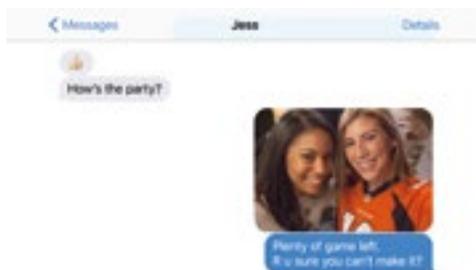
### Campaign: Text Talk

WPP company:  
Grey New York

Client: No More



wpp.com/texttalk



### Result:

- ★ 2 billion global impressions

Grey New York created the Text Talk ad for No More, an organisation seeking to end domestic violence. The ad was aired during the 2016 Super Bowl and encouraged people to text No More to learn more about how to spot the signs of abuse.

Campaign:  
**Emoji**

WPP company:  
Y&R Shanghai

Client: Baidu Security



**Results and Awards:**

- ★ 42% increase in visits to Baidu website
- ★ 18% increase in subscriptions to Baidu Security services
- ★ Cannes 2015 Awards: 1 Silver, 1 Bronze
- ★ Clio Awards 2015: 1 Bronze

In 2014, more than 260,000 teenagers became victims of online predators. Y&R Shanghai’s campaign showed how Baidu’s security products can protect children online and prevent them from visiting high-risk sites. The print campaign features sinister-looking online predators hiding behind popular emoticons.

**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.

Campaign:  
**Give H2OPE**

WPP company:  
Team Unilever

Client: Unilever and Walgreens



**Results and Awards:**

- ★ Donated 17.5m gallons of water
- ★ Unilever’s Global Compass Award 2015 for North America MCO
- ★ Walgreens 2015 Vendor of the Year Award

Team Unilever and retailer Walgreens created the Give H2OPE campaign to show shoppers that even the smallest steps can have a large social impact. For every purchase of selected Unilever brands made at Walgreens (Caress®, TRESemmé® or Suave®) five gallons of clean water was donated to a family in Kenya via the Me to We Foundation.

Campaign:  
**Food for Thought**

WPP company:  
Wunderman New York

Client: Citi



**Results:**

- ★ \$500,000 donated in the first three weeks
- ★ \$1m donated in the second half of 2015 – an increase to over 166,000 participants

In the US, one in every five children (16 million) is feeling hungry at this very moment. To help, Wunderman New York worked with Citi and No Kid Hungry to create a campaign in which Citi donated \$1 for every Citi Credit Card dining transaction over \$10.

## Our thinking

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 agencies can help clients achieve commercial goals, create brands with purpose and contribute to positive social change.

For example, new research, led by Rachel Pashley of J. Walter Thompson, explores the role of gender in marketing, with revealing new insights on the powerful impact of visible female role models. It makes a compelling case for more gender-balanced marketing, both as a means for brands to reach out more effectively to female consumers and as opportunity to advance women's empowerment and economic development.

Marketing is often seen as being in conflict with achieving more environmentally-sustainable patterns of consumption. However, as Rory Sutherland, executive creative director at OgilvyOne explains on page 30, marketing can actually play a positive role in moving society towards sustainable consumption, helping to make green and ethical choices normal and desirable.



### Insight:

## The female delusion and Female Capital

### Rachel Pashley

Group planning head  
J. Walter Thompson, London

There's never been a better time to be a woman, or so say 76% of women in our proprietary Women's Index<sup>1</sup>. We're all familiar with the idea of women as consumers, with current estimates suggesting that women control up to two-thirds of the global consumer spend – but what we're perhaps less familiar with is the idea of women as wealth creators in their own right: the fact that China is home to two-thirds of self-made female billionaires, or that women run eight out of the 10 leading banks in India – effectively placing the control of 40% of India's assets in the hands of women.

All too often discussions about the struggle for gender parity tend to paint women as passive victims of discrimination, and whilst this is undoubtedly a cultural truth, focusing solely on this narrative can disempower women: and it's deluded as to the power and influence women already wield in the world. We at J. Walter Thompson Company believe in a second truth: the idea of **Female Capital**, the value that women deliver to the world – as women. We believe that Female Capital will be transformational not just for brands and business but for the world at large. Let me explain.



## The 'Dow Jane Effect' and the female economy

Evidence of the ignorance of Female Capital exists all around us. Research from Vanderbilt University<sup>2</sup> examined attitudes to women as leaders, and concluded that women were perceived as assistants and support staff, but poor leadership material. In fact, the opposite is true. Women are the more efficient leaders – with efficiency peaking as they get older<sup>3</sup>, perhaps explaining why a 2016 global study by the Peterson Institute concluded that companies with more women in leadership positions are more profitable<sup>4</sup>.

So entrenched beliefs not only deny women a seat in the boardroom but can actually weaken the bottom line on the balance sheet. If you needed any more persuasion, consider that, on average, female-led hedge funds consistently out-perform those managed by their male peers<sup>5</sup>. In 2009, in recognition of this 'Dow Jane Effect', Naissance Capital, a global investment company, introduced gender diversity screening for investment funds to prioritise those with women on the boards. Retailer Walmart, has started to actively promote female-owned businesses via a labelling system, recognising through their own studies that women are significantly more likely to purchase products made by women, citing quality as a key motivation. Women recognise and support the idea of Female Capital even if the corporate world has yet to catch on.

However, a quiet revolution is happening: a 2013 study published by Amex, revealed that in the US not only are women starting their own businesses at twice the rate of men, they are also growing big businesses. Women-owned businesses in the \$10m+ category have growth rates outstripping their peers and display the fastest growth rates – well above average<sup>6</sup>, perhaps contributing to the fact that 60% of all personal wealth in the US is held by women. Let me repeat... that's 60%.



## Female Capital in action: Bepanthen 10th Month

Recognising that new mums often feel invisible, J. Walter Thompson created '10th Month', an initiative with Bayer's Bepanthen nappy care ointment brand. This aimed to support the woman 'behind' the mother, at one of the most vulnerable times of her life: the post-partum period. For a baby care brand to talk not to the mum, but to the woman, is ground-breaking. Within 24 hours of launch our 10th Month film had achieved over 130,000 views.

## The value of cultural capital

Let's consider another example, and look to Hollywood. Until recently, the prevailing wisdom was that 'male' action movies were a safe source of box office revenue – the assumption being that cinema audiences were primarily male and teenage. In fact 52% of the cinema audience in the US are female<sup>7</sup>, and the earnings potential

of male-centric movies has stalled (*Ted 2*, *Hercules*). A decade-long analysis of box office earnings concluded that female-led films consistently out-performed their male equivalent<sup>8</sup>, by a considerable margin. Yet, on average, only 30% of women's film roles were speaking parts: apparently silent movies are alive and well, for women. To state the obvious, this is a disservice to women culturally, but it is also a huge untapped source of sustainable revenue because women want to see films with strong female role models: they want to be visible.

From our own research, 80% of women globally said they wanted women to have a louder voice in culture. By serving societal need, Hollywood gets to build a sustainable future, with the screenwriters guilds predicting that the 'Female Myth' archetype is set to be the dominant narrative for the next 20 years<sup>9</sup>, *Hunger Games* and *Inside Out* being stellar examples. That's great news for the studio bosses, but what about the rest of us?

### The legacy of female role models

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Well this is where things get interesting. Female Capital doesn't *just* benefit the corporate world. The impact of on screen female role models can shape not just women's career choices but their life choices: and it's nothing short of game changing. Our research discovered that 58% of women globally said that seeing strong female role models on screen (film and TV) made them more ambitious or assertive and 60% claimed that role models had influenced their career choices from taking a leadership position through to fields of study. But then we made a discovery so profound it took our breath away: role models were impacting **life choices**. Our research revealed that one in four women in Brazil said they were inspired to leave an abusive relationship: just through the influence of a female onscreen role model. Now, anyone in the business of advertising will understand the persuasive power of the moving image, but this was startling, especially when you consider that one in three women in Brazil experience domestic violence<sup>10</sup>. Let's consider what that could mean for the world.

### How to solve extreme poverty... through advertising?

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It's estimated that domestic violence costs the global economy \$8 trillion every year<sup>11</sup>, and what could \$8 trillion do? Well, Goldman Sachs estimated that to end worldwide extreme poverty would take 20 years, at a total cost per year of \$175 billion, so roughly (and OK we'd need to adjust the costs for inflation but all things being equal), solving extreme poverty would cost \$3.5 trillion. But remember, if we solved domestic violence we just saved \$8 trillion, or even halved the incidence – that's \$4 trillion. **So we could conceivably solve extreme poverty: through onscreen female role models.** By onscreen role models we mean film or TV series, but also advertising or brand content. Consider the possibilities.

This is why at J. Walter Thompson, we believe in recognising women, not in terms of their (parental) responsibilities: i.e. ‘The Busy Working Mum’, but celebrating their achievements and aspirations. We are exploring the possibilities as part of our Female Tribes initiative, using the results of a three-year global study. We believe that changing the cultural conversation will be game changing.

### Complacency is not an option

Advertising is part of culture, and beamed into virtually every home around the world. This gives us an opportunity and a responsibility to positively influence culture. To paraphrase the UN: an empowered women is the most potent force for change, and I would offer that by harnessing Female Capital in its broadest sense, we can build a sustainable future.



### Female Capital in action: *Her Story*

As part of our intent to change the cultural conversation, J. Walter Thompson Entertainment partnered with BBC World News and Films of Record to produce a four-part TV series. *Her Story: The Female Revolution* tells the global story of female progress, a retelling of contemporary history through a female lens, based on the insight that women’s achievement is frequently airbrushed from history. *Her Story* features some of the most powerful and influential women of our time – the new female role models.



- 1 JWT Women’s Index 2015
- 2 <http://link.springer.com/article/10.1007%2Fs11109-014-9274-4>
- 3 Zenger Folkman Leadership Effectiveness Study 2012
- 4 <http://www.ppie.com/publications/wp/wp16-3.pdf>
- 5 2013 Rothstein Kass
- 6 Growing Under the Radar: An Exploration of the Achievements of Million-Dollar Women-Owned Firms, American Express OPEN January 2013
- 7 Motion Picture Association of America
- 8 <http://mic.com/articles/127095/here-s-exactly-how-much-movies-about-women-make-at-the-box-office-versus-movies-about-men#GxETarKMf>
- 9 John Truby, Page Screen Writing Awards
- 10 <http://www.aljazeera.com/programmes/women-make-change/2015/09/150921120805489.html>
- 11 <http://www.reuters.com/article/us-abuse-costs-idUSKBN0H41AL20140909>



## Insight:

# Marketing and sustainable consumption

### Rory Sutherland

Executive creative director, OgilvyOne  
and vice chairman, Ogilvy Group, UK

The sum of the world's wealth is not really expressible as a numerical figure and is imperfectly related to monetary wealth. It is really the sum of the rewarding choices which people can easily and confidently make.

It is fairly easy to prove this through a simple thought experiment – you simply imagine a wealthy man living in a small village on an isolated island. It is easy to see he may be significantly worse off than someone living near a large interesting town with only half the money.

Most economic discussion revolves around how to generate more money, with almost no thought given to how people might make better choices with the money they already have. Yet, rather than growing economic wealth, helping people make more varied and better choices with the wealth they have might be a relatively easy alternative approach to improving human well-being without increasing consumption.

In the last 20 years or so, we have begun to understand better than before the way people choose, and the psychological mechanisms at work in human decision-making. This should give marketing a new lease of life. Wherever there exists a valuable possibility which people never adopt or even consider because of some psychological hurdle, there is a chance for marketing to create wealth from pre-existing resources simply by removing that barrier. The good news is that the world is full of such examples.

The opt-out pension is a good example of creating a palatable choice where none existed before. For simple psychological reasons (we are a social species) we find it much less nerve-wracking to do things if other people are already doing them. Buying an individual pension for yourself is terrifying. Joining a scheme together with all your mates at work is relatively reassuring. Even if the two pensions are indistinguishable in financial terms, the individual one is far less appealing than the collective one.

Or take the London Overground. Here was a railway line which had existed for years under the name Silverlink Metro. Nobody used it. Renamed the Overground and added to the Tube Map, it suddenly became a salient option. Within a month of this change, usage increased fourfold.

Marketing has a wonderful alchemical power to create options and possibilities as if out of thin air. Brands have the spectacular power of making brave choices seem safe. “Would you like this electric car?” “No.” “What if it’s from Ford?” “I’ll take a look.” “Solar panels?” “No.” “They’re from John Lewis.” “Oh...”

If we want people to change their behaviour, and to adopt more pro-social behaviours, making those new choices salient, appealing and non-weird is not an add-on, where marketing is retro-fitted as the last little bit of magic dust. It’s the first place we should look.

*A version of this perspective first appeared in The Drum, [www.thedrum.com](http://www.thedrum.com)*

## Investing in creativity

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Our companies create opportunities for employees to be inspired by new ideas, and learn from experts and innovators in a range of fields. This supports their development and helps our teams produce leading work for clients. Examples include Ogilvy Group UK’s Ogilvy Labs, a research and development facility that exposes employees and clients to inspiring new ideas, seeks out new partners and nurtures new business ventures. It runs regular events such as Lab Days and Lab Lunches for employees and partners. At Hill+Knowlton Strategies London, the Collider Program helps put change, innovation and creativity at the heart of the agency and its client work, encouraging participants to become intrapreneurs and help define the future direction of the agency.

The Store is the WPP global retail practice and it helps WPP companies innovate and challenge the conventional in the retail arena. The Store holds seminars, hands-on innovation technology sessions, thought leadership programs, develops partnerships and helps nurture innovative technology start-ups in the retail space. Its newest innovation, the ‘Internet of Things Innovation Kit’, empowers the creative community across the WPP Group to understand how the internet of things is set to change retail. Teams can use the kit to rapidly prototype new ideas that solve client problems, without having to know anything about computer code.

We also recognise and reward our employees for their creativity. For example, the WPP WPPED Cream Awards recognise the very best creative work produced by WPP companies in all disciplines across nine categories. See [www.wpp.com/wppedcream](http://www.wpp.com/wppedcream). Our Atticus Awards honour original thinking in communications from Group professionals. Category winners receive a cash prize and extracts from the winning and other outstanding entries are published in the *Atticus Journal*, now in its 22nd year.

The creativity and effectiveness of our work for clients has been recognised in a number of major awards including winning: the Effie Most Effective Holding Company award for four consecutive years in 2015; the top holding company in Warc’s 100 annual ranking of the world’s best campaigns and companies for the second consecutive year; and Holding Company of the Year at the 2015 Cannes Lions International Festival of Creativity for the fifth year running.

## Our ethical standards

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 our Group Sustainability Policy, Human Rights Policy Statement and detailed policies on topics such as anti-bribery and corruption, gifts and entertainment and the appointment of third-party advisors. You can read our Code of Business Conduct on page 117.

Senior managers in all our companies and our business partners and major suppliers 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, head of compliance, the Group chief counsel and external advisers where appropriate.

Employees 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 60 calls made via Right to Speak during 2015, 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 also reviews potential client-related risks such as bribery and corruption, data privacy and competition rules. The committee met on three occasions in 2015.

### Ethics training

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Our ethics training, 'How we behave', is compulsory for all employees. It covers topics such as diversity, privacy, 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. Training is updated every 2-3 years and employees are required to repeat the training following each update.

Over 200,000 employees have completed our anti-bribery and corruption training and almost 200,000 have completed our ethics training since the last update in 2013. These figures are higher than our current number of employees as they include some employees who have since left the business. The training will be updated again in 2016. Acquired businesses 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.

### Associates and partners

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

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

## Acquisitions and sensitive countries

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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 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.

## Compliance with marketing standards

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

Attitudes to subjects such as taste and decency evolve, and new issues can arise as technology develops. Our companies participate in industry groups and help to develop and evolve codes of practice for the marketing industry.

## Ethical decisions in our work

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Our work for clients can raise ethical issues. This could include, for example, work for government clients in sensitive countries, or marketing for sensitive or controversial products. We expect all our people and companies to maintain high standards of integrity and honesty and to take particular care in areas such as marketing to children, or when producing work for products or sectors that are potentially sensitive.

We have a review and referral process to help our people consider the ethical impact of our work and to make decisions about new commissions that reflect our standards. This can include turning down work which presents an unacceptable ethical risk to WPP or our clients.

Before accepting a potentially sensitive commission, employees are required to elevate the decision to the most senior person in the relevant office and then to the most senior executive of the WPP company in the country concerned. They will decide if further referral to a WPP executive is required.

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 that are highly regulated.

Client ethics is one of the topics covered in our ethics training which helps employees identify ethical risks associated with client work, and raises awareness about referral procedures. Depending on scope, internal audits may incorporate a review of the consideration given by management to possible impacts on the Group's reputation prior to accepting new clients.

## Human rights

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.

To confirm our commitment to human rights, during 2015 we published a human rights policy statement and joined the United Nations Global Compact. You can read our Global Compact Index on page 102, which shows how we are reflecting its 10 principles in our business.

### Our human rights impacts and opportunities

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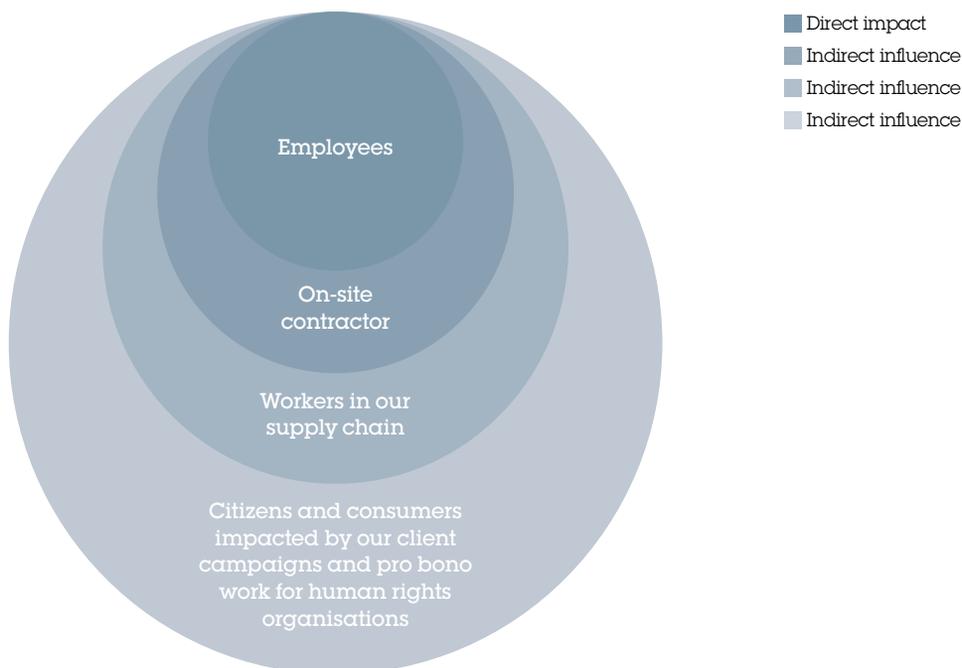
Our main human rights impact is as a major employer in 112 countries and we aim to embed respect for human rights into our employment practices. This includes providing safe workplaces, selecting and promoting our people on the basis of their qualifications and merit and encouraging diversity. We recognise the rights of our employees to freedom of association and collective bargaining and will not tolerate discrimination, harassment or any form of forced, compulsory or child labour. More information is available in our Employment section (page 40).

We also have a number of indirect human rights impacts. We can positively influence human rights standards in our supply chain, particularly for on-site contractors, by working with our suppliers and setting clear expectations on human rights. 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 agencies 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. Examples are included in our Pro bono book, [wpp.com/probonoreport2015-16](http://wpp.com/probonoreport2015-16)

### Our direct and indirect human rights impacts

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## Our policy and standards

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Our Human Rights Policy Statement was published during 2015 and integrated into our Policy Book that all our companies must comply with. It reflects international standards and principles including the International Bill – 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 119 of this report. See [www.wpp.com/wpp/sustainability/policies-and-resources/](http://www.wpp.com/wpp/sustainability/policies-and-resources/).

During 2016 we will review other relevant policies to confirm that they align with our position on human rights. We are adding a number of scenarios to our online ethics training that cover human rights-related issues including non-discrimination, marketing to children and human rights in the supply chain. This training is completed by all employees.

We expect suppliers to adopt similar human rights standards to our own and all major suppliers are asked to sign our Code of Business Conduct – Supplier Version, which includes human rights requirements. See Supply chain for more information, page 74.

## Anti-trafficking and slavery

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A growing number of client contracts now include clauses relating to anti-trafficking and modern slavery. The UK has introduced the Modern Slavery Act which will require all companies to explain their approach to preventing slavery in their operations and supply chain. Similar legislation exists in the US.

As a professional services firm the risk of trafficking or slavery in our workforce is very low. However, we issued guidance to our operating companies in early 2016 reiterating that we do not tolerate people trafficking or forced labour, and providing examples of risk areas. We updated our Code of Business Conduct to reflect this.

We will publish a statement in relation to the UK’s Modern Slavery Act explaining how we assess and manage risks relating to slavery in our operations and supply chain.

## Living wage

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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, has calculated a voluntary living wage rate, which exceeds the UK’s current statutory national minimum wage.

As a professional services firm, the vast majority of our employees already earn significantly above the living wage rate. However, wage rates in our supply chain may be lower. We clarified our position on this issue in the UK during 2015. It is now our policy in the UK for WPP, the parent company, to pay the living wage for all parent-company employees and all on-site contractors such as cleaning, security and catering staff. Our UK agencies are working towards paying the living wage for all employees and on-site contractors within three years and several already do so. See page 54.

## 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

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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 maximum transparency on client representation and require lobby firms to register the names of clients on whose behalf they contact legislators or executive branch personnel. A number of our agencies 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 32.

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

## Political contributions

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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 make personal voluntary political contributions directly to candidates for office. Several of our businesses, including Burson-Marsteller, Glover Park Group, Hill+Knowlton Strategies, Prime Policy Group and Wexler & Walker, also maintain political action committees (PACs) which accept voluntary donations from employees to support political candidates. \$169,332 was given through these PACs to federal candidates during 2015 and early 2016.

## Lobbying and political advocacy

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On occasion, WPP engages in the debate on public policy issues relevant to our business, sometimes operating through our public affairs companies. This can include issues specifically relevant to our sector as well as issues that can affect the general business environment. A recent example is the debate on the UK's membership of the European Union, with WPP expressing support for the UK to remain within the EU. Our companies also contribute to public debate in areas where they have expertise and a special interest – our digital and research companies, for example, get involved on privacy and data protection issues.

We engaged with peer companies and governments in 2015 on a number of sustainability issues. For example, we participated in an initiative of the International Chamber of Commerce to support the United Nation's Sustainable Development Goals and encourage political leaders to work with business to implement the goals. Sir Martin Sorrell, WPP's CEO, also spoke publicly on a number of relevant topics including sharing a platform with Al Gore at the Cannes Festival to discuss the importance of climate change and with Lord Browne at an event to highlight the importance of LGBT inclusion for business, see page 46.

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

## Membership of trade associations and public policy groups

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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, British American Business Council, The Business Council, Business Roundtable, Centre for Talent Innovation, 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, CBI, Chambre de Commerce Française de Grande Bretagne, China Britain Business Council, Institute of Business Ethics, Trilateral Commission and Women on Boards.

## 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.

When collecting, using and storing consumer data, we need to implement rigorous data protection and security procedures to protect consumer privacy, comply with data protection laws and safeguard the reputation of our clients and of WPP. This topic is of increasing interest to clients, regulators and investors.

We also work with our peers, clients and industry bodies to improve privacy practices including the W3C Tracking Protection Working Group and the Interactive Advertising Bureau.

### Our standards

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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 agencies 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.

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, page 76.

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

### Raising awareness

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We launched SAFER DATA in 2015, a privacy and security awareness campaign and online platform with information and guidance for employees 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 employee attention. Launched by WPP's CEO, it is intended that SAFER DATA become the platform for know-how on privacy risk and data security at WPP. 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 also launched mandatory global online Privacy and Data Security Awareness training. Over 20,000 employees completed the training in the first two months following launch.



## Monitoring implementation

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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.

We used our Data Health Checker in 2015 for the third year running to review privacy risks and data security practices in our businesses. The results showed us that the majority of our companies have strong mitigation measures that match or exceed their level of privacy risk, with the average score being 3.9 out of 5, where 5 is the maximum score possible. Of those companies surveyed, 74% have a dedicated privacy lead and 51% have trained all of their people on data security and privacy in addition to Group training.

### WPP DATA CODE OF CONDUCT

#### Our principles

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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

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- 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.

# Employment

We are a people business. Our clients choose WPP companies because of the creativity, insights, experience and professionalism of our people. We invest over \$10 billion a year in human capital, as opposed to \$400 million in fixed assets – 25 times more. How we recruit, manage and develop our people is a highly material issue for WPP.

## Fast read

### Our goal

We aim to recruit and retain the most talented people in our sector and to provide the training and support they need to do great work for our clients. To help us do this we focus on:

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

### Business value

Diversity, internships and support for education give us access to a wider pool of talented candidates and help us create work that is more effective in speaking to a diverse consumer base.

Our investment in training and development helps equip our people with the skills and knowledge they need to serve the changing needs of our clients, while inclusive workspaces, competitive reward, and our health and well-being programs support employee engagement and enable us to reduce costs associated with employee turnover and sickness.

### Sustainability impact

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

### Challenges and dilemmas

Workplace stress is a challenge in our fast-paced and client-focused industry. We need to give our human resources teams and managers the information and support they need to prevent and identify stress among their teams.

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. Achieving gender balance can be particularly challenging in the digital sector. This is important for WPP because we aim for 40 to 45% of revenue to be derived from new media in the next five years.

### Management approach

Our Code of 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 human resources professionals in our companies, providing guidance on current issues and facilitating best practice sharing.

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

### External frameworks

**GRI indicators in this section:** G4-10(M), G4-11, G4-16, G4-EC6, G4-LA1, G4-LA3, G4-LA5, G4-LA6, G4-LA9, G4-LA10, G4-LA11, G4-LA12, G4-LA16, G4-HR3

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

### Progress on our KPIs in 2015

Performance in 2015

|   |   |
|---|---|
| 47% women in senior management                              | ↑ |
| 54% women in our workforce                                  | → |
| 20% ethnic minorities in senior management in the UK and US | ↑ |
| 26% ethnic minorities in our workforce in the UK and US     | → |
| £41.1 million training spend, £321 per employee             | ↑ |
| 3 days lost to sickness per employee                        | ↑ |
| 61% satisfied with work-life balance                        | ↓ |

**Key:**

Improved  Stayed the same  Decreased 

## Employee recruitment

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We directly employ 128,000 people. When our associate companies are included (those in which we have a minority stake) the figure is almost 190,000 people in over 3,000 offices in 112 countries.

As a global and multi-disciplinary company we can offer employees exciting opportunities for development, and we aim to retain talented employees 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.

## Human rights

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We respect the human rights of all employees, whether permanent, temporary or contract workers. This includes encouraging diversity, preventing discrimination, providing safe workplaces, recognising the rights of our employees to freedom of association and collective bargaining, and not tolerating harassment or any form of forced, compulsory or child labour. We published our Human Rights Policy Statement in 2015 to confirm our commitment to human rights in our business, our supply chain and in our work for clients. More information is on page 34.

## Non-discrimination and anti-harassment

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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 117) 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.

We make sure that appropriate channels are available for staff to report concerns or grievances without fear of recrimination. Staff 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. To enable staff to report concerns anonymously we also have an independently operated 'Right to Speak' helpline available to all employees. Staff 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.

## Diversity and inclusion

We aim to create a workforce that reflects the diversity of consumers in our markets and an inclusive culture in which all our employees feel able to be themselves and to do great work. All aspects of diversity are potentially relevant to our companies, although our approach is more developed in some areas, for example representation of women.

Our companies implement a range of inclusive working practices depending on local circumstances. Examples include: appointing senior diversity champions or committees; employee networks and resource groups; training for leadership on unconscious bias; mentoring programs; recruitment processes incorporating diversity criteria and partnerships with specialist diverse recruitment firms; and internship and apprenticeship programs designed to reach diverse candidates. 15% of new appointments were made using recruitment processes incorporating diversity criteria in 2015 and we aim to increase this.

All employees undertake awareness training on diversity as part of our online ethics training ‘How we Behave’, see page 32, and a further 36% of operating companies ran additional diversity training during 2015.

WPP, the parent company, creates opportunities for our companies to learn and share best practices, such as our UK WPP Stella Leadership group on gender diversity. Our external partners at Group level include the Business Disability Forum, Business in the Community, Women on Boards, Stonewall – the UK lesbian, gay and bisexual charity, and the US Center for Talent Innovation. We are also sponsoring the inaugural Women to Watch awards for the UK and Western Europe recognising women making an impact in marketing, advertising or media.

## Gender balance

Women control or influence the majority of consumer purchase decisions and more than half of all graduates in our key markets are women. Achieving gender balance at all levels of our workforce is essential to enable us to attract the best talent and create work that connects with consumers.

We have achieved a good gender balance in our workforce overall, with women accounting for 54% of total employees and 47% of senior managers. However, women remain underrepresented at the very highest levels of the business. As at 31 December 2015, women comprised 29% of the WPP Board, 33% of non-executive directors and 33% of directors and executive leaders in our operating companies. As at the date of this report, women comprised 31% of the WPP Board and 36% of non-executive directors. 18 out of our 46 global client leaders are women (39%).

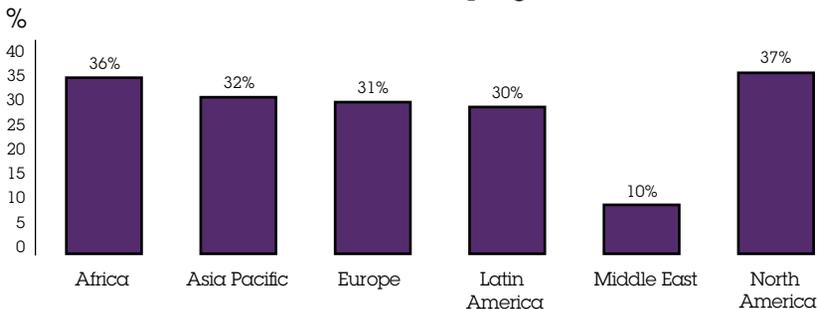
We are starting to track return rates for women after maternity leave, as this is a stage at which we risk losing female employees. We hope to be able to report data on this next year. 45% of our companies offer parental leave benefits that exceed local legal requirements and we aim to increase this.

We do not currently collect or report data on pay in relation to gender at a group level. However, our UK agencies are putting in place the systems to do so in relation to new disclosure requirements in the UK.

## Gender diversity 2011-2015

| % women           | 2015 | 2014 | 2013 | 2012 | 2011 |
|-------------------|------|------|------|------|------|
| WPP Board         | 29%  | 24%  | 29%  | 19%  | 19%  |
| Executive leaders | 33%  | 31%  | 32%  | 32%  | 31%  |
| Senior managers   | 47%  | 46%  | 47%  | 47%  | 47%  |
| Total employees   | 54%  | 54%  | 54%  | 54%  | 54%  |

## Female executive leaders in 2015 – by region



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

We established the WPP Stella Leadership group to address barriers that could prevent women progressing their careers to senior levels and to facilitate sharing of good practices. The group was initially started in the UK and is now being extended to the US. It has identified a number of specific challenges affecting women, including time out of the workforce as carers, unconscious bias, less visibility of female leaders and lack of role models. Three work streams have been established focusing on:

- **Policy development** in areas such as maternity and paternity leave, support for women returning to work after maternity leave and flexible working. The Group has benchmarked the policies of our agencies in the UK against technology companies, clients and consultancies and has recommended a set of best practices that will support retention and diversity in senior management. These have been communicated to our UK operating companies and we plan to roll out similar guidelines to other markets, starting with the US. We have also launched the Talking Talent coaching program and Parent Portal in the UK providing practical support and coaching for working parents at all levels.
- **Visibility and networking** for senior women in our companies. We now have a speakers' database to help us raise the profile of our senior women as conference speakers, panel judges and event organisers. This also helps to increase the number of visible female role models.
- **Progression training and coaching** for senior women. A new Group training program has also been launched on unconscious bias for employees and leaders.

We run 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. By the end of 2015, 107 women had completed X Factor. 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 the UK and US, with 140 women leaders from 50 WPP agencies attending to date.

Our agencies are also working with clients on gender diversity issues and developing insights on the benefits of female capital in marketing. J. Walter Thompson's work in this area is profiled on page 26.



**Annette King**  
CEO, Ogilvy UK

Annette was recognised in the *Financial Times's* Top 30 Straight Ally list for the LGBT community.

**"To my mind, creating a supportive working culture of which a diverse workforce is one measure, is a no-brainer. The more diverse your workforce is, the better your business will be. Better in terms of output, results and staff well-being. Diversity, in all its various forms, is the foundation that holds us up as an agency. It makes our work more creative, the people more interesting and our results impactful.**

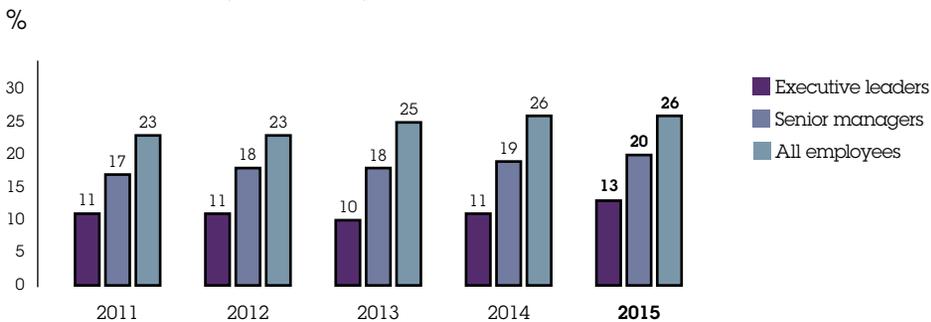
**Inclusion is something that we all need to work on, no matter what level we are at, whether we are a board member or an intern. Our role as leaders is to raise awareness of the issues that LGBT individuals face at work and help others understand the importance of equality, fairness and acceptance for all, regardless of their gender or sexual orientation."**

We supported the *Women in the Workplace* 2015 benchmarking study by Sheryl Sandberg's LeanIn.org and McKinsey that aims to encourage female leadership and gender equality in the workforce. WPP agency Landor was one of 118 companies to participate. The study found that women remain underrepresented at every level of the corporate pipeline, with the disparity greatest at senior levels of leadership.

## Ethnic diversity

We measure ethnic diversity in our offices in the UK and the US using national definitions of ethnic/racial minorities, such as those determined by the Equality and Human Rights Commission in the UK and the Equal Opportunity Commission in the US. In 2015, 26% of employees in these countries were from ethnic minorities (2014: 26%), 20% of senior managers and 13% of executive leaders.

### Ethnic minorities (UK and US)



Our agencies work with recruiters and other partners to reach out to diverse candidates and increase the ethnic diversity of our workforce. Examples include:

- Internships and apprenticeships:** We run many internship and apprenticeship programs with a particular focus on diverse candidates such as MediaCom's London Apprenticeship program and Cohn & Wolfe's and Hill+Knowlton Strategies' PR Internships for All, see page 48. Our companies also support external programs such as 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 to enable more students from ethnic minority backgrounds to gain experience in our industry.
- Recruitment partners:** We partner with specialist recruiters, such as Rare Recruitment and organisations targeting diverse candidates. In the UK, for example, our companies work with organisations such as 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 Emma Bowen and LAGRANT Foundations.
- Careers events:** our agencies attend events and career fairs targeting diverse candidates. Examples in the US include the ADCOLOR Conference; the Face of Talent, the careers fair for MAIP alumni; ANA multicultural conferences; 'Here Are All the Black People', a multicultural careers fair organised as part of Advertising Week during 2015; and careers events at Historically Black Colleges and Universities.
- Professional networks:** employee networks and resource groups provide professional development opportunities and assist in attracting and retaining diverse talent. Ogilvy for example maintains 10 groups

including the Black Diaspora, LatinRED, RedLotus (for employees of ‘Asian-Pacific’ descent) and Doonya (Muslim) networks. Each network is sponsored by an Ogilvy executive leader and Ogilvy’s North American CEO hosts quarterly meetings with network leads.

## Nationalities and local recruitment

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There are seven nationalities currently represented on the WPP Board. We estimate that 51% of senior managers were recruited from the local country or region in which they work.

## LGBT diversity

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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. A number of our agencies have launched LGBT networks including Ogilvy, Grey and J. Walter Thompson and work with external partners such as Stonewall and Reaching Out MBA, a US organisation for LGBT MBA students.

For example, Ogilvy Pride is Ogilvy & Mather UK’s LGBT and Straight Ally professional network. It runs events and training sessions to raise awareness of LGBT equality and helps the agency to develop its approach to LGBT diversity. During 2015, Ogilvy Pride organised ‘Why Coming Out is Good Business’, an event attended by over 150 external organisations and clients as well as Ogilvy employees. Attendees heard from Sir Martin Sorrell, WPP CEO, on the importance of LGBT diversity, as well as from Lord Browne, the former chief executive of BP and author of the book, *The Glass Closet*. O&M was recognised by the Human Rights Campaign Organisation, which awarded the agency a 100% score in its Corporate Equality Index 2015. Ogilvy is now extending its work in this area to other markets, with the Ogilvy Pride network launching in Hong Kong in early 2016. O&M sponsored *The Economist’s* Pride & Prejudice conference held in March 2016 in Hong Kong, London and New York at which Sir Martin Sorrell was a keynote speaker on the business and economic case for LGBT inclusion.

Other examples from our agencies include Wunderman’s sponsorship of the week-long LGBT festival ShanghaiPride, which aims to raise the profile of LGBT issues in China. Wunderman created a campaign for Pride, ‘Hold the hands of the one you love’, to increase awareness and encourage engagement among LGBT and heterosexual people.



**Sir Martin Sorrell**  
CEO, WPP

“There is a clear commercial rationale for brands to be supportive of and reflective of LGBT diversity – LGBT buying power is significant and growing. Leading brands are recognising this and LGBT diversity is increasingly reflected in our work with clients including high-profile campaigns, such as Tiffany’s first ad featuring a same-sex marriage and the Google+ Same-Sex campaign.”

Within WPP we value diversity and we want our people to bring their true selves to work. We want to be a visible voice on LGBT issues in our industry and to work with our clients to help make LGBT diversity more visible in marketing.”

## Gender transition

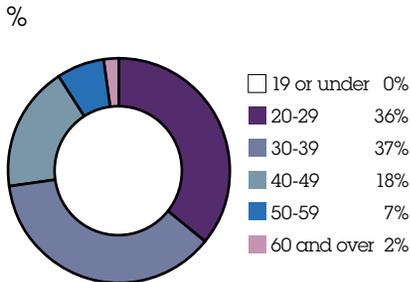
Our Code of Business Conduct commits us to non-discrimination on the basis of gender identity or gender expression. Gender transition, when a transgender person makes the decision to publicly change his or her gender, can be a challenging time for the individual. Our companies need to be able to provide the right support to employees undergoing gender transition and their colleagues.

We issued guidelines to our companies during 2015 on how to manage gender transition in the workplace. The guidelines provide information on how to support affected employees and their colleagues and address concerns and misconceptions as well as practical steps the company may need to take. The guidelines have been issued to our heads of human resources in all our companies globally.

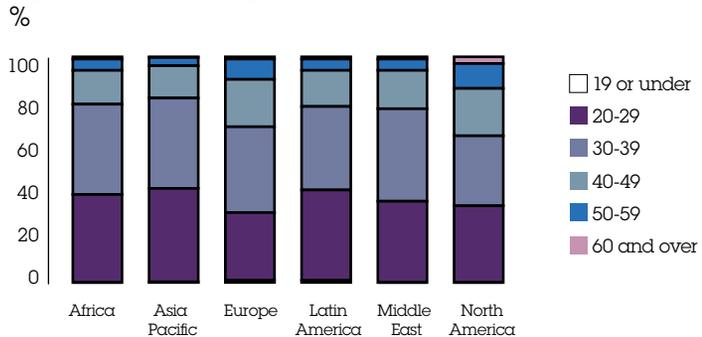
## Age diversity

Our industry has traditionally employed a young workforce, and 73% of our people are aged under 40. The levels are particularly high in faster-growing markets where our industry is more recently established. A workforce with a mix of generations can contribute to diversity of insight and creativity. As the global population ages, older generations account for an increasing proportion of consumer spending. Some of our companies have introduced measures to help retain older employees, such as phased retirement.

Age diversity in 2015



Age diversity by region 2015



## Disability

Disability and ill-health, whether physical or mental, can affect any employee during their working life. We aim to be a ‘disability smart’ employer, providing the right support and removing barriers so employees affected by disability can fully contribute to our business success. This improves employee retention, productivity and engagement.

We are members of the Business Disability Forum in the UK and ran a seminar with them for our UK agencies during 2015 exploring current best practices in this area.

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

## Flexible working

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Flexible working practices help create an inclusive culture, particularly for working parents and employees with caring responsibilities. 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. These measures support employees to successfully balance the demands of their home and professional lives and help us to retain valued employees. We estimate that around 31% of our employees have flexible working arrangements and that 74% of flexible working requests are approved by our companies. 43% of our companies offer career breaks and sabbaticals.

## Internships and education

WPP supports education and skills through internships, apprenticeships and partnerships with schools and universities. We believe that business can play a positive role in education, helping build the skills our industry needs and supporting young people into employment.

It is important that educational initiatives are inclusive because lack of diversity exacerbates skills shortages. One of the important contributions that business can make is to provide opportunities for young people from all backgrounds to develop their skills.

### Internships and apprenticeships

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We offered 5,378 paid internships and apprenticeships at our companies during 2015 (4,613 internships and 765 apprenticeships). Currently our data covers 66% of our companies, so the actual number of paid internships and apprenticeships is likely to be higher.

Many of our companies run internship programs specifically targeting diverse candidates and it is our policy that all internships and apprenticeships should be paid positions. This ensures they are accessible to candidates from all socio-economic backgrounds. Paul Richardson, our Group finance director, communicated this policy to our companies during 2015.

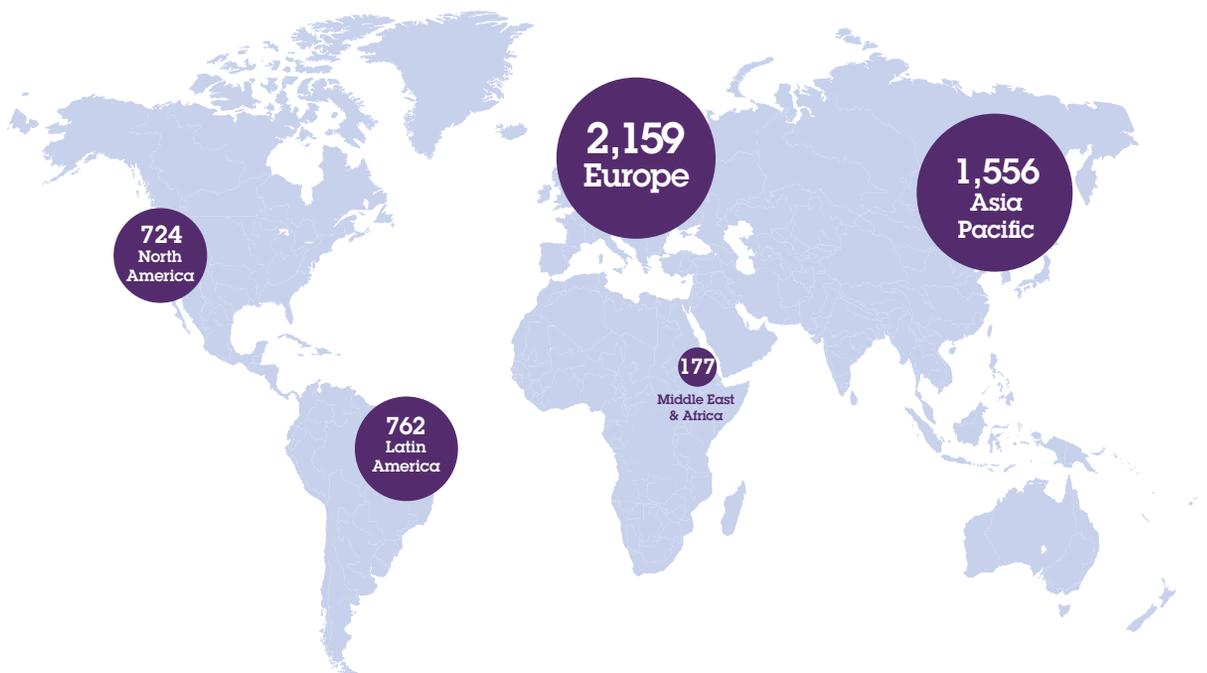
Examples of internship and apprenticeships at our agencies in 2015 included:

- **4 A's Multicultural Internship Program (MAIP)** – our agencies in the US participate in the American Association of Advertising Agencies' MAIP program which provides over 120 placements each year giving candidates real-world work experience, training and development, and networking opportunities. WPP agencies involved include GroupM, J. Walter Thompson, Maxus, Ogilvy, Team Detroit, VML, Wunderman and Y&R.
- **PR Internships for All:** Cohn & Wolfe and Hill+Knowlton Strategies participate in this initiative of the UK's Public Relations Consultants Association's offering placements to interns from diverse ethnic and socio-economic backgrounds.
- **WPP Micro-fellowship:** this joint initiative between WPP and Rare Recruitment, encourages ethnic minority candidates to consider a career in marketing communications.
- **Evolution Apprenticeship MEC UK:** this apprenticeship program, launching in 2016, will target candidates not currently in education, employment or training to gain experience in MEC's communications planning, digital & display activation, audio visual, performance planning & activation and analytics & insights departments.
- **MediaCom London:** year-long apprenticeships for 10 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 works with a number of organisations, charitable trusts and social enterprises to ensure it attracts

candidates from diverse backgrounds. Since launching in 2012, 90% of apprentices have been offered full-time positions at MediaCom on completing the program and the scheme has won a number of awards.

- **Starting Blocks:** Burson-Marsteller South Africa's internship program launched 21 years ago to give students practical experience in public relations and help them find full-time employment more quickly on graduation. To date, 56 interns have graduated and gone on to find permanent positions. 49 of these were empowerment candidates from previously disadvantaged groups.
- **Associate Learning Programme Genesis Burson-Marsteller India:** this year-long paid internship program provides training in all facets of public relations within a working environment. 14 interns took part in 2015.
- **Y&R's Z Academy:** offers three-month apprenticeships to graduates from the best design and digital marketing schools, pairing apprentices with executives across Y&R's global network.
- **Class of 75:** Sudler & Hennessey's new apprenticeship program in celebration of the agency's 75th anniversary, will offer 75 college graduates a two-month apprenticeship working alongside experienced professionals and benefiting from at least eight hours training a week.

### Paid internships and apprenticeships by region 2015



### Education partnerships

We support marketing and communications education outside WPP, to help develop the skills our industry needs and support a future pipeline of talent for our businesses, particularly in newer markets for WPP.

At university level, key partnerships include our support for the WPP School of Communications and Marketing in Shanghai, our partnership with the Indian School of Design and Innovation in Mumbai to offer a three-year undergraduate course on marketing communications and our recently-launched Africa Academy, see page 51.

Across our markets, many of our senior employees serve as visiting lecturers and teach courses relevant to marketing and communications at local universities and colleges.

Digital is a growth area for WPP (our target is 45% of revenues from digital activities) but women are underrepresented in this part of our industry. We need to address this in education to help prevent future skills shortages and enable a gender-balanced workforce. WPP companies are partnering with a number of universities to support their new data, science and technology courses. This will help us to attract entry-level applicants especially women into our analytics and technology operations. For example, Ogilvy & Mather Australia works with the Association for Data-driven Marketing and Advertising (ADMA).

For younger students, our companies work with local schools to help build skills and alert young people to career opportunities in our industry. In the UK, for example, **JWTeach** works with inner city secondary schools in the UK to provide a unique structured advertising and media course, which contributes towards student's GCSE grades. The most passionate students are offered work experience placements. **Maxus Calling**, is a recently launched school liaison and apprenticeship initiative, that will give local school leavers access to career advice and enable them to take part in practice interviews, Q&A sessions with Maxus staff, and to attend talks by senior Maxus leaders. At least five school leavers will be offered apprenticeships at Maxus. **Ogilvy's School Partnership** with the Bishop Challoner Federation of Schools in London's Tower Hamlets borough includes mentoring and work experience placements.

We also support **Inspiring the Future**, an organisation working to improve career advice in the UK by giving all young people, whatever their background, real insights into careers, jobs and educational routes. WPP provided support to develop the program's online service and over 200 of our people have spent time at local schools talking to children about careers, CVs and interview techniques.

## Training and development

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Training helps our people develop their skills, increases engagement and enables our teams to serve the needs of our clients in all disciplines and markets. 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. They include:

- **Maestro:** Orchestrating Client Value, our week-long program for senior client leaders held in 31 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 3,911 participants from 142 WPP companies since its inception in 2003.
- **The 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. 2,422 participants worldwide have benefited to date.
- **WPP Fellowship program:** a three-year global recruitment and training initiative for graduates providing experience across a range of marketing disciplines. 2015 marked the 20th anniversary of the Fellowship, and 181 Fellows have gone through or are participating to date.
- **WPP MBA Fellowship program:** our global multidisciplinary program for MBA graduates, with 60 participants so far.

- **WPP Africa Academy:** our training and talent development program in sub-Saharan Africa, see below.
- **WPP Leadership Toolkit for Managers:** an interactive resource and educational tool hosted on our Group intranet. The Toolkit helps managers explore what good leadership is all about and provides practical techniques, tips and tools managers can use.

### **Building skills in our faster-growing markets**

The WPP Africa Academy, launched in February 2016 in Johannesburg, South Africa, is a new initiative to provide high-quality training and talent development opportunities for our employees, suppliers, clients and potential recruits in sub-Saharan Africa. It will help address skills shortages for our industry in Africa and support economic development in the region.

The Academy will deliver a range of courses, many in partnership with the Red & Yellow School of Logic and Magic, a highly-respected marketing and advertising school. Its curriculum includes a range of accredited skills development programs, occupational courses and workshops. We expect nearly 600 people from our companies to take part in training during 2016.

Our companies have been working in Africa for over 80 years and we currently employ more than 30,000 people through our companies and associates in South Africa alone, with offices in a further 20 countries across the continent. Africa is a fast-growing market for our Group and the Academy will help support this growth.

The Africa Academy is part of a larger investment program in education and skills in fast-growing markets. In 2015, WPP in partnership with the Indian School of Design and Innovation (ISDI), launched the ISDI WPP School of Communication in Mumbai, creating India's first professional three-year undergraduate diploma program in communication. 65 students have taken part to date. In 2011, WPP partnered with the Shanghai Arts and Design Academy (SADA) to establish the WPP School of Marketing and Communications in China, with 124 graduates to date.

**“As in many other developing markets, African nations are facing a shortage of talent, particularly in the fields of marketing and communications. As the leading marketing services group in Africa and the world, WPP is committed to supporting the development of a professional and creatively-talented workforce in this sector. By fostering and developing the talent within our agencies, this initiative will provide our people, our businesses and ultimately our clients, with a competitive advantage.”**

**Sir Martin Sorrell**  
CEO, WPP

## Performance in 2015

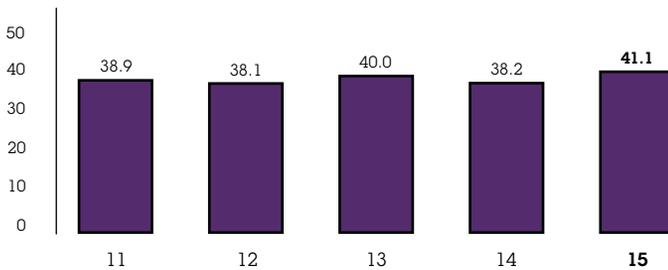
We invested £41.1 million on training in 2015 (2014: £38.2). This includes the cost of training courses, and travel and accommodation costs for employees attending training sessions. 65% of our employees took part in formal training programs.

In previous years we reported a combined figure for training and welfare spend. We have changed our approach this year and are now reporting training spend only. This will make it easier to monitor investment in training. We have restated our data for previous years to reflect our new approach.

We spent, on average, £321 per employee on training, with the average spend for female employees being £326.

### Staff training

£m



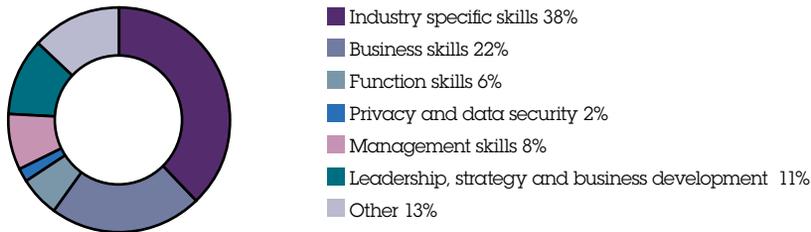
### Training facts and figures

|  |             |
|--|-------------|
| Employees participating in formal training | <b>65%</b>  |
| Spend on training per employee             | <b>£321</b> |
| Spend on training per employee (women)     | <b>£326</b> |
| Training delivered online                  | <b>16%</b>  |
| Training delivered face-to-face            | <b>83%</b>  |

Our operating companies have their own bespoke training programs to develop their people's industry skills, business and leadership competencies and functional expertise, see chart on page 53. For example, Grey New York's Famously Effective Leadership program is a two-day off-site course which aims to improve employee retention through effective management and communication. The program focuses on how to manage, motivate and lead diverse teams, including working across generations and cultures, delivering difficult feedback and coaching. Other programs at the agency include: Grey University, monthly training sessions available to all employees; Grey Masters of Innovation, a course for mid-level employees; and Performance of a Lifetime, a presentation skills class for senior leaders.

## Training by category

%



## Appraisals and performance development

Regular appraisals are an important part of performance management in our companies. In 2015, 86% of employees participated in a formal appraisal process at least once a year. Our companies also use 360 degree appraisals for senior employees which combine feedback from colleagues, managers and others. 73% of our agencies used these appraisals during 2015. 68% of executive leaders have 360 degree appraisals, 64% of senior managers and 49% of other employees.

## Reward and remuneration

We offer attractive compensation packages, which are benchmarked against other companies in our markets and sector. Employees have access to a range of benefits, including pensions and private health insurance, in accordance with local practice. Full and part-time employees have access to the same benefits.

Many of our people participate in performance-related incentive plans on top of base pay. These reward excellent performance and are assessed either through the employee's operational business area or on the share price performance of the Company. Senior employees may participate in share-based compensation plans.

Our Worldwide Ownership Plan and WPP Share Option Plan 2015 have operated from 1997-2015 and granted share option awards to more than 147,000 of our people. In 2015, under the WPP Share Option Plan 2015, over 48,000 eligible employees received awards in 71 countries.

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

We support employees to make financial provisions for the future. The benefits offered vary by company but can include competitive packages in the areas of retirement and savings, as well as life and accident insurance. 48% of employees were covered by pension benefit plans.

## Living wage

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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, has calculated a voluntary living wage rate which exceeds the UK's current statutory national minimum wage.

As a professional services firm, the vast majority of our employees already earn significantly above the living wage rate. However, wage rates in our supply chain may be lower. We clarified our position on this issue in the UK during 2015. It is now our policy for WPP, the parent company, to pay the living wage for all parent company employees and all on-site contractors such as cleaning, security and catering staff in the UK. Our UK companies are also working towards paying the living wage for all employees and on-site contractors within three years, and a number of UK companies have already achieved this including Added Value, Addison Group, Brand Union, Burson-Marsteller, Clarion, Cohn & Wolfe, GroupM head office, Kantar Health, Maxus, MEC, MediaCom, Mindshare, Sudler & Hennessey, VML, WTMS Ltd, Wunderman and Young & Rubicam. We have issued guidance to our agencies on the Responsible Procurement of Cleaning Services.

## Health, safety and well-being

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We provide safe workplaces and aim to support our employees to stay fit and healthy and to manage work-related stress. Sickness absence is a cost to the business and to employees personally, and can affect our ability to deliver work to clients.

The main health and safety risks within our workplaces are stress and ergonomic injuries. Work-related stress is a particular challenge in our fast-paced and client-focused industry and in some markets due to cultural and other factors.

We assess the potential for work-related stress through interactions with employees, our regular staff surveys, monitoring timesheets and staff absences and by reviewing issues raised via our employee assistance programs and exit interviews. Some of our companies provide training to line managers to help them identify the early signs of stress. Flexible working arrangements can help staff to manage home and work-life commitments and to reduce stress (see page 48).

Our companies operate their own health and safety management systems, which can include employee training, audits and risk assessments. 72% of our companies have appointed someone with responsibility for health and safety management and 35% have a formal management-worker H&S committee to monitor and advice on occupational health and safety programs. Our companies implement a range of initiatives to promote health and well-being including: fitness facilities (68% of our companies), including on-site facilities and subsidised gym memberships; health and nutrition services (61%), including health insurance and medical assessments; counselling services (54%), including employee assistance programs; ergonomic risk assessments and specialist equipment (67%); and subsidised childcare.



**Anna Hickey**  
Managing director, Maxus UK

**Never Stand Still at Maxus UK**

Maxus UK wants to be the best agency for people to work at – for work, for life, and for growth. The agency launched, ‘Never Stand Still’, a holistic program for employee engagement and well-being, designed to develop and retain the agency’s people by helping them achieve the life they want.

Key aspects of the project include career coaching, available to all Maxus staffers (regardless of level or department), the ability to take two working hours a week for exercise (either via an in-house class or through a subsidised gym membership), an exchange program with other Maxus offices and a local school liaison project.

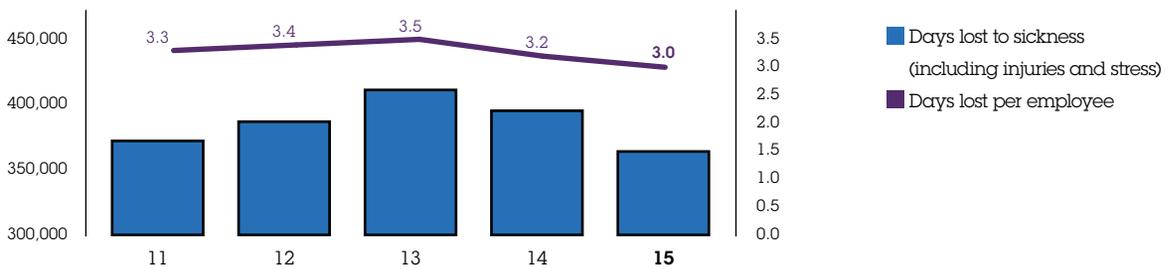
The components of Never Stand Still are aligned with the project’s three pillars:

- **For Work** enables staff to actively shape and grow their careers through training, coaching, mentorship and championing of best practice.
- **For Life** initiatives are designed to ensure staff can balance work with their life outside – empowering them to exercise, learn about well-being, celebrating agile working and increasing the time that teams spend socialising and bonding together.
- **For Growth** is the Maxus way of recognising that if staff grow as individuals, they’ll be more motivated and inspired at work. Staff are invited to participate in anything from free language courses to learning to code, or perhaps getting involved with local charity and community initiatives, or working in other Maxus offices overseas.

**Performance in 2015**

The overall sickness rate was 3 days per employee in 2015, a decrease from 3.2 days per employee in 2014. This includes both non-work related illness or injuries, work-related injuries and any occupational diseases related to an employee’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 2015.

**Days lost due to sickness**



## Monitoring progress

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We monitor the impact of our policies and practices and we share what we learn between our companies across the Group. Our approach includes employee surveys and structured engagement with employee representatives as well as informal dialogue with our people day-to-day.

Exit interviews with employees who are leaving the business can provide valuable feedback. In 2015, 80% of leavers had exit interviews (2014: 78%).

## Employee surveys

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Regular employee surveys provide useful insight into the views of our people, enable us to compare performance between our companies and help us to identify areas for improvement. Results are shared with company leaders and communicated to employees, with action plans developed to address lower scoring areas. 76% of our companies conducted a staff satisfaction survey in the last two years.

We include a set of standard WPP questions in our company surveys where possible to enable us to compare results from different parts of the business. In 2015, these were included in surveys covering 70% of Group employees.

| Question   | % positive |
|--|------------|
| Attracting, developing and retaining people with a diverse background is encouraged at my location | 58%        |
| My performance in my job is evaluated fairly and regularly   | 60%        |
| I have the opportunity for personal development and growth at this company                         | 64%        |
| My company takes an interest in my well-being  | 64%        |
| My work schedule allows me sufficient flexibility to meet my personal/family needs                 | 61%        |
| I could discuss ethical concerns with my managers without worrying that my job would be affected   | 73%        |
| My company is trying to cut its carbon footprint   | 47%        |
| Generally we are encouraged to be 'green' in our office  | 54%        |
| The support my company gives to charities and good causes is appropriate                           | 60%        |

## Employment infringements

---

In 2015, 200 cases were reported, compared to 484 cases in 2014. During the year, 248 cases were finalised (including cases reported from prior years). Of these, 79 were withdrawn, 108 agreed between parties, 55 judged against Group companies and 6 judged in favour.

The investigations surrounding the recent events at J. Walter Thompson Company are being finalised. Immediate action has been taken. The former CEO, Gustavo Martinez, stepped down by mutual consent. Tamara Ingram was appointed as the new CEO.

## Labour relations

We support the right of employees 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 2015, around 5% of employees were members of trade unions across 31 countries. There were 1,273 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, we ensure our HR teams and Employee Assistance Programs provide support to affected employees.

### AWARDS AND ACCREDITATIONS

WPP companies received numerous awards and accreditations in the area of human resources management during 2015. Examples include:

Cohn & Wolfe, New York, *PR Week*, Best Large Agency to Work ■ Group M, India, World HRD Congress, Dream Employer Award – Media 2015 ■ GroupM, Spain, Top Employer Institutes, Top Employer ■ GroupM, Singapore, HR Asia Recruitment Awards 2015 ■ GroupM, Uruguay, Great Place to Work, Great Place to Work – Uruguay, Ranked 6th ■ J. Walter Thompson, Hong Kong, Asia Recruitment Awards 2015, Best Candidate Experience and Best On-boarding Experience ■ J. Walter Thompson, UK, IPA, CPD Gold and Platinum accreditations for sustained training excellence ■ Kantar Health, UK, *Sunday Times*, 100 Best Small Companies to Work For 2015 and 2016 ■ Kantar, London, *Sunday Times*, 100 Best Companies to Work For 2015 ■ Maxus, UK, *Sunday Times*, 100 Best Companies to Work For 2016 ■ MEC, UK, Best Companies, Two Star Accreditation ■ MEC, UK, *Sunday Times*, 100 Best Companies to Work For 2015 and 2016 ■ MEC, Spain, Top Employer, Top Employer Certification ■ MediaCom, Düsseldorf, *karriere.de*, Fair Company Award ■ Millward Brown, Australia, Aon Hewitt Best Employers 2015, Best Employer ■ Mindshare, UK, IIP, Investors in People ■ Mirum Agency, Brazil, Great Place to Work, Ranked 15th ■ Ogilvy, Mexico, Best Place to Work, First place ■ Ogilvy & Mather, Singapore, GTI Media Awards 2015, The most popular graduate employer in Media & Advertising ■ Ogilvy & Mather, US, Working Mother Media, 100 Best Companies for Working Mothers ■ Scholz & Friends, Hamburg, Faktenkontor, Hamburg's Best Employers ■ TNS, Latvia, Ministry of Welfare of Republic of Latvia, Family Friendly Enterprise Award ■ VML, US, Cradle Foundation, Silver Cradle Foundation Award ■ VML, US, Dave Thomas Foundation for Adoption, 100 Best Adoption Friendly Workplaces ■ WPP, US, *Forbes* magazine, America's Best Employers ■ Wunderman, Madrid, Great Places to Work list, Ranked 8th.

# Environment

Climate change is one of the most pressing global challenges and all governments, businesses and individuals have a role to play in tackling it. At WPP we have been working to reduce our carbon emissions and environmental footprint since 2006.

## Fast read

### Our goal

We aim 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 21 and our Pro bono book) and work to reduce carbon emissions in our value chain.

Our Group targets are:

- 1.8 tonnes of CO<sub>2</sub>e per employee 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

Our work on environmental issues improves operational efficiency and reduces utility and travel costs, enhances our credibility as advisors to clients, enables us to meet environmental requirements in client tender processes and supports employee engagement.

### Sustainability impact

Our most significant environmental impact is the greenhouse gas emissions associated with our energy use and business air travel. We can reduce this in our operations and have a positive impact beyond our business by working with clients on these topics.

### Challenges and dilemmas

We have over 3,000 offices, and decisions regarding energy contracts and waste management are often made at local level, making it harder to implement a consistent approach. Most offices are leased properties 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 strategy is set at Group level and 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 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 2015. 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 2015**

Performance in 2015

|  |   |
|--|---|
| 2.07 tonnes of CO <sub>2</sub> e per employee (target 1.8)                     | ↑ |
| 16% of floor space certified to advanced green building standards (target 25%) | ↑ |
| 21% of electricity from renewable sources (target 25%)                         | ↑ |
| 31% of paper from recycled and/or certified sources (target 80%)               | + |

**Key:**

Improved  New KPI 

## Our carbon strategy

By 2020, we aim to reduce carbon emissions to 1.8 tonnes of CO<sub>2</sub>e per employee, a 47% reduction from 2006. We use a carbon intensity target per employee, as headcount is closely linked to levels of business activity and this allows us to reflect the impact of acquisitions and disposals without needing to adjust our baseline.

Our annual reduction target is 4% and each of our operating companies has its own individual reduction target.

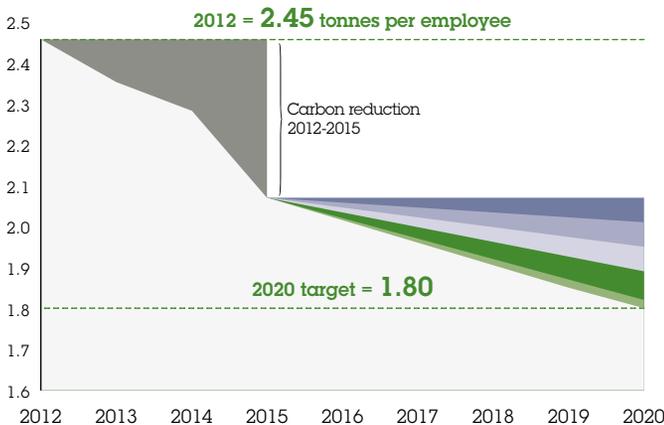
Our strategy focuses on:

- **Office energy use:** Improving the energy efficiency of our buildings and IT systems and consolidating our office space.
- **Air travel:** Reducing non-essential flights by promoting videoconferencing. We offset the equivalent of 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.

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

### Carbon strategy 2012-2020

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



|  | Tonnes per employee | %            |
|--|---------------------|--------------|
| <b>2015 carbon intensity</b>                               | <b>2.07</b>         |              |
| <b>Building energy efficiency</b>                          | -0.06               | -21%         |
| Investing in technology at new and existing buildings      |                     |              |
| <b>Office space consolidation</b>                          | -0.06               | -22%         |
| Reducing space requirements in key cities                  |                     |              |
| <b>IT consolidation</b>                                    | -0.06               | -23%         |
| Moving servers to best-in-class data centres               |                     |              |
| <b>Renewable electricity</b>                               | -0.07               | -26%         |
| Increasing supply from 16% to 25% of total electricity use |                     |              |
| <b>Other reductions</b>                                    | -0.02               | -7%          |
| From additional carbon reduction measures to be identified |                     |              |
| <b>2020 carbon intensity target</b>                        | <b>1.80</b>         | <b>-100%</b> |

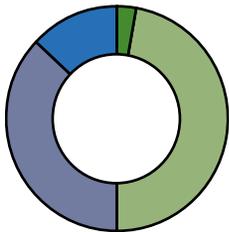
### Performance in 2015

We are on track towards our targets making steady progress in 2015:

- Our footprint per employee was 2.07 tonnes of CO<sub>2</sub>e, down 9% on 2014 and 39% lower than 2006. We hit our 4% annual reduction target and are on track for our 2020 target.
- Our footprint per £million of revenue was 21.64 tonnes of CO<sub>2</sub>e, down 11% on 2014 and 53% lower than 2006.
- Our absolute carbon footprint was also down on the previous year at 264,774 tonnes CO<sub>2</sub>e (2014: 281,389 tonnes CO<sub>2</sub>e).

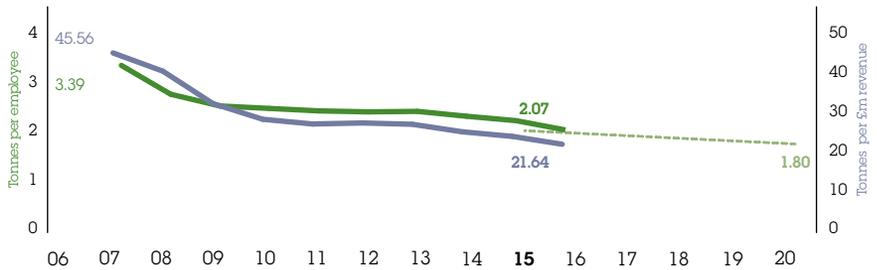
We participate in the CDP Climate Change program, a collaboration of institutional investors encouraging companies to disclose climate change risks and opportunities. Their assessment showed we were the leading company in our sector for our climate change strategy and reporting with a score of 97B (2014: 98B). We also take part, as a responding company, in the CDP Supply Chain program.

**Carbon footprint in 2015**  
%



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

**Carbon intensity 2006-2015**  
tonnes of CO<sub>2</sub>e



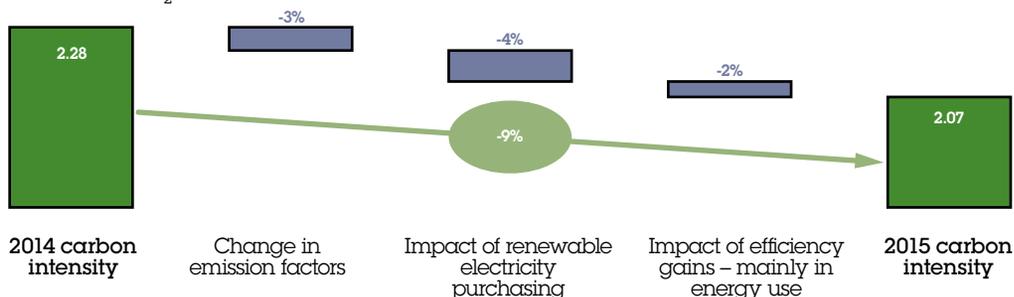
- Headcount intensity
- Target headcount intensity
- Revenue intensity

In 2015, total energy use fell by 2% year-on-year and energy use per employee by 5%, largely due to investments in energy efficiency and office space consolidation. Total air travel increased by 5% year-on-year and air travel per employee by 1%, in line with revenue growth.

Since 2006, our total energy consumption increased by 15%. However, energy use per employee decreased by 29%. As a result, we have avoided £5.9 million in annual utility costs and 84,000 tonnes of CO<sub>2</sub>e. Total air miles increased by 41% since 2006, but air miles per employee decreased by 12%, avoiding over 83 million air miles and 33,000 tonnes of CO<sub>2</sub>e annually.

Our absolute carbon footprint in 2015 was 264,774 tonnes of CO<sub>2</sub>e (rating renewable electricity as zero emissions), a 6% decrease over 2014 compared with a 4% growth in headcount. If the renewable electricity we purchase globally is rated using the same emissions factors as standard grid electricity, our total carbon footprint in 2015 was 295,354 tonnes of CO<sub>2</sub>e.

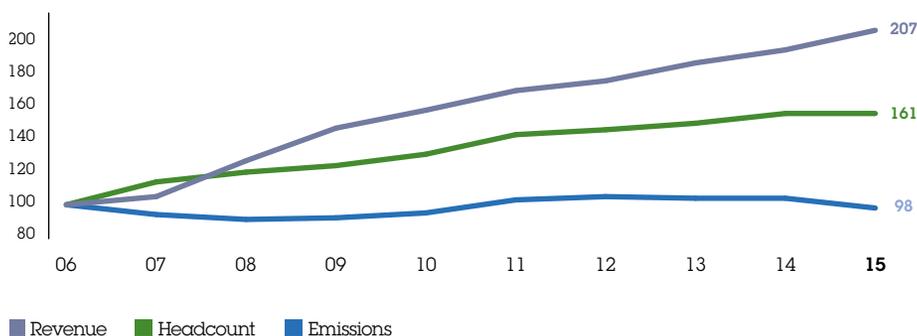
**Carbon intensity 2014 vs 2015**  
tonnes of CO<sub>2</sub>e per employee



Since 2006, our absolute carbon footprint has decreased by 2%, compared to a growth in reported headcount of 61% and revenue growth of 107%, demonstrating some success at decoupling emissions from business growth.

## Decoupling emissions from business growth

index (2006 = 100)



## Building energy use

We aim to improve the energy performance of our buildings and use space more efficiently so we can reduce the amount of space we occupy, and therefore reduce 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).

Over 3.7 million square feet, 16% of our total floor space, is now certified to recognised standards (2014: 13%) against our target of 25%. Moves to certified buildings have reduced our energy use by an average of 21% at each location.

Offices below 50,000 square feet must either be certified to recognised green building standards 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.

## 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. This will accelerate the move of our IT infrastructure into best-in-class external data centre services by the end of 2016. The contract was signed at the end of 2014 and includes energy and environmental targets to ensure we realise the potential carbon reduction opportunities from improving IT efficiency.

Our managed print program will cut energy, paper and cartridges used at each location by up to 40%. We aim to have up to 80% of our global printing fleet under management by the end of 2016.



## Sea Containers, London, UK

### A better space for our people and the environment

Sea Containers, the new London headquarters for Ogilvy and MEC, is a state-of-the-art development with a lower carbon footprint designed to help our companies attract the best talent in the industry.



© Maris Mezulis Studio

The longest commercial frontage on the River Thames and one of our 10 largest locations, Sea Containers provides 230,000 square feet of space over 11 floors. The interior, designed by BDG architecture + design, a WPP company, makes use of a diverse range of spaces to accommodate all types of working styles from open to private, formal to normal, small to large, bookable to non-bookable. There are no traditional ‘cellular’ offices. The site accommodates 2,300 people at only 1,700 traditional workstations, with Ogilvy and MEC encouraging use of flexible working options for their people.

Sea Containers is certified to green building standard BREEAM Excellent, and sustainability features include use of LED lighting throughout (over 1,700 fixtures). This will reduce electricity consumption by 31% compared with traditional fluorescent office lighting and reduce maintenance costs.

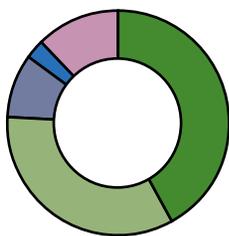
## Renewable energy

We aim to increase our use of electricity generated from renewable sources, including green-tariff electricity contracts, to 25% of total supply by 2020, achieving 21% in 2015. Our use of renewable electricity reduces our carbon footprint by 30,580 tonnes of CO<sub>2</sub>e.

We reviewed green-tariff uptake at our 100 largest locations and found that, in many locations, suitable contracts aren’t available or electricity purchasing is controlled by the landlord. As an alternative, and to help us reach our target of 25% renewable energy, we have begun to purchase renewable energy certificates (RECs) in the US. Each REC purchased is equivalent to purchasing 1MWh of renewable energy and promotes investment in renewable energy generation. We purchased 14,422 Green-e Energy certified RECs for 2015, working with Renewable Choice Energy, a US-based business providing clean energy products and services.

### Total renewable electricity purchased

% breakdown by country, 2015



|                     |    |
|---------------------|----|
| USA                 | 42 |
| UK                  | 34 |
| Germany             | 9  |
| Italy               | 3  |
| All other countries | 12 |

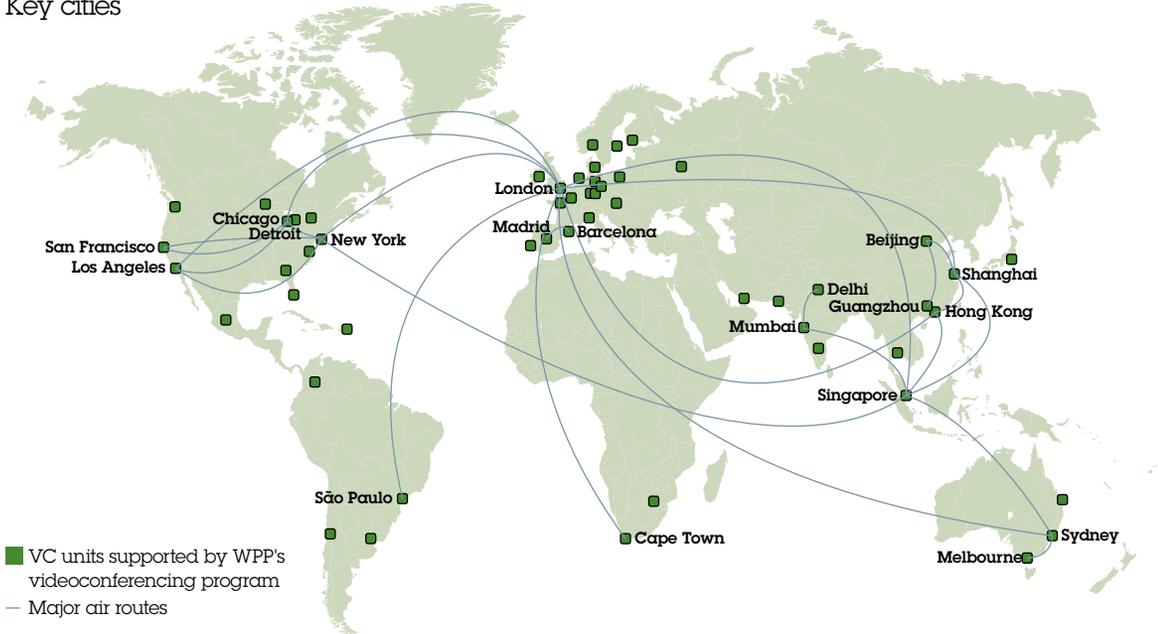
## Air travel, videoconferencing and offsetting

Our companies work closely with clients and rely on face-to-face meetings to build relationships and deliver on projects. But while we cannot eliminate air travel, we can reduce unnecessary flights and use audio and videoconferencing as a replacement for some face-to-face meetings.

We have invested in a videoconferencing network that now incorporates over 700 units in 160 cities worldwide. 43 additional units were added in 2015 and usage increased by 6% on the previous year. Our 24-hour, five-day-a-week helpdesk supports our people to use the service effectively. 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 2015, we invested £150,000 to support four renewable energy-generation projects in faster-growing economies. Together these projects generate over 200m 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 1.1 million carbon credits and supported 15 projects. We focus on projects that provide both environmental benefits and support local socio-economic development, see opposite page for our current projects.

## Carbon offsetting projects 2015



**Brazil**  
**Renewable biomass**  
 Ituiutaba

**10,000**

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

### Project

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

### Standards

Verified Carbon Standard (VCS)

Social Carbon

### WPP coverage

91% 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

**7,500**

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

Three 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

**61,385**

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

111 wind turbines across five regions in western India generating 143m kWh of renewable electricity annually

Verified Carbon Standard (VCS)

52% 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 CO<sub>2</sub>e offset

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

Gold Standard

44% 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 suppliers selected by WPP who offer products and services with improved environmental credentials.

### Paper

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As an office-based business, paper use is one of our most significant resource impacts. Previously we have focused on increasing recycled content in our paper used for printing and copying.

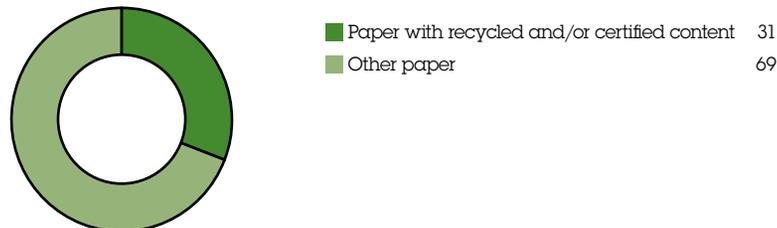
In 2015, we took a broader approach to sustainable paper sourcing, looking not just at paper with recycled content but also paper sourced from sustainably-managed forests. We have updated our target and now aim to reach 80% sustainably-sourced paper by 2020. This includes paper with recycled content and paper certified to recognised sustainability standards such as FSC and PEFC. We reached 31% in 2015.

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

Our total paper usage in 2015 was 4,897 tonnes (2014: 5,101 tonnes). Our managed print program (see IT energy use on page 62) helps us to reduce paper use by up to 40% per location.

### Paper purchased

%



### Water

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Water scarcity is a major challenge in some regions of the world. While we do not use large volumes of water in our business we do aim to use water carefully.

We ran a pilot project (2010-2014) to measure and reduce water use in our 11 largest locations in areas of water scarcity (which account for around 20% of our floor space in these areas). This focused on: identifying and repairing leaks; upgrading water fixtures and fittings during renovations; and reusing rainwater and wastewater where feasible. We reduced water use per person at these locations by 21%, exceeding our 20% target. We are sharing what we have learned by providing guidance for our offices, available on our intranet, and by integrating water conservation into our property acquisition and refurbishment process (see Building energy use on page 62).

Using the data from our pilot and external benchmarks we have estimated our total water use at 1.9 million cubic metres, equivalent to 14.8 cubic metres per employee per year.

**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 make it easier for our operating companies to recycle their waste we have identified preferred suppliers of recycling services for paper, standard office consumables and mobile phones in all major markets.

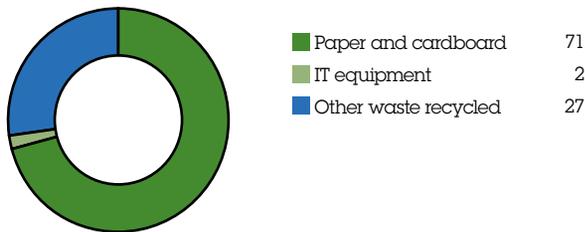
We are working to improve our data collection on waste and recycling but have further to go to improve data quality. In 2015, we estimate the Group generated 8,772 tonnes of waste of which 65% was recycled. The remaining 35% was disposed via landfill or incineration.

We recycled 5,713 tonnes of waste in 2015 (2014: 5,416 tonnes), of which 71% 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, IBM our main contractor is working to increase reuse and safe recycling of old IT equipment.

**Waste recycled**

%



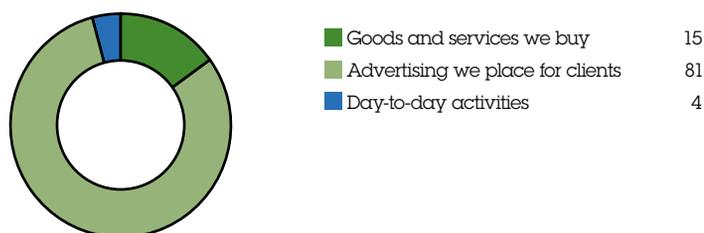
## Our wider carbon impact

As well as managing our direct greenhouse gas emissions, we can also have an influence on indirect emissions associated with our business activities – our value chain emissions.

We analysed these emissions in 2014 to identify opportunities for WPP to work with clients and suppliers to reduce emissions connected with client media plans and other parts of our supply chain.

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### Carbon emissions across our value chain



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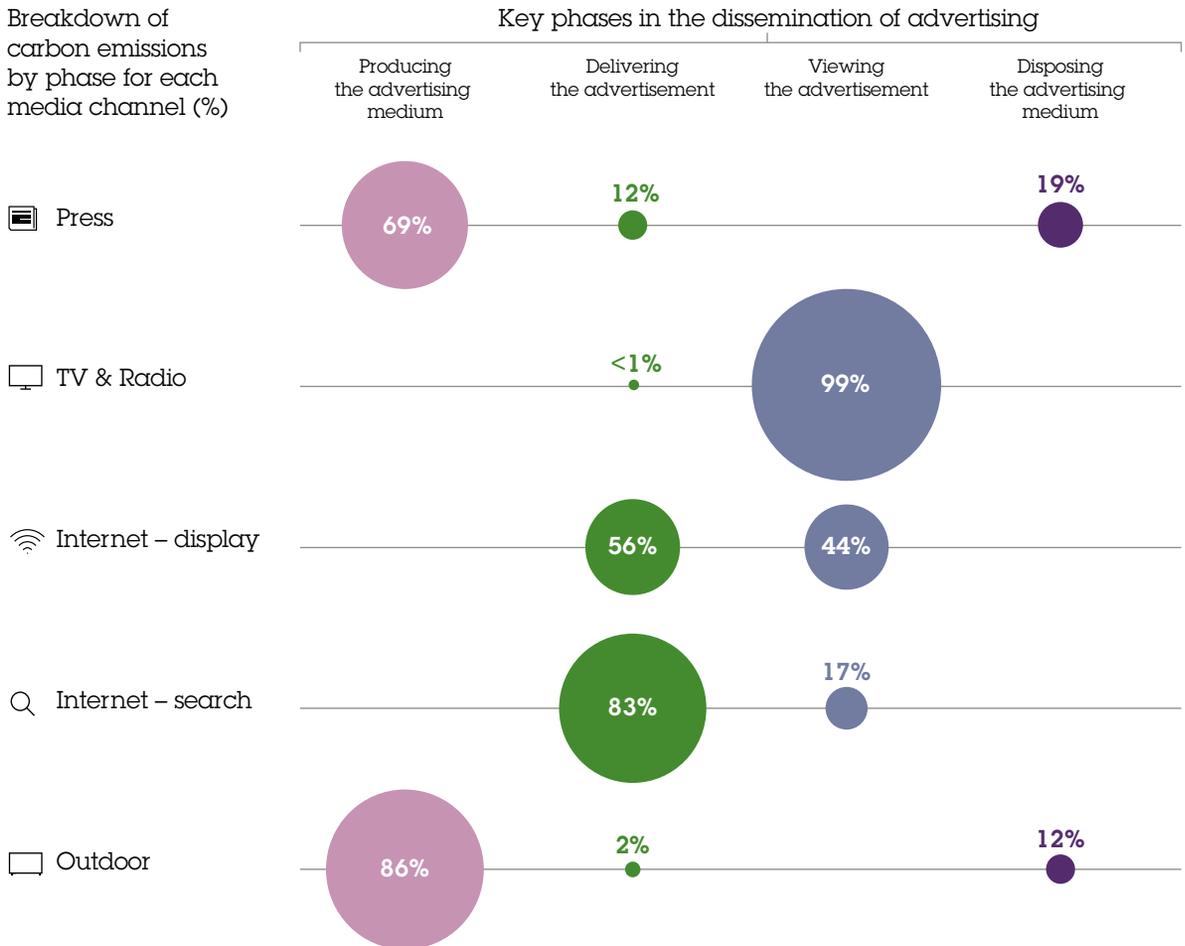
Our analysis of our value chain footprint is based on data from our UK business, WPP's home country and second-largest market. It shows a value chain footprint in the UK of 1.2 million tonnes of CO<sub>2</sub>e. Our main sources of emissions are:

- **Advertising we place for clients** – emissions from the physical dissemination of advertising through press, TV, radio, internet and outdoor channels. See chart opposite.
- **Goods and services we buy** – emissions associated with the goods and services we buy from suppliers 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, employee commuting and waste. With the exception of employee 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. We are also using the analysis to help procurement teams consider carbon impacts. This will include adding a carbon dashboard to our procurement spend analytics system that will identify more carbon-intensive suppliers and categories of spend.

## 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 2015

This data covers the year ended 31 December 2015 in line with the Group's financial reporting period.

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

| Emission source                                |   | 2015           | 2014           | 2013           | 2012           | Base year<br>2006 |
|--|---|----------------|----------------|----------------|----------------|-------------------|
| Scope 1  | Natural gas combustion  | 6,677          | 7,203          | 8,757          | 7,584          | 1,946             |
|  | Heating oil combustion  | 1,458          | 2,546          | 2,548          | 2,256          | 682               |
|  | <b>Total scope 1 emissions</b>                                | <b>8,135</b>   | <b>9,748</b>   | <b>11,305</b>  | <b>9,840</b>   | <b>2,628</b>      |
| Scope 2  | Total purchased electricity at grid average intensity (gross) | 153,798        | 159,540        | 157,471        | 164,212        | 149,728           |
|  | Less purchases of renewable electricity (see note 6)          | (30,580)       | (21,192)       | (21,299)       | (23,765)       | –                 |
|  | <b>Total scope 2 emissions (net)</b>                          | <b>123,218</b> | <b>138,348</b> | <b>136,172</b> | <b>140,446</b> | <b>149,728</b>    |
| Scope 3  | Business air travel   | 98,885         | 96,590         | 95,879         | 96,079         | 81,714            |
|  | Other estimated scope 3 emissions (see note 4)                | 34,536         | 36,703         | 36,503         | 36,955         | 35,111            |
|  | <b>Total scope 3 emissions</b>                                | <b>133,421</b> | <b>133,293</b> | <b>132,382</b> | <b>133,034</b> | <b>116,825</b>    |
| <b>Total CO<sub>2</sub>e emissions (net)</b>   |   | <b>264,774</b> | <b>281,389</b> | <b>279,859</b> | <b>283,321</b> | <b>269,181</b>    |
| <b>Total CO<sub>2</sub>e emissions (gross)</b> |   | <b>295,354</b> | <b>302,581</b> | <b>301,158</b> | <b>307,086</b> | <b>269,181</b>    |

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

| Intensity metric                      | 2015         | 2014  | 2013  | 2012  | Base year<br>2006 |
|---------------------------------------|--------------|-------|-------|-------|-------------------|
| <b>Tonnes per employee (net)</b>      | <b>2.07</b>  | 2.28  | 2.35  | 2.45  | 3.39              |
| Percentage change from 2006           | (39%)        | (33%) | (31%) | (28%) | –                 |
| <b>Tonnes per £m of revenue (net)</b> | <b>21.64</b> | 24.41 | 25.40 | 27.31 | 45.56             |
| Percentage change from 2006           | (53%)        | (46%) | (44%) | (40%) | –                 |

### Office energy use (in megawatt hours)

| Energy type                                     | 2015           | 2014           | 2013           | 2012           | Base year<br>2006 |
|---|----------------|----------------|----------------|----------------|-------------------|
| Direct energy use (natural gas and heating oil) | 38,287         | 44,847         | 52,532         | 45,673         | 12,099            |
| Indirect energy use (purchased electricity)     | 315,731        | 314,773        | 328,374        | 323,582        | 295,396           |
| <b>Total energy use</b>                         | <b>354,018</b> | <b>359,620</b> | <b>380,906</b> | <b>369,255</b> | <b>307,495</b>    |
| <b>% of electricity from renewable sources</b>  | <b>21%</b>     | 14%            | 15%            | 16%            | –                 |

## Notes to carbon emissions statement 2015

### 1. Reporting standard

Our carbon emissions statement 2015 has been prepared in accordance with the World Resource Institute (WRI) and World Business Council for Sustainable Development (WBCSD) Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, Revised Edition (the GHG Protocol).

### 2. Greenhouse gases

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

**3. Organisational boundary**

Emissions data is included for all operations for which WPP and its subsidiaries have operational control. This covers 128,000 employees. Associate companies are excluded.

**4. Operational boundary**

We include the following emissions in our reporting:

- Direct emissions (scope 1):
  - Fuel used to heat WPP premises (combustion of natural gas and heating oil).
- Indirect emissions (scope 2):
  - All purchased electricity, including electricity purchased at grid average carbon intensity and renewable electricity purchased under specific contractual instruments, such as green-tariff contracts with suppliers and energy attribute certificates (e.g. renewable energy certificates in the US or guarantees of origin in the EU).
- Other indirect emissions (scope 3):
  - Employee business air travel.
  - An estimate for other scope 3 emissions that we do not currently measure on a global basis, including emissions from leased cars, taxis and couriers. This estimate is an additional 15% that we add to our carbon footprint and is shown under ‘other estimated scope 3 emissions’.

**5. Geographic scope**

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

**6. Emission factors**

CO<sub>2</sub>e emissions have been calculated on the basis of measured or estimated energy use, fuel use and miles travelled, multiplied by the relevant carbon emission factors. In 2015, 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   |
|--|---|
| <b>Scope 1</b><br>(fuel used to heat WPP premises) | IPCC 2006 Guidelines for National Greenhouse Gas Inventories (using global warming potentials from the 2007 IPCC Fourth Assessment Report).   |
| <b>Scope 2</b><br>(purchased electricity)          | – For the US: US Environmental Protection Agency eGRID 2012 (released in August 2015)<br>– For the UK: UK Department for Environment, Food & Rural Affairs (Defra), GHG Conversion Factors for Company Reporting (2015)<br>– For all other countries: International Energy Agency, CO <sub>2</sub> Emissions from Fuel Combustion, 2015 Edition |

| Emission scope                          | Emission factors used   |
|---|---|
| <b>Scope 3</b><br>(business air travel) | UK Department for Environment, Food & Rural Affairs (Defra), GHG Conversion Factors for Company Reporting (2015). |

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. In our 2014 reporting, we trialled the use of local and sub-national emission factors to calculate emissions from electricity use in several countries, including Australia and the US. Following a review of these emission factors in 2015, we decided to revert back to country-level emission factors to ensure consistency and comparability over the years. We also identified a number of business units which misstated their greenhouse gas emissions in 2014. As a consequence, we restated our 2014 Scope 2 emissions. This restatement is reflected in the tables above and throughout this report.

**7. Data collection methodology**

Data used to calculate CO<sub>2</sub>e emissions is collected quarterly through WPP’s financial reporting system, and includes some estimated data (e.g. in some locations electricity usage is estimated based on headcount or floor space). In 2015, our data covered 96% of our operations by employee headcount. The remaining 4% 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 2014 data, Bureau Veritas made a number of recommendations for improving our approach. We have implemented many of these in our 2015 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 100.

# Supply chain

We source from thousands of suppliers worldwide, spending £6 billion on goods and services each year<sup>1</sup>. We want to select and work with suppliers 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 suppliers
- Integrating sustainability criteria into supplier selection
- Monitoring risks in priority areas of our supply chain
- Working with suppliers 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 suppliers we can help protect human rights in our supply chain and reduce the social and environmental impact of our procurement.

### Challenges and dilemmas

We work with thousands of suppliers, 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 suppliers. However, higher-risk practices may be more likely to occur further down the supply chain where we have limited influence.

<sup>1</sup>Not 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-EN32, G4-LA14, G4-HR1, G4-HR9, G4-HR10, G4-SO9

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

### Progress on our KPIs in 2015

Performance in 2015

**218** suppliers covered by our supply chain risk program



**£200** million annual spend covered by our supply chain risk program



**Key:**

Improved

## Our supply chain

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

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

The large numbers of suppliers we work with and the diversified nature of procurement within WPP means we have to prioritise our efforts. We currently focus on tier-one suppliers, 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 suppliers and requiring them to implement their own supply chain management programs, we can influence standards further down the supply chain.

## Our standards for suppliers

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We expect suppliers to adopt standards that are consistent with our own. These are set out in the supplier version of our Code of Business Conduct, which 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 (page 39), our Sustainability Policy (page 116), and our Human Rights Policy Statement (page 119).

Our key policies and information about our approach are available to suppliers and prospective suppliers on our website, [wpp.com/wpp/about/how-we-buy](http://wpp.com/wpp/about/how-we-buy).

The UK's Modern Slavery Act now requires companies to explain their approach to preventing slavery in their operations and supply chain. We are reviewing our policies and processes to ensure they comply with the Act and will publish a statement explaining how we assess and manage risks relating to slavery in our operations and supply chain.

## How we select suppliers

---

We evaluate potential new suppliers 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 suppliers:

- Conduct due diligence to assess whether suppliers pose a potential financial or reputational risk to WPP or its clients.
- Assess operational, commercial and sustainability criteria to determine whether suppliers are fit for purpose.
- Apply our anti-bribery and corruption policies.
- Have suppliers 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.
- **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.

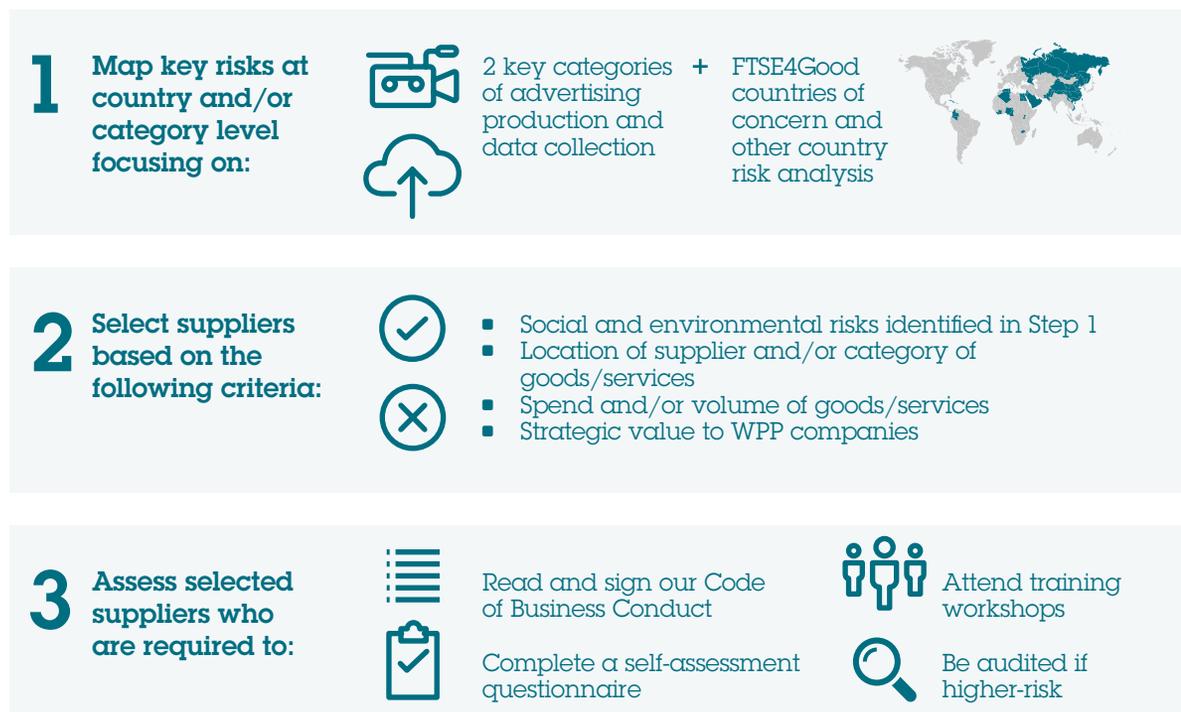
We are working more closely with suppliers in these areas to identify and manage risks. We focus our engagement on suppliers who represent a potentially higher risk due to factors such as spend, the type and volume of goods or services we buy, a supplier's strategic value to WPP or their location. See chart on page 76.

Selected suppliers 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 three years (2013-2015) we have assessed 218 advertising production and data collection suppliers working with our companies in China, the UK and the US. This covers £200 million in annual spend, or approximately 12% of our total spend on advertising production and data collection.

## Supplier risk monitoring

We follow 3 key steps:



### Advertising production suppliers

Since 2013, we have assessed 195 suppliers, 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 suppliers on the practical steps they can take to align with our Code of Business Conduct.

We held two training sessions with our procurement teams responsible for advertisement production in the US during 2015 to raise awareness of the key environmental and social issues associated with advertisement production and to review the performance of key suppliers. We are also conducting audits for selected higher-risk suppliers.

### Data collection suppliers

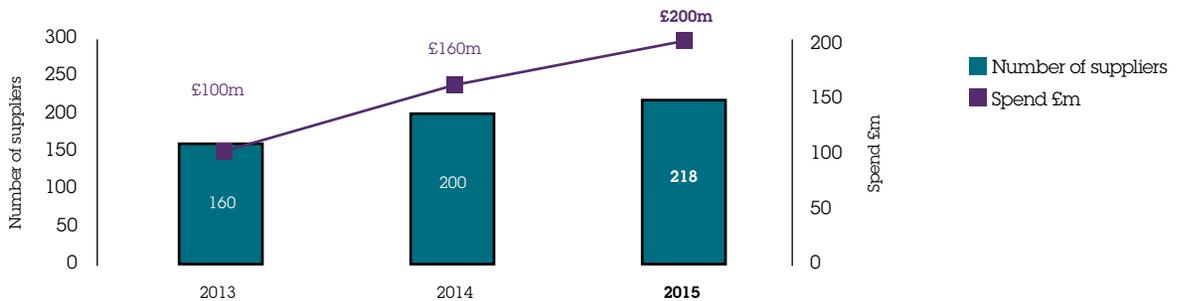
Since 2013, we have assessed 23 suppliers that provide and/or manage data for Kantar, KBM and Xaxis. In addition to signing our Code of Business Conduct – Supplier Version and completing the Sedex questionnaire, these suppliers are also asked to read and sign the WPP Data Code of Conduct and complete 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 39 for more information).

Our assessment results show that all the suppliers carry a medium sustainability risk as defined by Sedex, and that 75% of the suppliers involved have taken mitigation measures that match or exceed their level of data security and privacy risk. On average, suppliers were found to have a risk score of 3.25 out of 5, with 5 being the highest level of risk, and a mitigation score of 3.55 out of 5, with 5 being the highest level of mitigation. Of those suppliers surveyed, 70% have trained their employees on data protection and information handling.

During 2016, we will work to further strengthen our approach in this area and expand our risk program to other countries in partnership with the Data Alliance, the horizontal team supporting our data businesses by helping companies across the Group access and leverage data.

Read more about our approach to Privacy and our Data Code of Conduct on pages 38-39.

### Suppliers and spend covered by our supply chain risk program



### How we work with suppliers on sustainability

We work with suppliers to reduce the environmental impact of our procurement and to increase diversity in our supply chain. This includes:

- **Living wage:** We are working with suppliers in the UK to make sure that on-site contractors (cleaning, security and catering providers) receive the living wage. See page 54.
- **Diversity:** We incorporate diverse suppliers 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 suppliers for our operating companies to use, which provide goods and services with better environmental credentials for energy, paper and waste management. See page 66.
- **Carbon emissions:** We have estimated the carbon emissions of our supply chain and plan to work with suppliers to target reductions in key areas. See page 68.

To broaden our efforts and encourage accountability at a regional and category level, we are in the process of establishing social and environmental action plans for each Group procurement team for implementation in 2016 and 2017.

# Social investment

Charities and NGOs do vital work in areas such as health, education and human rights. They need professional communications services to help them raise awareness and create change, but usually have limited resources to invest in these services.

## Fast read

### Our goal

We aim to support the work of charities and NGOs and have a positive impact on social issues by donating time, money and our creative expertise. We focus on:

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

Through our social investment, we support the United Nations Sustainable Development goals and their ambition to end poverty, protect the planet and ensure prosperity for all.

### Business value

Pro bono work provides exciting creative opportunities for our people, supporting their professional development. Our companies produce many award-winning pro bono campaigns each year, which enhances their creative reputation. Social investment supports our reputation and helps engage and motivate our people.

### Sustainability impact

Our social investment has a positive impact in areas including community development, education, human rights, health, the environment and the arts. Our pro bono work is particularly important and often worth more than an equivalent cash donation because it enables charities to raise awareness and funds, recruit new members and achieve their campaigning goals.

### Challenges and dilemmas

Social investment strategy is determined at operating company level, with WPP the parent company having limited control over the amount of time and resources donated. This means levels of investment can fluctuate year-on-year. It is challenging to measure the impact of our social investment, particularly as we work with so many different charity partners across our many locations.

### Management approach

All our social investment falls within the broad themes of arts, education, environment, health, human rights and local community, with priorities, partners and projects determined at the local level by our operating companies. WPP, the parent company, helps coordinate some pro bono initiatives involving multiple WPP companies.

### External frameworks

GRI indicators in this section: N/A

Global Compact Principles: 1, 8

### Progress on our KPIs in 2015

Performance in 2015

|   |   |
|---|---|
| £13.5 million in pro bono work                                      | ↓ |
| £24.4 million worth of free media space negotiated by WPP companies | ↓ |
| £5.9 million in charitable donations                                | ↑ |
| £43.8 million total social contribution                             | ↓ |
| Social investment equivalent to 1.3% of reported profit before tax  | ↓ |

**Key:**

Improved  Decreased 

## Performance in 2015

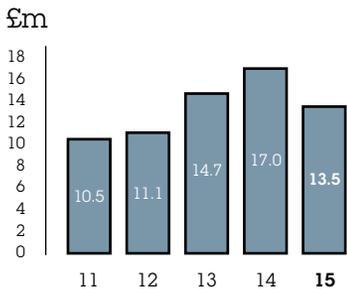
Our social investment was worth £19.4 million (2014: £21.8 million). This is equivalent to 1.3% of reported profit before tax. It includes cash donations to charities of £5.9 million and £13.5 million worth of pro bono work based on fees the organisations would have paid for our work. In addition, WPP media agencies negotiated free media space worth £24.4 million on behalf of pro bono clients (2014: £25.1 million), making the total social contribution £43.8 million (2014: £46.9 million).

The value of our social investment (pro bono work and charitable donations) decreased by 11% on the previous year, while our overall contribution including free media space was down by 7%. This drop is primarily due to a fall in the value of pro bono work from 2014, which was a year of particularly strong performance.

### The impact of our social investment

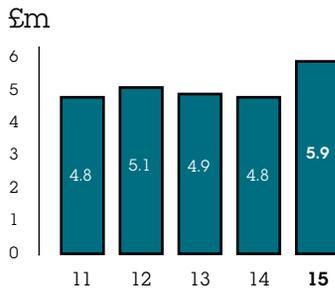
Our support helps NGOs and charities to carry out their important work in areas such as improving health, education and protecting human rights. We have conducted research to understand the value of this impact to society. This shows that our pro bono work and charitable donations generated social benefits worth around £97 million in 2015, for example, by helping to improve health and well-being in communities. Read more on page 16.

#### Pro bono contributions



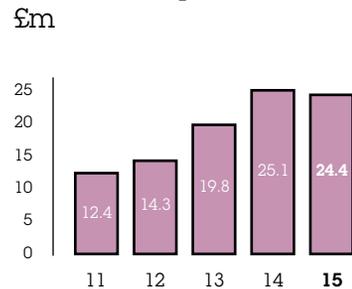
WPP companies undertook pro bono work worth £13.5 million in 2015.

#### Charitable contributions



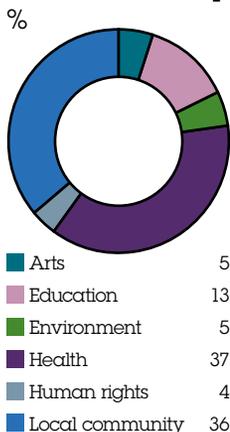
WPP companies made cash donations worth £5.9 million in 2015.

#### Free media space

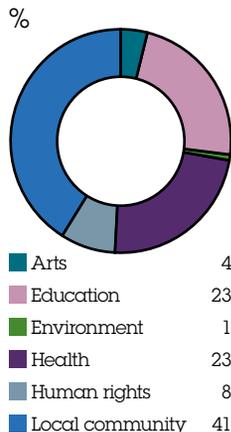


WPP media agencies negotiated media space worth £24.4 million in 2015.

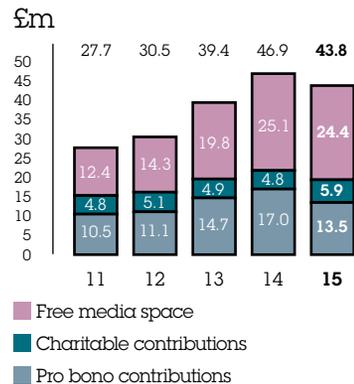
#### Pro bono work by sector



#### Charitable donations by sector



#### Total social contribution



## Engaging the WPP Fellowship

The WPP Fellowship was established in 1995 to create future generations of leaders for WPP companies, attracting the best graduates from the world's top universities and giving them a unique introduction to the world of marketing communications. The Fellowship is comprised of three one-year rotations through WPP companies, with a senior executive mentor from WPP assigned to provide overall career guidance.

As well as working within our companies, we provide opportunities for our Fellows to use their skills to support social initiatives. This supports their professional development while making a real difference to communities around the world.



### Working with The International Exchange

Through our partnership with The International Exchange (TIE), a non-profit organisation, operating in Recife, Brazil, many of our Fellows complete short-term work placements with nonprofits and social initiatives in emerging markets. Recent examples include:



Yewande Sokan of Maxus London worked with ActionAid and three other organizations in Pernambuco Brazil to raise awareness of gender violence and to teach children and teenagers about their rights. Together, they developed a campaign to help girls understand their self-worth and prevent them from falling into the cycle of prostitution.



Milla Chaplin of Mango Media, Myanmar worked with organisation CPP in Recife, Brazil, to develop a campaign to change the way public schools see and prepare school meals, to improve health and nutrition for children in poor communities.



Tiffany Winter of Mindshare Entertainment New York developed a campaign to raise awareness of The Golden Baobab, a Ghanaian organization working to address the issue of insufficient quality children's books in Africa, and to discover, nurture and celebrate promising writers and illustrators of African children's literature.

### Supporting the School of St Yared

The School of St Yared is committed to fighting poverty through education. Since 2009, the school has given Addis Ababa's poorest and brightest children a world-class, bilingual education, three meals a day and regular health checks free of charge. The school relies on a small pool of donors to pay for each child's education with all their fundraising and communications carried out by a group of dedicated volunteers based in Perth, Australia.

A team of WPP Fellows are supporting the School of St Yared, developing a communications strategy to engage their existing network and raise their profile with new donors. This has helped the school tell its story on Australian media, to run its first ever Christmas campaign and, for the first time, secure sponsorship for 40 new students before the start of the academic year. The Fellows also helped St Yared's launch 'Kids Helping Kids', which encourages Australian schoolchildren to get involved in fundraising for the school. This raised over AUS\$12,430 in six months.

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

Our research, PR and media companies provide pro bono services to organisations working in areas such as health, education, human rights, community, the environment and the arts. A small selection of examples from 2015 are included below.

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/sustainability](http://www.wpp.com/sustainability).

### Campaign: Pride Heroes

WPP company:  
Clarion Communications  
London

Client: Pride in London



#### Results:

- ★ 20% increase in attendance compared to 2014
- ★ Reached 1,000m across all media and social channels
- ★ Over 1,020 pieces of coverage generated during the Pride Festival

Clarion Communications created #PrideHeroes campaign to encourage engagement with the annual LGBT event. Using #PrideHeroes, Londoners could celebrate the people who have made a difference to the LGBT community.

### Campaign: 1% for Equal Chances

WPP company:  
MediaCom Budapest

Client: Real Pearl  
Foundation



#### Results:

- ★ 1,300 views of the website of which 90% were new clicks
- ★ Raised £13,944 in donations for the Foundation, double the value of 2014

Every year in Hungary, every taxpaying citizen has the chance to give 1% of their tax to foundations or non-profit organisations. MediaCom created a new website for the Real Pearl Foundation, which works to develop the most underprivileged communities in Hungary through art, education and talent development programs, to help it stand out and attract new supporters.

### Campaign: StopChildPorno

WPP company: These  
Days Wunderman Belgium

Client: ChildFocus

Value: €75,000



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



#### Results:

- ★ Over 12,000 visitors to the website
- ★ Reached 3.7m people via media outlets
- ★ Reached over 1.8m people via social efforts

Wunderman worked with Child Focus to highlight the problem of online child pornography and make it easier for consumers to take action. A 'fake' news story appeared in the press about a filter that automatically removes child sexual abuse material while you surf. When they visited the website, users found out that the filter really was too good to be true but learned that you can install a widget in your browser enabling you to report online child pornography with just one click, helping authorities tackle the problem.

**Campaign:**  
**Music for a Cause**

WPP company:  
Burson-Marsteller India  
Client: Genesis Foundation  
Value: \$225,000

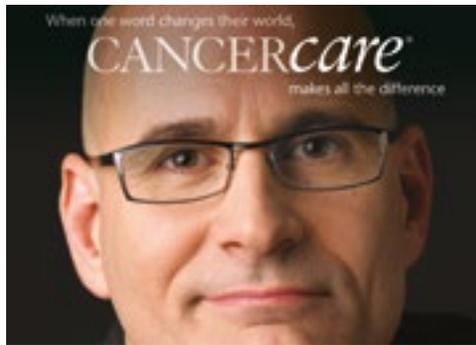


- Results:**
- ★ 17,185,979 people viewed the print coverage
  - ★ Facebook followers increased by 57.5%
  - ★ 118% increase in YouTube Likes
  - ★ Twitter followers increased by 80% in one year
  - ★ Total funds raised increased by 32%

Burson-Marsteller India helped raise funds for Genesis Foundation, a not-for-profit organisation that supports critically ill under-privileged children. The campaign, Music for a Cause, included a series of participative musical events, targeting companies and high net-worth individuals to encourage donations.

**Campaign:**  
**CancerCare/Help and Hope**

WPP company:  
Ogilvy CommonHealth Worldwide  
Client: CancerCare  
Value: \$1,007,040



- Result:**
- ★ Over 60,000 impressions

Ogilvy CommonHealth Medical Media coordinated free placements of a one-page colour ad for CancerCare, which provides free services to help people cope with the emotional and practical impacts of a cancer diagnosis. The ad appeared in healthcare publications for the oncology, primary care and hospital pharmacy markets.

**Campaign:**  
**Girls on the Run**

WPP company:  
Hill+Knowlton Strategies Washington DC  
Client: Girls on the Run  
Value: \$25,000



H+K Strategies provided Girls on the Run, a learning program for girls aged 8-13, with the equivalent of \$25,000 in services including traditional and social media counsel, developing creative materials and development and messaging of its communications plan to support its 10th year anniversary celebration.

## Employee volunteering and fundraising

Our employees give their time and raise funds to support the work of charities and community organisations. This also benefits our business by improving employee engagement and team working.

Sometimes our companies join together to support local causes. For example, during 2015, 15 WPP companies in the Philippines came together to help build 30 new typhoon-proof homes and a community hall for people displaced by Typhoon Haiyan. As well as giving their time as volunteers the agencies donated \$121,000 to support the rebuilding work.



The Philippine offices of WPP companies Bates, GroupM, J. Walter Thompson, Kantar Media, Kantar Worldpanel, Kinetic Worldwide, Maxus, MEC, Millward Brown, Mindshare, Movent, Ogilvy & Mather, TNS, Wunderman, and Y&R recently partnered with Gawad Kalinga to build houses for families who were displaced by Typhoon Haiyan.

## Volunteering and fundraising at our companies in 2015 included:



On 27 February 2015, every employee in GroupM Asia Pacific spent the day volunteering. Over 8,000 employees across 15 countries took part in the annual 'Power of One Day' event helping change the lives of over 20,000 people and raising \$332,000.



Kantar companies have supported UNICEF since 2004 to help some of the world's most vulnerable children. In 2015, its Brighter Futures fundraising program raised \$55,200 to help children in countries such as Bangladesh, Bolivia, Malawi and Mauritania.



Employees from Y&R Group Mexico volunteered at Las Mercedes, a home which looks after orphans, children with cancer and low-income children.



During its '1 Week 4 Kids 2015', Burson-Marsteller Spain employees supported NGO Soñar Despierto's work with children and young adults in foster homes, spending time with the children and bringing them Christmas presents.



Hill+Knowlton Strategies South Africa supports the Thandulwazi Intern-Teacher Training Programme aimed at growing the number of professionally-trained teachers. 34 teacher interns attended H+K workshops, reaching some 1,000 Thandulwazi students and learners in the schools in which they trained.



Ogilvy & Mather and MediaCom London employees supported Centrepoint the homeless charity. Employees slept rough for one night to experience what life is like without a roof over your head and together raised £51,000 for the charity.



GroupM Pakistan supported the 141 Schools for Peace Project, that aims to build 141 new schools in memory of the 141 lives lost in the 2014 terrorist attack on a school in Peshawar. The agency organised The M-Carnival for Mending Little Hearts, with food, entertainment and games that raised \$10,000 in donations.



MEC London took over a stadium, bringing its 500 staff members together to cook meals to feed 5,000 of the capital's vulnerable people. The meals were distributed by FareShare to homeless shelters, women's refuge centres, luncheon clubs for the elderly and children's breakfast clubs and it was the largest meal donation in the organisation's history.

## WPP the parent company

Most of our social investments are made by our operating companies, but we also make donations from WPP, the parent company. These focus on 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.

On occasion, we partner with our clients on social causes. For example, during 2015, Sir Martin Sorrell participated in the Leadership Lessons initiative of the Vodafone Foundation and United Nations High Commissioner for Refugees to provide advice and inspiration to young refugees. Sir Martin Sorrell participated in a one-hour lesson to a group of children and teenagers in Kenya via video link.

## 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. Only 44% of children in India complete schooling up to class 10 (around age 15), with poverty a major barrier to education for many children.

Our business in India has established the WPP India CSR Foundation, 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”. This will bring together all the social investment activities of WPP companies in India, contribute to positive social change in the country and help us comply with regulatory requirements. The Foundation, established in 2015, will be investing £3 million to reach 10,000 children aged 11-18 over the next three years with a focus on supporting education and vocational training. Programs will be run in partnership with well-established local non-profit organisations the Genesis Foundation, Hope For Children and Magic Bus.

### RECENT ORGANISATIONS WPP HAS SUPPORTED INCLUDE:

3H Fund ■ Action for Children ■ ActionAid ■ Anthony Nolan Marketing ■ Caryl Jenner Productions Ltd ■ Chai Cancer Care ■ Clapton Common Boys' Club ■ Clover House Therapy ■ Crackerjacks ■ Douglas Baker Foundation ■ Drive Forward Foundation ■ Farms for City Children ■ Garden House Parents Association ■ Happy Days ■ Have Stick Will Travel ■ In Touch ■ Jewish Blind And Disabled ■ Kids Cancer Charity ■ Listening Books ■ Lively Minds ■ MACCABI GB ■ Nabs Trading Ltd ■ National Portrait Gallery ■ Northside Youths & Community Connections ■ NSPCC ■ Police Community Clubs of Great Britain ■ Respite Association ■ Royal British Legion ■ Royal Star & Garter Homes ■ Sane ■ Save the Children UK ■ Sightsavers International ■ Spadework Ltd ■ Special Olympics Inc ■ Starlight Children's Foundation ■ Sunny Days Children Fund ■ Suu Foundation ■ The Fifth Trust ■ The Food Chain ■ The History Of Advertising Trust ■ The INSEAD Trust For European Management Education ■ The Jennifer Trust ■ The Matthew Trust ■ The Outward Bound Trust ■ The Presidents Club Charitable Trust ■ The Prince's Foundation for Building Community ■ The Queen Alexandra Hospital Home ■ Tower Hamlets Mission ■ Union of Jewish Students ■ Wellbeing Of Women ■ West Coast Crash Wheelchair Rugby ■ World Jewish Relief

# 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

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Paul Richardson, WPP's Group finance director, is the Board director responsible for corporate sustainability.

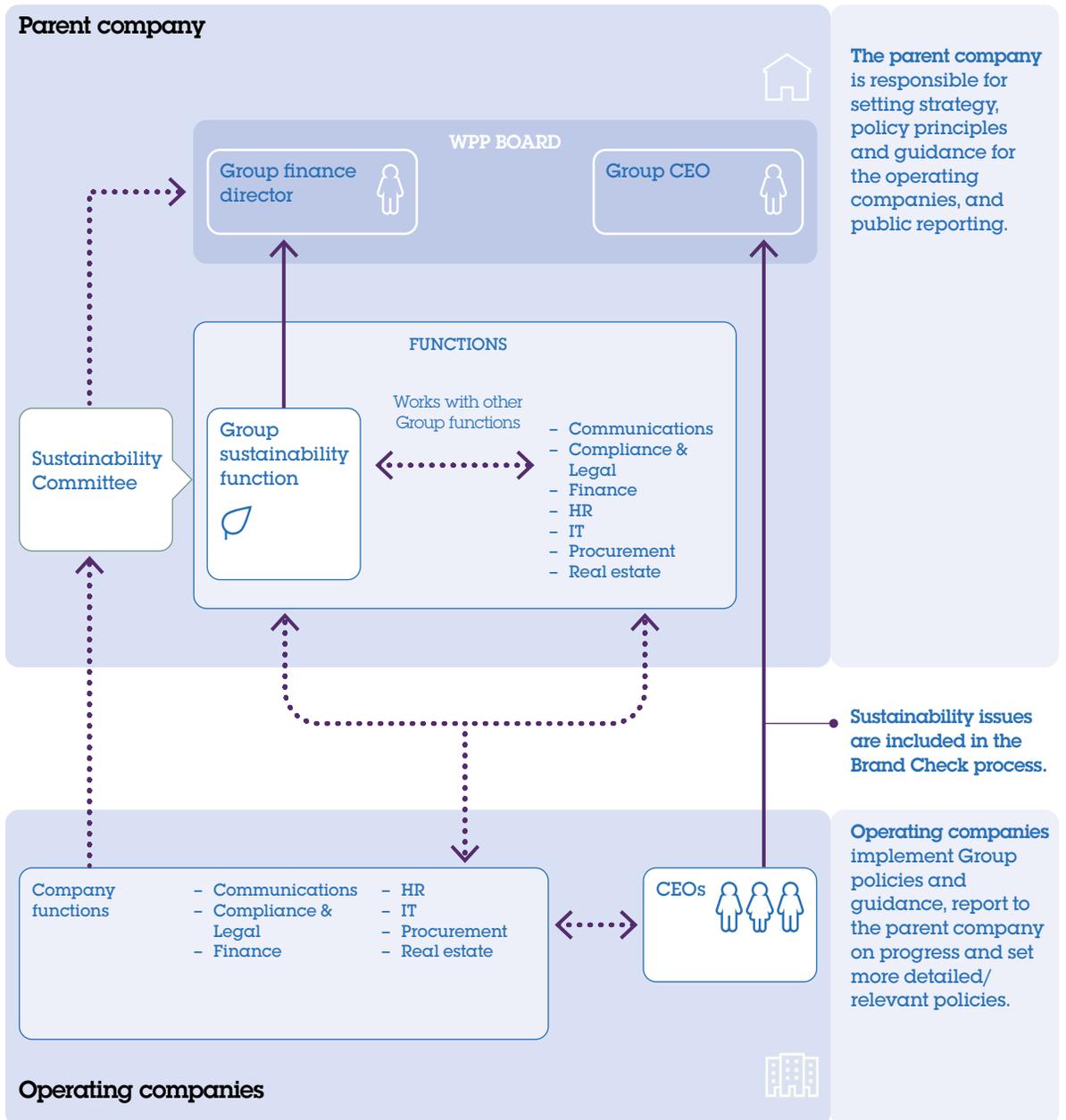
He chairs our Sustainability Committee, made up of senior representatives from Group functions, which meets annually on our Sustainability Strategy Day to review progress and discuss risks and opportunities. Paul Richardson shares outcomes from this meeting with WPP's Nomination and Governance Committee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

We have a small central sustainability team which determines strategy, develops policies, monitors performance data, communicates our progress and supports our companies in managing sustainability issues. To do this, it works closely with other Group functions such as our talent team, legal, real estate, IT and procurement. The head of sustainability reports directly to the Group finance director.

We track progress against our social and environmental performance indicators. Data is collected quarterly through our Group financial reporting system. Our carbon and employment data is verified by Bureau Veritas, an independent assurance provider. Sustainability issues are considered in selected internal audits.

Social, environmental and ethical risks are considered in the Group's risk identification, management and monitoring processes. See page 89.

How we manage sustainability issues



## Stakeholder engagement

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Stakeholder views and insights, including from clients, investors and our people, help us to improve how we work and to identify new sustainability-related risks and opportunities for our business. We aim to keep our stakeholders updated on our progress. We share stakeholder feedback on important issues with the executive team and Board of Directors, via our Group finance director.

Our most important stakeholders are:

- **Clients** – we keep clients updated on our approach to sustainability through tender processes and our Sustainability Report. We undertake many marketing assignments that tackle sustainability issues, see page 20, and we partner with clients on issues of mutual interest, such as our work on the carbon footprint of marketing campaigns, see page 68.
- **Investors** – we engage with investors, rating agencies and benchmarking organisations on sustainability. In 2015, these included BNP Paribas, Corporate Knights, Dow Jones Sustainability Index, Sustainalytics, FTSE4Good, MSCI, Oekom, Trucost 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 DJSI World and Europe Indices and the FTSE4Good Index; we are an MSCI constituent and a constituent of the Ethibel Sustainability Index Excellence Europe and the Ethibel Sustainability Index Excellence Global. We participate in the Carbon Disclosure Project (CDP) and received a score of 97B in 2015.
- **Our people** – we communicate with our people on sustainability and seek their feedback through meetings, events, employee surveys (run by our operating companies), the Group intranet and regular newsletters and publications. We distribute our Sustainability Report to over 2,000 senior executives and employees and we have a dedicated sustainability section on our Group intranet. Sustainability issues are also covered through our online ethics training completed by all employees.

We carry out a formal materiality process to help us identify priority sustainability issues for the business and determine which issues are covered in our reporting. The last assessment took place in late 2014 and involved feedback from investors, clients, sustainable business experts and NGOs working in the areas of business ethics and human rights as well as WPP senior management. The results were communicated to the WPP Board. A summary of the findings is included on page 14.

Engagement with governments and regulators is explained in the public policy section, page 36.

We received the Ethical Corporation Responsible Business Award 2015 for Best Sustainability Report.

## Corporate governance

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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

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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 below. More detail is provided in our Annual Report including a list of principal risks and uncertainties, see [wpp.com/annualreport2015/risks](http://wpp.com/annualreport2015/risks).

### Control environment and culture

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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 employees. Senior executives throughout the Group are required to sign this Code each year and all employees are required to complete the WPP How We Behave, Anti-Bribery and Corruption and Privacy & Data Security Awareness training modules, see page 32. 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 42. The Compensation Committee reviews how the Group’s performance rewards support the risk management and internal control systems.

### Risk assessment

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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

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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 2015, the results of which were reported to the Audit Committee.

Read more in our Annual Report, [wpp.com/annualreport2015](http://wpp.com/annualreport2015).

## Tax policy

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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 £301.2 million in 2015, an increase on £289.9 million in 2014 following increased profits earned during the current year. Estimated employer and employee taxes (e.g. payroll and social security-related taxes) paid during 2015 were £981.2 million (2014: £857.7 million). Other taxes (primarily property taxes) paid during 2015 were £49.0 million (2014: £47.2 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 15.

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 emerging recommendations on 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

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The Board engaged Dr Tracy Long of Boardroom Review Limited to conduct a 2015/16 Board effectiveness evaluation and provide recommendations. She attended Board and Committee meetings as an observer and has held one-to-one discussions with each Director and the Company Secretary. Her observations and recommendations have been presented to and discussed by the Board in a dedicated session. The evaluation focused on:

- The use of Board time and the quality and timeliness of information received.
- The contribution made by the Directors, collectively and individually.
- Areas and depth of Board engagement, including strategy, risk and control, succession planning, performance management and communication with stake holders.

The review identified both the strengths of WPP's Board performance, which included a transparent Board and corporate culture, and the possible opportunities and challenges for the future. The recommendations to improve Board effectiveness focused on:

- i) **Succession planning** – further developing the Board process for succession plans for key senior roles at Board level and across the business, through strategic search, increasing the combined Board knowledge of the talent pool, both internal and external, and establishing working groups for talent reviews.
- ii) **Board composition** – further improving the contribution that the Board can make to the business, by adding to the skill set that will match WPP's business strategy, best practice corporate governance requirements and stake holders expectations, so to continue to attract the appropriate and diverse NED talent for future Board refreshment.
- iii) **Use of Board time** – to further develop the agenda to ensure that a balance of strategy, performance and governance issues are included through the annual cycle of board meetings.

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 14th Sustainability Report explains how we manage the social, ethical and environmental impacts of our business and our performance during 2015.

### Data

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Data is for the calendar year 2015. The majority of our data is collected quarterly through our financial reporting system. Some employment 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 – 128,000 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 66% of the Group. We are working to improve the coverage of this survey.

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

We have restated a number of data points provided in previous reports. In 2014, we provided a combined figure for training and welfare spend. We have changed our approach this year and now report a figure for training spend only. We have restated data for 2014 and previous years to reflect this. We have also restated our carbon footprint data for 2014, having identified that a number of business units misstated their greenhouse gas emissions in 2014. Further details are on page 71.

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

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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 Table for a list of disclosures and their location in our report. See page 104.

WPP joined the United Nations Global Compact (UNGC) in 2015 and this report forms our first communication on progress. We provide an index on page 102 which summarises our approach and progress on each of the UNGC's 10 principles.

### Accessibility

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We aim to make our website, including our online Sustainability Report, as accessible as possible. In Q1 2016, our site was ranked second out of 524 company websites tested by Sitemorse. See [sitemorse.com](http://sitemorse.com).

## Data summary

### Key data

|   | Units | 2015          | 2014   | 2013   | 2012   | 2011   |
|---|-------|---------------|--------|--------|--------|--------|
| <b>Basic Group info</b>                           |       |               |        |        |        |        |
| Number of countries                               |       | 112           | 111    | 110    | 110    | 107    |
| Number of offices                                 |       | 3,000         | 3,000  | 3,000  | 3,000  | 2,500  |
| <b>Benchmarks</b>                                 |       |               |        |        |        |        |
| Dow Jones Sustainability Index                    |       | <b>Member</b> | Member | Member | Member | Member |
| FTSE4Good   |       | <b>Member</b> | Member | Member | Member | Member |
| CDP   |       | <b>97 B</b>   | 98 B   | 95 B   | 81 B   | 65 D   |
| <b>Economic</b>                                   |       |               |        |        |        |        |
| Billings  | £m    | <b>47,632</b> | 46,186 | 46,209 | 44,405 | 44,792 |
| Revenue   | £m    | <b>12,235</b> | 11,529 | 11,019 | 10,373 | 10,022 |
| Headline PBIT                                     | £m    | <b>1,774</b>  | 1,681  | 1,662  | 1,531  | 1,429  |
| Market capitalisation at year-end                 | £m    | <b>20,237</b> | 17,831 | 18,613 | 11,237 | 8,554  |
| Staff costs                                       | £m    | <b>6,653</b>  | 6,440  | 6,477  | 6,106  | 5,872  |
| Taxation  | £m    | <b>248</b>    | 300    | 284    | 197    | 92     |
| <b>Social investment</b>                          |       |               |        |        |        |        |
| <b>Charitable donations</b>                       |       |               |        |        |        |        |
|   | £m    | <b>5.9</b>    | 4.8    | 4.9    | 5.0    | 4.8    |
| Arts  | %     | <b>4</b>      | 9      | 6      | 6      | 6      |
| Education   | %     | <b>23</b>     | 22     | 20     | 19     | 20     |
| Environment                                       | %     | <b>1</b>      | 2      | 2      | 1      | 1      |
| Health  | %     | <b>23</b>     | 22     | 21     | 15     | 17     |
| Human rights                                      | %     | <b>8</b>      | 4      | –      | –      | –      |
| Local community                                   | %     | <b>41</b>     | 40     | 21     | 24     | 21     |
| Other   | %     | <b>–</b>      | –      | 30     | 33     | 34     |
| <b>Pro bono</b>                                   |       |               |        |        |        |        |
|   | £m    | <b>13.5</b>   | 17.0   | 14.7   | 11.1   | 10.5   |
| Arts  | %     | <b>5</b>      | 6      | 4      | 7      | 9      |
| Education   | %     | <b>13</b>     | 17     | 14     | 15     | 12     |
| Environment                                       | %     | <b>5</b>      | 5      | 6      | 5      | 8      |
| Health  | %     | <b>37</b>     | 39     | 29     | 18     | 19     |
| Human rights                                      | %     | <b>4</b>      | 2      | –      | –      | –      |
| Local community                                   | %     | <b>36</b>     | 31     | 20     | 26     | 24     |
| Other   | %     | <b>–</b>      | –      | 24     | 29     | 27     |
| <b>Free media space</b>                           | £m    | <b>24.4</b>   | 25.1   | 19.8   | 14.3   | 12.4   |
| <b>Total social investment (excl. free media)</b> | £m    | <b>19.4</b>   | 21.8   | 19.6   | 16.2   | 15.3   |
| As a proportion of revenue                        | %     | <b>0.16</b>   | 0.19   | 0.18   | 0.16   | 0.15   |
| As a proportion of profit before tax              | %     | <b>1.30</b>   | 1.51   | 1.51   | 1.48   | 1.52   |
| <b>Total social investment (incl. free media)</b> | £m    | <b>43.8</b>   | 46.9   | 39.4   | 30.5   | 27.7   |

## Employment

|   | Units      | 2015           | 2014    | 2013    | 2012    | 2011    |
|---|------------|----------------|---------|---------|---------|---------|
| <b>Headcount</b>                              |            |                |         |         |         |         |
| Excluding employees from associate companies  |            | <b>128,000</b> | 124,000 | 119,000 | 116,000 | 114,000 |
| Including employees from associate companies  |            | <b>190,000</b> | 179,000 | 175,000 | 166,000 | 159,000 |
| <b>Age</b>                                    |            |                |         |         |         |         |
| 19 or under                                   | %          | <b>0</b>       | 0       | 1       | 1       | 1       |
| 20-29   | %          | <b>36</b>      | 36      | 36      | 36      | 38      |
| 30-39   | %          | <b>37</b>      | 38      | 37      | 37      | 37      |
| 40-49   | %          | <b>18</b>      | 18      | 18      | 18      | 17      |
| 50-59   | %          | <b>7</b>       | 7       | 7       | 7       | 6       |
| 60 and over                                   | %          | <b>2</b>       | 1       | 1       | 1       | 1       |
| <b>Gender</b>                                 |            |                |         |         |         |         |
| WPP Board                                     | % female   | <b>29</b>      | 24      | 29      | 19      | 19      |
| Executive leaders                             | % female   | <b>33</b>      | 31      | 32      | 32      | 31      |
| Senior managers                               | % female   | <b>47</b>      | 46      | 47      | 47      | 47      |
| All staff                                     | % female   | <b>54</b>      | 54      | 54      | 54      | 54      |
| <b>Ethnicity in the UK and US</b>             |            |                |         |         |         |         |
| Executive leaders                             | % minority | <b>13</b>      | 11      | 10      | 11      | 11      |
| Senior managers                               | % minority | <b>20</b>      | 19      | 18      | 18      | 17      |
| All staff                                     | % minority | <b>26</b>      | 26      | 25      | 23      | 23      |
| <b>Training</b>                               | £m         | <b>41.1</b>    | 38.2    | 40.0    | 38.1    | 38.9    |
| <b>Paid internships and apprenticeships</b>   | Number     | <b>5,378</b>   | 5,911   | 4,000   | –       | –       |
| <b>Days lost due to sickness per employee</b> | Number     | <b>3.0</b>     | 3.2     | 3.5     | 3.4     | 3.3     |

## Environment

|   | Units                  | 2015           | 2014    | 2013    | 2012    | 2011    |
|---|------------------------|----------------|---------|---------|---------|---------|
| <b>Carbon footprint*</b>                                    |                        |                |         |         |         |         |
| Total CO <sub>2</sub> e emissions                           | tonnes                 | <b>264,774</b> | 281,389 | 279,859 | 283,321 | 277,231 |
| Scope 1 emissions from stationary fuel combustion           | tonnes                 | <b>8,135</b>   | 9,748   | 11,305  | 9,840   | 9,714   |
| Scope 2 emissions from purchased electricity                | tonnes                 | <b>123,218</b> | 138,348 | 136,171 | 140,446 | 130,396 |
| Scope 3 emissions from business air travel                  | tonnes                 | <b>98,885</b>  | 96,590  | 95,879  | 96,080  | 100,961 |
| Scope 3 emissions from other estimated impacts              | tonnes                 | <b>34,536</b>  | 36,703  | 36,503  | 36,955  | 36,161  |
| Total CO <sub>2</sub> e emissions per employee              | tonnes/FTE             | <b>2.07</b>    | 2.28    | 2.35    | 2.45    | 2.44    |
| Total CO <sub>2</sub> e emissions per £m revenue            | tonnes/£m              | <b>21.64</b>   | 24.41   | 25.40   | 27.31   | 27.66   |
| <b>Office energy use</b>                                    |                        |                |         |         |         |         |
| Total energy use  | megawatt hours         | <b>354,018</b> | 359,620 | 380,906 | 369,255 | 352,335 |
| Direct energy use (natural gas and heating oil)             | megawatt hours         | <b>38,287</b>  | 44,847  | 52,532  | 45,673  | 45,090  |
| Indirect energy use (purchased electricity)                 | megawatt hours         | <b>315,731</b> | 314,773 | 328,374 | 323,582 | 307,245 |
| Energy use per employee                                     | kilowatt hours/<br>FTE | <b>2,763</b>   | 2,909   | 3,198   | 3,191   | 3,101   |
| % electricity from renewable sources                        | %                      | <b>21</b>      | 14      | 15      | 16      | 16      |
| <b>Business air travel</b>                                  |                        |                |         |         |         |         |
| Total business air travel                                   | million miles          | <b>588</b>     | 560     | 538     | 490     | 517     |
| Long haul   | million miles          | <b>316</b>     | 306     | 303     | 346     | 369     |
| Medium haul   | million miles          | <b>215</b>     | 200     | 171     |         |         |
| Short haul  | million miles          | <b>58</b>      | 54      | 64      | 144     | 147     |
| Business air travel per employee                            | miles/FTE              | <b>4,591</b>   | 4,532   | 4,519   | 4,237   | 4,548   |
| <b>Paper</b>  |                        |                |         |         |         |         |
| Total paper purchased                                       | tonnes                 | <b>4,897</b>   | 5,101   | 6,584   | 5,879   | 9,327   |
| Paper purchased with recycled content or FSC/PEFC Certified | %                      | <b>31</b>      | –       | –       | –       | –       |
| <b>Recycling</b>  |                        |                |         |         |         |         |
| Total waste recycled  | tonnes                 | <b>5,713</b>   | 5,416   | 5,106   | 4,886   | 5,681   |
| Breakdown by category                                       |                        |                |         |         |         |         |
| Paper and cardboard   | %                      | <b>71</b>      | 73      | 81      | 82      | 83      |
| IT waste  | %                      | <b>2</b>       | 3       | 3       | 3       | 3       |
| Other waste recycled  | %                      | <b>27</b>      | 24      | 16      | 15      | 14      |

\* Renewable electricity rated at zero emissions.

## Methodology – Valuing out impacts

This section explains the principles, methods and data used in quantifying the economic, social and environmental impacts associated with our operations; see pages 15 to 17 for the findings. This analysis was carried out with Sustain Value, and is based on established social and environmental accounting techniques.

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

- **Impacts:** we have captured only a limited selection of the important sustainability impacts associated with our business, although four more than last year. 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 our approach to calculating each measure.

### Economic impact

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

#### Corporate Gross Value Added

Corporate Gross Value Added (GVA) represents gross profit as disclosed in the Group's audited financial statements for 2015. The direct GVA was calculated using primary data and no assumptions were made.

#### Supply chain

In 2015, we spent an estimated £6 billion with our suppliers. This figure was derived from data from our spend analytics system which tracks direct costs (advertising production and research operations) and indirect costs (facilities, IT, telecoms, travel and professional services). Our media spend on behalf of clients is excluded from these figures.

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

There are two limitations associated with this approach. Firstly, data on supplier spend was incomplete for some WPP markets. Data was extrapolated to address these gaps. In addition, GVA sector estimates are not available for all countries and in these cases we have based calculations on UK data. To reflect the impacts arising in different countries we have also used purchasing-power parity indices from IMF datasets.

### Contribution through taxes

Our contribution through taxes is calculated as corporation and overseas tax paid plus social security costs as disclosed in the Group's audited financial statements for 2015.

### Payroll

Payroll figures include the amount spent on employee remuneration and benefits, calculated as staff costs less social security costs, as disclosed in the Group's audited financial statements for 2015.

## Social impact

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

### Charitable donations

To estimate the wider benefits of charitable donations we have drawn upon the outcome of last year's review of secondary data from independent research reports that assessed the social return on investment (SROI) of similar projects. The overall average SROI multiplier from last year was multiplied by the overall 2015 donated amounts to determine the social value delivered.

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

### Pro bono work

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

We believe this to be a conservative assumption, 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.

### Free media space

This is an additional value included this year. It 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 charitable donations and the same assessment approach was used.

### Internships and apprenticeships

The value of internships and apprenticeships is based on the same value multiplier as developed last year. 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

The value of training WPP staff has been included this year but only based on the actual cost of course fees incurred. This reflects only part of the benefit that staff receiving the training will gain in terms of their enhanced human capital value, which will be manifested when they leave the company (along with the human capital gained through their on the job experience). It is also recognized that this training will generate benefits (i.e. SROI) for WPP (e.g. from improved staff productivity and recruitment cost savings), which should effectively be captured through future measures of WPP's gross value added (GVA).

## Environmental impact

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We looked at environmental impacts related to greenhouse gas (GHG) emissions (primarily carbon dioxide, the main contributors to man-made climate change), as well as water use and waste generated.

### GHG emissions

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 (SCC). Many studies have identified a range of estimates for the social cost of carbon. The estimates span from 0 to over £400/tCO<sub>2</sub>e as they take into account uncertainties in climate and climate change impacts.

For consistency, we apply the same approach and value as last year (i.e. based on the Stern Report), but adjusted upwards to allow for inflation (i.e. £36.45 tCO<sub>2</sub>e). For greater transparency, we have 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

This year, we have added a societal cost of using water. This is based on actual water consumption data for 11 offices located in water-stressed areas (an average 11.6m<sup>3</sup> water per person – using 2014 data) and an average assumed consumption rate of water for all other offices (15m<sup>3</sup> per person per year). For each of the 11 office locations and for each country, 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 the FAO AQUASTAT data (for countries). An indicative societal value for water was determined using the PUMA (2012) water scarcity valuation graph, with values updated to 2015 values based on World Bank global consumer price inflation data. The results suggest a potential societal cost in the order of £540,000 (with a weighted average of £7.60/m<sup>3</sup>) for the 11 offices combined and £730,000 (with a weighted average of £0.40/m<sup>3</sup>) for all other offices combined. Actual market costs incurred for purchasing water are included in the financial accounts.

## Waste

A value for waste has also been included this year. This is based only on the non-recycled 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 £36,000 for landfilled waste, £5,000 for incinerated waste with energy recovery, and £9,000 for incinerated waste with no energy recovery (based on costs of £19, £7 and £30 per tonne respectively). 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 in the financial accounts.

## References

UN FAO AQUASTAT, [www.fao.org/nr/water/aquastat/water\\_res/index.stm](http://www.fao.org/nr/water/aquastat/water_res/index.stm)

PUMA (2012) Water use valuation method, [www.trucost.com/\\_uploads/publishedResearch/5\\_-\\_PRESS\\_KIT\\_Water\\_Valuation.pdf](http://www.trucost.com/_uploads/publishedResearch/5_-_PRESS_KIT_Water_Valuation.pdf)

Rabl, A., Spadaro I.V., and Zoughaib A. (2008) *Environmental impacts and costs of solid waste: a comparison of landfill and incineration*. Waste Management Research 2008; 26: 147.

Stern, N. (2007) Stern Review: *The Economics of Climate Change*. Cambridge University Press.

WRI Aqueduct Water Risk Atlas, [www.wri.org/applications/maps/aqueduct-atlas/#x=8.00&y=-32.35&s=ws!20!28!c&t=waterrisk&w=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](http://www.wri.org/applications/maps/aqueduct-atlas/#x=8.00&y=-32.35&s=ws!20!28!c&t=waterrisk&w=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) was engaged by WPP plc (WPP) to conduct limited verification of its Scope 1, 2 and certain scope 3 greenhouse gas (GHG) emissions, and certain Employment and Waste data indicators reported by WPP subsidiaries for the period 1 January 2015 to 31 December 2015. Stated GHG emissions, employment and waste data were included for all global operations under WPP's control.

## Scope of verification

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### GHG emissions

Bureau Veritas was asked to verify:

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

### Employment data

Bureau Veritas was asked to verify:

- Age and Gender data
- Ethnicity data (UK and USA)
- Health and Safety data

### Waste data

In addition, Bureau Veritas was asked to verify:

- Waste to recycling data.

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

## Methodology

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

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

As part of the verification, Bureau Veritas undertook:

- interviews with relevant personnel of WPP responsible for GHG emissions accounting and employment data;
- a review of WPP information systems and methodology for data collection, aggregation, and analysis;
- a review of information and calculations used to determine GHG emissions;
- sampling of source data from 15 of WPP's operations worldwide, the sample was selected based on air travel, energy consumption, geographical location and head count;
- audit visits to five of WPP's operations: WPP Corporate London, J. Walter Thompson London, Kantar UK, Kantar Germany, MediaCom UK, to review underlying systems for collecting and reporting employment and emissions data; and
- a review of the consolidated 2015 data to check end of year accounting and reliable transposition.

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

## 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 2015/2016 Sustainability Report:

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

### Reported GHG emissions

**Scope 1: 8,135 tonnes of CO<sub>2</sub>e**

**Scope 2: 123,218 tonnes of CO<sub>2</sub>e (net, including the carbon reduction of green-tariff electricity & Renewable Energy Certificates)  
153,798 tonnes of CO<sub>2</sub>e (gross, excluding the carbon reduction of green-tariff electricity & Renewable Energy Certificates)**

**Scope 3: 98,885 tonnes of CO<sub>2</sub>e (air travel)**

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

## Observations and opportunities for improvement

- WPP has demonstrated a structured approach towards sustainability data reporting across operations and parameters.
- Reporting on the waste parameter can be improved through enhanced data compilation at the site level.

## Limitations and exclusions

- A proportion of reported energy data is estimated due in part to the occupation by WPP of business premises where consumption is paid for via a service charge and is not directly metered or billed.
- One of the 15 of WPP's locations selected for data sampling and review could not provide the relevant back-ups for energy in due time and hence was not subject to verification.
- Three of the 15 of WPP's locations selected for data sampling and review could not provide the relevant back-ups for waste in due time and hence were not subject to verification for this parameter.
- WPP estimates its other scope 3 emissions, including from leased cars, taxis and couriers, as an additional 15% of its total GHG emissions figure, added to the carbon footprint and reported as 'other estimated scope 3 emissions'. This estimation was not subject to verification.

## Statement of independence, impartiality and competence

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



**Bureau Veritas UK Limited**  
April, 2016

# United Nations Global Compact Index

“WPP has joined the United Nations Global Compact to reaffirm our commitment to its 10 principles on 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 first Communication on Progress against the Global Compact Principles, covering the year 2015. 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.

|  | Summary of approach   | Location in our reporting  |
|--|---|--|
| <b>Human rights and labour</b>   |   |  |
| <b>Principle One</b><br>Businesses should support and respect the protection of internationally proclaimed human rights.                           | 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.<br><br>During 2015 we published a human rights policy statement. This 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 our Code of Business Conduct, our Sustainability Policy, and our Code of Business Conduct – Supplier Version. | Human rights, page 34<br><br>Our ethical standards, page 32            |
| <b>Principle Two</b><br>Make sure they are not complicit in human rights abuses.   | Our commitment is also explained our Code of Business Conduct, our Sustainability Policy, and our Code of Business Conduct – Supplier Version.  | Diversity and inclusion, page 42                                       |
| <b>Principle Three</b><br>Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining. | <b>Employees</b><br>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 employees to freedom of association and collective bargaining and will not tolerate discrimination, harassment or any form of forced, compulsory or child labour.<br><br>Employees 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.                               | Health, safety and well-being, page 54<br><br>Supply chain, page 72    |
| <b>Principle Four</b><br>The elimination of all forms of forced and compulsory labour.   | <b>Suppliers</b><br>We expect suppliers to adopt similar human rights standards to our own and all major suppliers 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) and social impacts (such as anti-bribery and corruption). We assess suppliers in key areas of our supply chain on sustainability risks, including human rights risks.   | Social investment, page 78<br><br>Pro bono book, wpp.com/probono/2015/ |
| <b>Principle Five</b><br>The effective abolition of child labour.  |   | WPP Policies, page 116   |
| <b>Principle Six</b><br>Eliminate discrimination in respect of employment and occupation.  | <b>Wider impacts</b><br>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.  |  |

|   | Summary of approach   | Location in our reporting   |
|---|---|---|
| <b>Environment</b>  |   |   |
| <p><b>Principle Seven</b><br/>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. We focus on:</p> <ul style="list-style-type: none"> <li>▪ Energy use and climate change: building and IT energy use, business air travel, videoconferencing and carbon offsetting</li> <li>▪ Resource use: paper, water and waste management</li> </ul>  | <p>Sustainability in marketing, page 20</p> <p>Environment, page 58</p>   |
| <p><b>Principle Eight</b><br/>Undertake initiatives to promote greater environmental responsibility.</p>                    | <p>We have set targets to help us improve performance, including our climate change target to reduce our per head carbon footprint to 1.8 tonnes by 2020, a 47% reduction since 2006. We report our progress annually.</p>  | <p>Supply chain, page 72</p> <p>Social investment, page 78</p>  |
| <p><b>Principle Nine</b><br/>Encourage the development and diffusion of environmentally friendly technologies.</p>          | <p><b>Suppliers</b><br/>We aim to select suppliers who meet high environmental standards and we work with suppliers on environmental issues.</p> <p><b>Working with clients</b><br/>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.</p>  | <p>Sustainability policy, page 116</p> <p>Pro bono book, <a href="http://wpp.com/probono/2015/">wpp.com/probono/2015/</a></p> |
| <b>Anti-corruption</b>  |   |   |
| <p><b>Principle 10</b><br/>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 suppliers are asked to sign a copy of the WPP Code of Business Conduct each year to confirm they will comply with its principles. 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 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 employees are required to complete the training and over 200,000 employees have done so since 2013.</p> <p><b>Acquisitions and sensitive countries</b><br/>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><b>Suppliers</b><br/>Suppliers must comply with our Anti-Bribery and Corruption Policy and our procurement professionals work with suppliers to ensure our policy is implemented.</p> | <p>Our ethical standards, page 32</p> <p>Supply chain, page 72</p> <p>Code of Business Conduct, page 117</p>                  |

## GRI Table

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

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

| General Standard Disclosures  | Comment   | Location in document  |
|---|---|---|
| <b>GENERAL STANDARD DISCLOSURES</b>   |   |   |
| <b>STRATEGY AND ANALYSIS</b>  |   |   |
| G4-1 Statement from most senior decision maker.   |   | From our CEO, page 2  |
| G4-2 Key impacts, risks and opportunities.  |   | Sustainability and our business, page 11<br>Our sustainability priorities, page 13<br>Governance and management, page 86<br>Risks and opportunities, <a href="http://www.wpp.com/wpp/cr/cr-at-wpp/risks-and-opportunity/">www.wpp.com/wpp/cr/cr-at-wpp/risks-and-opportunity/</a> |
| <b>ORGANISATIONAL PROFILE</b>   |   |   |
| G4-3 Name of the organization.  |   | WPP plc   |
| G4-4 Primary brands, products and services.   |   | WPP – What we do, <a href="http://www.wpp.com/wpp/about/whatwedo/">www.wpp.com/wpp/about/whatwedo/</a>  |
| G4-5 Location of the organization's headquarters.   |   | WPP – Where we are, <a href="http://www.wpp.com/wpp/about/whereweare/">www.wpp.com/wpp/about/whereweare/</a>  |
| G4-6 Number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report. |   | WPP – Who we are, <a href="http://www.wpp.com/wpp/about/whoweare/">www.wpp.com/wpp/about/whoweare/</a><br>WPP – Where we are, <a href="http://www.wpp.com/wpp/about/whereweare/">www.wpp.com/wpp/about/whereweare/</a>  |
| G4-7 Nature of ownership and legal form.  |   | WPP Annual Report and Accounts 2015, <a href="http://www.wpp.com/annualreports/2015">www.wpp.com/annualreports/2015</a>   |
| G4-8 Markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries).   |   | WPP – What we do, <a href="http://www.wpp.com/wpp/about/whatwedo/">www.wpp.com/wpp/about/whatwedo/</a><br>WPP – All countries, <a href="http://www.wpp.com/wpp/companies/">www.wpp.com/wpp/companies/</a>   |
| G4-9 Scale of organization.   |   | WPP – At a glance, <a href="http://www.wpp.com/wpp/about/wppataglance/">www.wpp.com/wpp/about/wppataglance/</a>   |
| G4-10 (M) Total workforce by employment contract and gender.  | We do not report employee numbers by contract type. | Employment/Employee recruitment, page 42<br>Employment/Gender balance, page 43  |
| G4-11 Percentage of total employees covered by collective bargaining agreements.  |   | Employment/Monitoring progress/Labour relations, page 57  |
| G4-12 Describe the organization's supply chain.   |   | Supply chain, page 72   |

| General Standard Disclosures   | Comment  | Location in document   |
|--|--|--|
| G4-13 Significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain.  | No major changes during the year.  | About this report, page 92   |
| G4-14 Whether and how the precautionary approach or principle is addressed by the organization.  |  | Our sustainability priorities, page 13<br>Environment, page 58   |
| G4-15 Externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.                |  | Client work/Human rights, page 34<br>Governance and management/<br>Corporate governance, page 88   |
| G4-16 Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization:                                  |  | Client work/Public policy and lobbying, page 36  |
| * Has positions in governance bodies;  |  | Client work/Privacy and data security, page 38   |
| * Participates in projects or committees;  |  | Employment/Gender balance, page 43   |
| * Provides substantive funding beyond routine membership dues; or  |  | Employment/Disability, page 47   |
| * Views membership as strategic.   |  |  |
| <b>IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES</b>  |  |  |
| G4-17 All entities included in the organization'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 and associates, page 6<br>About this report, page 92<br>Annual Report and Accounts<br><a href="http://wpp.com/annualreports/2015/">wpp.com/annualreports/2015/</a> |
| G4-18 Explain the process for defining the report content and the Aspect Boundaries and how the organization has implemented the Reporting Principles for Defining Report Content. |  | Our sustainability priorities, page 13<br>Governance and management/<br>Stakeholder engagement, page 88  |
| G4-19 All the material Aspects identified in the process for defining report content.  |  | Our sustainability priorities, page 13   |
| G4-20 The Aspect Boundary within the organization 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 13<br>About this report, page 92   |

| <b>General Standard Disclosures</b>   | <b>Comment</b>   | <b>Location in document</b>  |
|---|--|--|
| G4-21 The Aspect Boundary outside the organization for each material Aspect.  | Our materiality assessment diagram (page 14) 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 sustainability priorities, page 13   |
| G4-22 The effect of any restatements of information provided in previous reports, and the reasons for such restatements.  |  | About this report, page 92   |
| G4-23 Significant changes from previous reporting periods in the Scope and Aspect Boundaries.   | There have been no significant changes from previous reporting periods.  |  |
| <b>STAKEHOLDER ENGAGEMENT</b>   |  |  |
| G4-24 A list of stakeholder groups engaged by the organization.   |  | Governance and management/<br>Stakeholder engagement, page 88  |
| G4-25 The basis for identification and selection of stakeholders with whom to engage.   |  | Governance and management/<br>Stakeholder engagement, page 88  |
| G4-26 The organization'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 13<br>Governance and management/<br>Stakeholder engagement, page 88  |
| G4-27 Key topics and concerns that have been raised through stakeholder engagement, and how the organization 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 sustainability priorities, page 13<br>Governance and management/<br>Stakeholder engagement, page 88  |
| <b>REPORT PROFILE</b>   |  |  |
| G4-28 Reporting period for information provided.  |  | About this report, page 92   |
| G4-29 Date of most recent previous report (if any).   |  | Sustainability Report Archive,<br><a href="http://www.wpp.com/wpp/cr/sustainability-report-archive/">www.wpp.com/wpp/cr/sustainability-report-archive/</a> |

| General Standard Disclosures  | Comment | Location in document  |
|---|---------|---|
| G4-30 Reporting cycle.  |         | About this report, page 92  |
| 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 organization 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 92<br>Independent Verification Statement, page 100<br>GRI Table, page 104<br>Online GRI Index <a href="http://wpp.com/sustainabilityreport2015-16/GRI">wpp.com/sustainabilityreport2015-16/GRI</a>  |
| G4-33 The organization's policy and current practice with regard to seeking external assurance for the report.  |         | Carbon emissions statement, page 70<br>About this report, page 92<br>Independent Verification Statement, page 100   |
| <b>GOVERNANCE</b>   |         |   |
| G4-34 (M) The governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts.               |         | Annual Report and Accounts <a href="http://wpp.com/annualreports/2015">wpp.com/annualreports/2015</a><br>Governance and management, page 86<br>Corporate governance, page 88<br>Our client work/Our ethical standards/Ethical decisions in our work, page 33<br>Our client work/Public policy and lobbying, page 36 |
| G4-36 Whether the organization 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 59;<br>Supply chain/Management approach, page 73;<br>Governance and management/Roles and responsibilities, page 86  |
| <b>ETHICS AND INTEGRITY</b>   |         |   |
| G4-56 (M) The organization's values, principles, standards and norms of behaviour such as codes of conduct and codes of ethics.   |         | Our client work/Our ethical standards, page 32<br>Code of Business Conduct, page 117<br>Sustainability Policy, page 116<br>Human Rights Policy Statement, page 119<br>Our client work/Sustainability in marketing, page 20  |

| General Standard Disclosures  | Comment | Location in document  |
|---|---------|---|
| <b>SPECIFIC STANDARD DISCLOSURES</b>  |         |   |
| G4-DMA Disclosures on Management Approach   |         | Our overall approach to managing material sustainability issues – Governance and management, page 86  |
| a. Why the Aspect is material, and the impacts that make this Aspect material. b. How the organization manages the material Aspect or its impacts.  |         | Our management approach for material issues relating to our client work – Our client work/Management approach, page 19  |
| c. The evaluation of the management approach, including:  |         | Our management approach for material issues relating to employment – Employment/Management approach, page 41  |
| ■ The mechanisms for evaluating the effectiveness of the management approach; *The results of the evaluation of the management approach; *Any related adjustments to the management approach.   |         | Our management approach for material issues relating to our environmental impact – Environment/Management approach, page 59   |
|   |         | 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 social investment – Social investment/Management approach, page 79  |
| <b>INDICATORS BY ASPECTS</b>  |         |   |
| <b>CATEGORY: ECONOMIC</b>   |         |   |
| Economic Performance  |         |   |
| G4-DMA  |         | Our overall approach to managing material sustainability issues – Governance and management, page 86<br>From our CEO, page 2<br>WPP Annual Report and Accounts, Letter to share owners, page 24 |
| G4-EC1 a. The direct economic value generated and distributed (EVG&D) on an accruals basis including the basic components for the organization's global operations as listed below. If data is presented on a cash basis. b. EVG&D separately at country, regional, or market levels, where significant, and the criteria used for defining significance. |         | WPP Annual Report 2015 – Our financial statements, page 171   |
| G4-EC2 Risks and opportunities posed by climate change that have the potential to generate substantive changes in operations, revenue or expenditure.   |         | Environment, page 58<br>Risks and opportunities, <a href="http://www.wpp.com/wpp/cr/cr-at-wpp/risks-and-opportunity/">www.wpp.com/wpp/cr/cr-at-wpp/risks-and-opportunity/</a>                   |

| General Standard Disclosures  | Comment  | Location in document   |
|---|--|--|
| <b>Market Presence</b>  |  |  |
| G4-DMA  |  | <p>Our overall approach to managing material sustainability issues – Governance and management, page 86</p> <p>From our CEO, page 2</p> <p>WPP Annual Report and Accounts, Letter to share owners, page 24</p> <p>Our management approach for material issues relating to employment – Employment/Management approach, page 41</p>   |
| G4-EC6 Portion of senior management hired from the local community at significant locations of operation. | We report data for nationalities represented on the WPP Board. | Employment/Diversity and inclusion, page 42  |
| <b>Indirect Economic Impacts</b>  |  |  |
| G4-DMA  |  | <p>Our overall approach to managing material sustainability issues – Governance and management, page 86</p> <p>From our CEO, page 2</p> <p>WPP Annual Report and Accounts, Letter to share owners, page 24</p> <p>Our management approach for material issues relating to our supply chain – Supply chain/Management approach, page 73</p> <p>Our management approach for material issues relating to social investment – Social investment/Management approach, page 79</p> |
| G4-EC8 Significant indirect economic impacts, including the extent of impacts.                            |  | Valuing our impacts, page 15   |
| <b>CATEGORY: ENVIRONMENTAL</b>  |  |  |
| G4-DMA for all material environmental aspects   |  | <p>Our overall approach to managing material sustainability issues – Governance and management, page 86</p> <p>Our management approach for material issues relating to our environmental impact – Environment/Management approach, page 59</p> <p>Our management approach for material issues relating to our supply chain – Supply chain/Management approach, page 73</p>   |

| General Standard Disclosures                                      | Comment | Location in document   |
|---|---------|--|
| <b>Energy</b>   |         |  |
| G4-EN3 Energy consumption within the organization.                |         | Environment/Our carbon strategy/<br>Building energy use, page 62<br>Environment/WPP's carbon emissions statement, page 70<br>Data summary, page 93   |
| G4-EN4 Energy consumption outside of the organization.            |         | Environment/Our carbon strategy/<br>Air travel, videoconferencing and offsetting, page 64<br>Environment/Our wider carbon impact, page 68<br>Data summary, page 93                                 |
| G4-EN6 Reduction of energy consumption.                           |         | Environment/Our carbon strategy/<br>Building energy use, page 62<br>Environment/WPP's carbon emissions statement, page 70<br>Data summary, page 93   |
| G4-EN7 Reduction in energy requirements of products and services. |         | Environment/Our wider carbon impact, page 68   |
| <b>Water</b>  |         |  |
| G4-EN8 Total water withdrawal by source.                          |         | Environment/Resource use and waste/Water, page 67  |
| <b>Emissions</b>  |         |  |
| G4-EN15 Direct greenhouse gas (GHG) emissions (Scope 1).          |         | Environment/Our carbon strategy/<br>Performance in 2015, page 60<br>Environment/WPP's carbon emissions statement, page 70<br>Data summary, page 93   |
| G4-EN16 Energy indirect greenhouse gas (GHG) emissions (Scope 2). |         | Environment/Our carbon strategy/<br>Performance in 2015, page 60<br>Environment/WPP's carbon emissions statement, page 70<br>Data summary, page 93   |
| G4-EN17 Other indirect greenhouse gas (GHG) emissions (Scope 3).  |         | Environment/Our carbon strategy/<br>Performance in 2015, page 60<br>Environment/WPP's carbon emissions statement, page 70<br>Environment/Our wider carbon impact, page 68<br>Data summary, page 93 |
| G4-EN18 Greenhouse gas (GHG) emissions intensity.                 |         | Environment/Our carbon strategy/<br>Performance in 2015, page 60<br>Environment/WPP's carbon emissions statement, page 70<br>Data summary, page 93   |

| General Standard Disclosures  | Comment   | Location in document   |
|---|---|--|
| G4-EN19 Reduction of greenhouse gas (GHG) emissions.  |   | Environment/Our carbon strategy/<br>Performance in 2015, page 60<br><br>Environment/WPP's carbon emissions<br>statement, page 70<br><br>Data summary, page 93  |
| <b>Effluents and Waste</b>  |   |  |
| G4-EN23 Total weight of waste by type and disposal method.  |   | Environment/Resource use and<br>waste/Waste, page 67   |
| <b>Products and Services</b>  |   |  |
| G4-EN27 Extent of impact mitigation of environmental impacts of products and services.  |   | Environment/Our carbon strategy/<br>Air travel, videoconferencing and<br>offsetting, page 64   |
| <b>Transport</b>  |   |  |
| G4-EN30 Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce. |   | Environment/Our carbon strategy/<br>Air travel, videoconferencing and<br>offsetting, page 64   |
| <b>Supplier Environmental Assessment</b>  |   |  |
| G4-EN32 Percentage of new suppliers that were screened using environmental criteria.  |   | Supply chain/How we select<br>suppliers, page 74   |
| G4-EN33 Significant actual and potential negative environmental impacts in the supply chain and actions taken.  |   | Environment/Our wider carbon<br>impact, page 68  |
| <b>CATEGORY: SOCIAL</b>   |   |  |
| <b>LABOUR PRACTICES AND DECENT WORK</b>   |   |  |
| <b>Employment</b>   |   |  |
| G4-DMA  |   | Our overall approach to managing<br>material sustainability issues –<br>Governance and management,<br>page 86<br><br>Our management approach for<br>material issues relating to employment<br>– Employment/Management<br>approach, page 41 |
| G4-LA1 Total number and rates of new employee hires and employee turnover by age group, gender, and region.   | We do not currently have the data to report turnover rates by category. | Employment/Monitoring progress/<br>Labour relations, page 56   |
| G4-LA3 Return to work and retention rates after parental leave, by gender.  | We hope to report on this next year.                                    | Employment/Diversity and inclusion/<br>Gender balance, page 43   |
| <b>Labour/Management Relations</b>  |   |  |
| <b>Occupational Health and Safety</b>   |   |  |
| G4-DMA  |   | Our overall approach to managing<br>material sustainability issues –<br>Governance and management,<br>page 86<br><br>Our management approach for<br>material issues relating to employment<br>– Employment/Management<br>approach, page 41 |

| General Standard Disclosures   | Comment   | Location in document   |
|--|---|--|
| G4-LA5 Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs. |   | Employment/Health, safety and well-being, page 54  |
| 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.                      |   | Employment/Health, safety and well-being, page 54  |
| Training and Education   |   |  |
| G4-DMA   |   | Our overall approach to managing material sustainability issues – Governance and management, page 86<br>Our management approach for material issues relating to employment – Employment/Management approach, page 41 |
| G4-LA9 (M) Average hours of training per year per employee by gender, and by employee category.  | We report training spend per employee rather than training hours. | Employment/Training and development, 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.                           |   | Employment/Training and development, page 50   |
| G4-LA11 Percentage of employees receiving regular performance and career development reviews, by gender and by employment category.  |   | Employment/Training and development/Appraisals and performance development, page 53  |
| Diversity and Equal Opportunity  |   |  |
| G4-DMA   |   | Our overall approach to managing material sustainability issues – Governance and management, page 86<br>Our management approach for material issues relating to employment – Employment/Management approach, page 41 |
| 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.  |   | Employment/Diversity and inclusion, page 42  |
| Supplier Assessment for Labour Practices   |   |  |
| G4-DMA   |   | Our management approach for material issues relating to our supply chain – Supply chain/Management approach, page 73   |
| G4-LA14 Percentage of new suppliers that were screened using labour practices criteria.  |   | Supply chain/How we select suppliers, page 74<br>Supply chain/How we monitor risks, page 75  |

| General Standard Disclosures  | Comment   | Location in document  |
|---|---|---|
| <b>Labour Practices Grievance Mechanisms</b>  |   |   |
| G4-DMA  |   | Our overall approach to managing material sustainability issues – Governance and management, page 86<br>Our management approach for material issues relating to employment – Employment/Management approach, page 41  |
| G4-LA16 Number of grievances about labour practices filed, addressed, and resolved through formal grievance mechanisms.   |   | Employment/Monitoring progress/<br>Employment infringements, page 56  |
| <b>HUMAN RIGHTS</b>   |   |   |
| G4-DMA for all material human rights related aspects  |   | Our overall approach to managing material sustainability issues – Governance and management, page 86<br>Our management approach for material issues relating to human rights – Our client work/Management approach, page 19<br>Our management approach for material issues relating to our supply chain – Supply chain/Management approach, page 73<br>Our management approach for material issues relating to employment – Employment/Management approach, page 41 |
| <b>Investment</b>   |   |   |
| 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 suppliers are asked to sign.  | Supply chain, page 72   |
| G4-HR2 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. |   | Our client work/Human rights, page 34   |
| <b>Non-discrimination</b>   |   |   |
| 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 employees are included in the data on employment infringements. | Employment/Monitoring progress/<br>Employment infringements, page 56  |

| General Standard Disclosures   | Comment  | Location in document   |
|--|--|--|
| <b>Forced or Compulsory Labour</b>   |  |  |
| 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. | There is a low risk of forced or compulsory labour in our workforce but we issued guidance to our operating companies on this topic during the year. | Our client work/Human rights/<br>Anti-trafficking and slavery, page 35   |
| <b>Assessment</b>  |  |  |
| G4-HR9 Total number and percentage of operations that have been subject to human rights reviews or impact assessments.   |  | Our client work/Human rights,<br>page 34<br>Supply chain/How we select<br>suppliers, page 74<br>Supply chain/How we monitor risks,<br>page 75  |
| <b>Supplier Human Rights Assessment</b>  |  |  |
| G4-HR10 Percentage of new suppliers that were screened using human rights criteria.  |  | Supply chain/How we select<br>suppliers, page 74<br>Supply chain/How we monitor risks,<br>page 75  |
| <b>SOCIETY</b>   |  |  |
| <b>Anti-corruption</b>   |  |  |
| G4-DMA   |  | Our overall approach to managing<br>material sustainability issues –<br>Governance and management,<br>page 86<br>Our management approach for<br>material issues relating to our client<br>work – Our client work/Management<br>approach, page 19<br>Our management approach for<br>material issues relating to employment<br>– Employment/Management<br>approach, page 41<br>Our management approach for<br>material issues relating to our supply<br>chain – Supply chain/Management<br>approach, page 73 |
| G4-SO3 Total number and percentage of operations assessed for risks related to corruption and the significant risks identified.  | We do not currently report data in this area.  | Our client work/Our ethical standards,<br>page 32  |
| G4-SO4 Communication and training on anti-corruption policies and procedures.  |  | Our client work/Our ethical standards,<br>page 32  |

| General Standard Disclosures  | Comment                                       | Location in document   |
|---|---|--|
| <b>Public Policy</b>  |   |  |
| G4-DMA  |   | Our overall approach to managing material sustainability issues – Governance and management, page 86<br>Our management approach for material issues relating to our client work – Our client work/Management approach, page 19 |
| G4-SO6 Total value of political contributions by country and recipient/beneficiary.   | We do not currently report data in this area. | Our client work/Public policy and lobbying, page 36  |
| <b>Supplier Assessment for Impacts on Society</b>   |   |  |
| G4-DMA  |   | Our overall approach to managing material sustainability issues – Governance and management, page 86<br>Our management approach for material issues relating to our supply chain – Supply chain/Management approach, page 73   |
| G4-SO9 Percentage of new suppliers that were screened using criteria for impacts on society.  |   | Supply chain/ How we select suppliers, page 74<br>Supply chain/How we monitor risks, page 75   |
| <b>PRODUCT RESPONSIBILITY</b>   |   |  |
| G4-DMA  |   | Our overall approach to managing material sustainability issues – Governance and management, page 86<br>Our management approach for material issues relating to our client work – Our client work/Management approach, page 19 |
| 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 33  |
| <b>Customer Privacy</b>   |   |  |
| G4-DMA  |   | Our overall approach to managing material sustainability issues – Governance and management, page 86<br>Our management approach for material issues relating to our client work – Our client work/Management approach, page 19 |
| 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 38   |

# 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

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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

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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

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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

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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

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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

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WPP companies will uphold the principles contained in the United Nations Universal Declaration of Human Rights and the International Labour Organisation's fundamental conventions on core labour standards.

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.

## 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, 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; 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; respecting the environment; supporting community organisations; supporting employee development; and managing significant sustainability risks in our supply chain. Our Sustainability Policy provides more detail about our commitments in these areas.

See our website for our Code of Business Conduct – Supplier Version. <http://www.wpp.com/wpp/sustainability/policies-and-resources/>

# WPP Human Rights Policy Statement

## Introduction

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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

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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 companies 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

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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

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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

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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 with Vanessa Edwards, head of sustainability: [vanessa.edwards@wpp.com](mailto:vanessa.edwards@wpp.com).

To talk to our companies about sustainability, contact:

## Added Value

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

## Addison Group

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

## Burson-Marsteller

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

## Cohn & Wolfe

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

## The Futures Company

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

## Grey

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

## Hill+Knowlton Strategies CR + Sustainability Communications

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

## J. Walter Thompson Ethos

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

## Kinetic

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

## Landor

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

## MEC

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

## Millward Brown

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

## OgilvyChange

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

## OgilvyEarth

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

## PSB Green

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

## Red Fuse Communications

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

## Scholz & Friends Reputation

[s-f.com/reputation](http://s-f.com/reputation)

## TNS

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

## VML

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

## Wunderman

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

## Young & Rubicam Group's INSPIRE

[yrgrp.com/inspire](http://yrgrp.com/inspire)

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