

## SUSTAINABILITY AND OUR STRATEGY

We continue to support our clients as evidence mounts of the need for sustainable innovation and growth.

### WHY SUSTAINABILITY MATTERS

As the last decade drew to a close, the World Meteorological Organization confirmed it was the warmest on record. Australia experienced its hottest, driest year, leading to devastating bush fires, while the Indonesian capital Jakarta saw deadly floods caused by the heaviest rainfall since records began.

Climate activism continues to grow as people demand change. More and more companies across sectors see both the opportunities and the imperative to act. Consumers and investors increasingly expect businesses to act with purpose and offer inclusive and sustainable products.

There is increasing evidence that sustainable business drives profit and long-term value – sustainable investment assets were valued at \$30 trillion in 2018, up a third from 2016<sup>1</sup>, while companies with long-term strategies are outperforming their peers financially<sup>2</sup>.

Meanwhile, the United Nations' Decade of Action to 2030 will see accelerated efforts to end poverty, inequality and environmental harm, and deliver the Sustainable Development Goals. More than ever, sustainable business models are needed that will enable society to survive and thrive into the new decade and beyond.

Our clients must navigate complex social, environmental and economic pressures against a backdrop of skills shortages, demographic shifts, political uncertainty, and a consumer base increasingly impatient for change.

### OUR RESPONSE

Our clients look to us for the insight, expertise and creativity to balance these interconnected pressures and communicate their purpose effectively and authentically. Our own sustainability strategy helps us to meet changing client expectations with strong and credible propositions, while reducing risks and creating a resilient business for the long term.

Our sustainability strategy supports all five elements of our corporate strategy, which we launched in late 2018. The table on page 8 sets out the most material ways in which sustainability supports our strategy.

### THREE NEW ENVIRONMENTAL COMMITMENTS

**Net zero**  
carbon emissions  
in our Campuses  
by 2025

**100%**  
renewable electricity  
by 2025

**Zero**  
phase out plastics that  
cannot be reused, recycled  
or composted across  
our offices by the  
end of 2020

<sup>1</sup> Global Sustainable Investment Alliance 2018 Global Sustainable Investment Review.

<sup>2</sup> Harvard Business Review.

STRATEGIC ELEMENT	SUSTAINABILITY STRATEGY		
VISION & OFFER	<p><b>SUSTAINABILITY AT THE HEART OF OUR OFFER FOR CLIENTS</b></p> <p>A growing number of clients are grappling with sustainability challenges and looking to articulate the purpose of their brands. They look for partners who share their sustainability values and aspirations. Our commitment to responsible</p>	<p>and sustainable business practices helps us to broaden and deepen these partnerships, and to meet the growing expectations and sustainability requirements in client procurement processes.</p>	<p><b>Sustainability at the heart of our offer for clients, see pages 14-18</b></p> <p><b>Transparency and trust, see pages 49-50</b></p>
	<p><b>SOCIAL INVESTMENT</b></p> <p>Our pro bono work can make a significant difference to charities and NGOs, enabling our partners to raise awareness and funds, recruit members and achieve campaign objectives.</p>	<p>Pro bono work benefits our business too, providing rewarding creative opportunities for our people that often result in award-winning campaigns that raise the profile of our companies.</p>	<p><b>Social investment, see pages 19-24</b></p>
CREATIVITY	<p><b>INCLUSIVE AND DIVERSE TEAMS</b></p> <p>Creativity thrives on diversity of background and thought. This makes having an inclusive and diverse workplace essential to our long-term</p>	<p>business success. We want all of our people to feel valued and able to fulfil their potential, regardless of gender, ethnicity, age or disability.</p>	<p><b>Attracting and retaining talent, see pages 25-34</b></p>
	<p><b>PRIVACY AND DATA ETHICS</b></p> <p>Data – including consumer data – can play an essential role in our work for clients. Data security and privacy are increasingly high-profile topics for regulators, consumers and our clients. We have a</p>	<p>responsibility to look after this data carefully, to collect data only when needed and with consent where required, and to store and transfer data securely.</p>	<p><b>Privacy and data ethics, see page 51</b></p>
DATA & TECHNOLOGY	<p><b>GREENER OFFICE SPACE</b></p> <p>Our work to simplify our structure and consolidate our office space is driving a positive impact on our energy use and carbon footprint. We are reducing the overall number of offices we occupy and</p>	<p>moving to locations that: use green building standards; reduce our impact; help us to use space more efficiently; and encourage collaboration between our companies.</p>	<p><b>Environment, see pages 35-42</b></p>
SIMPLER STRUCTURE	<p><b>SHARED VALUES ACROSS OUR BUSINESS AND SUPPLY CHAIN</b></p> <p>Strong employment policies, investment in skills, and inclusive working practices help us recruit, motivate and develop the talented people we need to serve our clients in all disciplines across our locations.</p>	<p>Selecting suppliers and partners who adopt standards consistent with our own can reduce costs, improve efficiency and protect our reputation.</p>	<p><b>Attracting and retaining talent, see pages 25-34</b></p> <p><b>Supply chain, see pages 43-46</b></p>

# QUANTIFYING OUR IMPACTS

As a creative transformation company, we want to maximise the positive value our business generates for shareholders, clients, our people, and wider society.

Our annual impact valuation guides us in generating value by helping us quantify our impacts and understand the associated monetary benefits and costs to society. This allows us to prioritise efforts and focus on enhancing our positive contribution.

Our analysis does not yet capture all of our impacts, either because they are not material or they are difficult to measure. For example, our communications services help our clients to increase product sales and can bring

about social and environmental change, but are hard to quantify because the impacts vary greatly depending on the brief.

We also recognise that increasing demand for a product brings environmental and social costs. We can play a powerful role in helping to tackle global issues such as inequality and the climate crisis. This is not only the right thing to do, but will also support our business continuity.

## ECONOMIC IMPACTS

### The economy

The direct contribution our activities made to the global economy

### Governments

Our contribution through taxes to national and local governments

### Our people

Our contribution as a major global employer, paid in wages and benefits

### Supplier partners\*

Our indirect economic impact through our spend with supplier partners

### \*Indirect

This procurement spend provides additional indirect benefits to economies by supporting livelihoods and job creation



## SOCIAL IMPACTS

### Diverse suppliers

Our spend on diverse suppliers in the United States

### Social investment

Our contribution to society through charitable donations, pro bono spend and providing free media space

### Youth employment

Our contribution to young people through internships and apprenticeships

### Skills

Our expenditure on training staff to enhance their careers and improve WPP's performance



## ENVIRONMENTAL IMPACTS

### Carbon emissions

The societal cost of our Scope 1, 2 and air travel greenhouse gas emissions

### Waste

The societal cost of our landfill and incineration impacts



## KEY

+ Positive - Negative

# QUANTIFYING OUR IMPACTS CONTINUED

## ECONOMIC IMPACTS

WPP makes a significant direct positive contribution to economies. In addition, the salaries and payments we make enable our people to buy goods and services and our suppliers to create jobs and spend in the economy.

WPP makes a direct contribution to the global economy through its Gross Value Added: the financial value of services sold minus the cost of salaries, taxes, and direct spend with suppliers. The money we spend

on advertising production, travel and professional services also directly supports jobs around the world.

The £7.1 billion we pay in wages and benefits is our largest direct contribution. This money supports local economies in the markets in which we operate, and creates a multiplier effect that leads to additional spending and further economic growth.

Tax payments made by WPP to national and local governments enable investment in the

social infrastructure and services necessary for a well-functioning society. The considerable indirect taxes and wages associated with our supplier and customer activities are not included in this assessment.

### **i** To learn more about:

- [Our approach to taxation, see page 52](#)
- [Our approach to reward and remuneration, see page 28](#)

## SOCIAL IMPACTS

We support social and charitable activities through cash donations, by undertaking pro bono work (marketing advice and campaigns for little or no fee) and negotiating free media space for charity campaigns. This helps charity and NGO partners to achieve campaign objectives, raise funds and recruit new members. Our support also goes much further, generating additional value by indirectly contributing to improving human health and community cohesion, and protecting human rights and the environment.

We provide internship and apprenticeship opportunities, which equip people with skills and experience that enhance their future life

prospects. In addition, our companies provide training for staff at all levels. This not only improves WPP's performance, but also enhances the valuable skill base within the company.

Our efforts to embed inclusive values across our business and through our client work are helping to address inequality. In the United States, we track certified diverse supplier spend, including women- and minority-owned businesses. Supporting these suppliers tends to benefit underserved local communities and regional economies, and bring different and innovative perspectives into our company.

### **i** To learn more about:

- [Our social investment, see pages 19-24](#)
- [Our approach to training and development, see page 27](#)
- [Our approach to inclusion and diversity, see pages 30-32, and supplier diversity, see page 45](#)

## ENVIRONMENTAL IMPACTS

Currently, businesses do not bear the true societal costs incurred as a result of their greenhouse gas (GHG) emissions. This impact occurs at the expense of current and future generations. Our analysis calculates the hidden cost of our contribution to climate change through our carbon emissions. We have a long track record of managing and reducing our emissions, and the Environment chapter (pages 35-42) details our targets, progress and approach to addressing the climate crisis.

Waste generation causes further societal costs linked to GHG and other air emissions, as well as potential odour and visual impacts from landfill and incineration. While recycling is considered a better option than

incineration or landfill, associated societal costs such as those relating to transport and energy consumption are not included in our impact valuation. We are reducing our impact from waste by committing to phase out plastics that cannot be reused, recycled or composted from our offices by the end of 2020.

Water and biodiversity impacts are excluded from this impact valuation as they are not considered material issues for WPP. However, we recognise that these issues may be material at a local level, especially as we move more of our people into Campuses. Sustainability is a key feature of new Campus buildings, which typically aim for a high level of certification to an internationally-

recognised green building standard, such as the US LEED standard or the UK BREEAM standard. Some Campuses provide green space which, amongst other things, helps support local biodiversity and employee wellbeing. The green space could also help improve air quality and reduce water run-off.

### **i** To learn more about:

- [Our plastics initiative and approach to waste and recycling, see page 41](#)
- [The environmental impact of our campuses, see page 38](#)
- [The methodology used evaluate our impacts, see pages 58-60](#)

# THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDGs)

We support the UN SDGs as a framework for government agencies, civil society, the private sector and citizens to work together to create a more sustainable future.

We have analysed the 17 Global Goals and the 169 targets which sit behind them to identify those which are most relevant for our business.

Good communications are essential to bring about the shift in attitudes and behaviour needed to end extreme poverty, inequality and climate change by 2030. Common Ground is a collaboration between the world's six largest advertising and marketing services groups and the United Nations, created to serve that purpose.

We work directly with the UN through our Common Ground initiative, partnering with UN Women to tackle gender inequality. See more on page 23. In 2019, we continued to partner with the UN Framework Convention on Climate Change (UNFCCC) to encourage people from around the world to take action on climate change. In the UK, Blue State supported the UN Refugee Agency (UNHCR) in its global media and digital fundraising efforts.

The greatest contribution we can make towards the SDGs is through our client and pro bono work. The campaign case studies featured in this report indicate which SDGs are most relevant.

## RELEVANT SDGs

## OUR RESPONSE



**Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all**

We partner with schools, colleges and universities, helping to develop and support training in marketing communications skills, for example through our partnership with the D&AD New Blood Academy (see page 27). We invested £38.7 million in training for our people in 2019.



**Achieve gender equality and empower all women and girls**

Our workforce is gender-balanced overall: 50% of senior managers and 40% of Board members are women. We aim to achieve equal representation of women at the Board and at all levels. Through the Common Ground partnership we are helping to tackle gender stereotypes in the media and supporting the work of UN Women on issues such as gender-based violence.



**Ensure access to affordable, reliable, sustainable and modern energy for all**

Our goal is for 100% of the electricity we buy to be from renewable sources by 2025. We are currently at 100% in the United States and 35% across the Group. We support the development of renewable energy generation in Brazil, China, India and Indonesia through our carbon offset projects.



**Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all**

We provide employment for more than 106,000 people across 112 countries. In 2019, our companies offered paid internships and apprenticeships providing work experience and development opportunities for 11,000 young people.



**Ensure sustainable consumption and production patterns**

We are taking action against plastic waste and to promote a circular economy (see page 41). We partner with clients on campaigns that help raise awareness of sustainable development and encourage sustainable lifestyles. Examples can be found throughout this report including our work with Doconomy on page 42 and Mindshare's #ChangeTheBrief on page 17.



**Take urgent action to combat climate change and its impacts**

Carbon emissions per employee reduced by 21% compared with the previous year and our use of renewable energy rose to 35%. We aim for net zero carbon emissions in our Campuses by 2025. Examples of our work to support clients in taking climate action can be found on page 42.



**Strengthen the means of implementation and revitalise the global partnership for sustainable development**

We use our pro bono work and social investment to support progress on the UN Sustainable Development Goals, partnering with organisations working in areas such as health, human rights and the environment. This had wider social benefits of £291 million in 2019.



To learn more about the UN SDGs see [un.org/sustainabledevelopment](http://un.org/sustainabledevelopment)



## OUR STRATEGY IN ACTION

Two WPP Country Managers share their perspective on sustainable business.

CVL SRINIVAS ON  
WHAT SUSTAINABLE  
BUSINESS MEANS  
TO WPP INDIA



**“WE ARE INVESTING  
IN THREE KEY  
INITIATIVES FOR  
BUILDING A  
BRIGHTER FUTURE  
FOR INDIA AND ITS  
YOUNG PEOPLE.”**

CVL Srinivas  
Country Manager, WPP India

# 20,000

underserved children supported through the WPP Foundation, giving them access to digital and technology skills



WPP has tremendous influence in India. We're the leading communications group, with significant market share and 18,000 employees. That position brings a responsibility to be the business our clients, employees and communities expect. It also presents an opportunity to create a pool of talented young people to meet our clients' future needs.

We are investing in three key initiatives for building a brighter future for India and its young people. Through the WPP Foundation, we are supporting almost 20,000 underserved children by providing the digital and technology skills that employers like WPP need, and which schools could not otherwise offer.

In India, over a quarter of children do not attend school regularly and many do not complete secondary education. To overcome this, we track the children in our programme from the ages of 11 to 18, help them find work at the end of their schooling, and continue to support them during their first six months of employment. I am immensely proud that our programme boasts a 93% attendance rate.

Our second initiative, the ISDI WPP School of Communication, combines academic and creative learning with practical skills, to prepare students for a career in communications and generate a pipeline of talent for our companies. Established in 2015, the school is expanding year-on-year and has fast become one of the most popular of its kind.

Last but not least, in 2019 we signed up to the India 2022 Consortium, a group of corporates working together on: waste to value, healthcare, energy, and sustainable mining. This is core business for WPP: our role is to develop brand and campaign strategies that amplify our partners' efforts in all four focus areas. The work provides a great way for our people to develop the skills to help our clients build sustainable futures – seven of our agencies and 40 students from the School of Communication are involved.

I am confident of the business benefits these investments will bring, as young people from diverse backgrounds bring new skills into our business, and as our commitment and thought leadership strengthen our reputation for responsibility. These are intangible benefits, perhaps, but incredibly valuable.



To learn more see  
[wppindiafoundation.com](http://wppindiafoundation.com)

## OUR STRATEGY IN ACTION

### DEMET İKİLER EXPLAINS WHAT INSPIRED HER TO PROMOTE INCLUSIVE AND SUSTAINABLE BUSINESS AT WPP TURKEY



#### DEMET İKİLER

Country Manager, WPP Turkey  
and EMEA CEO of GroupM

Turkey is a fast-developing market, where most corporates understand the need for sustainable growth. What matters to our clients matters to us: having the capabilities to help them deliver their sustainability agenda is essential.

The commitment to sustainability at WPP group-level has also inspired us. As the world's largest communications group, our work has real power to change people's beliefs and actions. In Turkey, we have introduced Mindshare's Change the Brief approach across all our agencies, as a way to build sustainable thinking into our client work from the outset.

**i** [Read more about #ChangeTheBrief on page 17](#)

From a personal perspective, I have faced challenges as a woman working her way up from the bottom of the ladder, even in an industry where women are widely accepted. Only around a third of women work in Turkey. It has made me passionate about using my experience and influence to help other women succeed in their careers, by mentoring colleagues and advocating for women's empowerment more broadly.

WPP is the only communications company to sign up to the Turkish Government's gender equality in workplace commitment. As well as mentoring, we provide a female-friendly



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working environment with practical support such as childcare; efforts that our largest client recognised with an award. We are also working hard to support other disadvantaged groups, including the LGBT community, people with disabilities, and two groups that are particularly relevant in Turkey: refugees and unemployed youth.

I believe we are truly setting the industry standard for inclusion and sustainable business in this country. We are the only communications company in Turkey signed up to the UN Global Compact, and in May 2019 I joined the local UNGC board, with responsibility for diversity and inclusion. We continue to carry out pro bono work in support of UN Women, and to support the Unstereotype Alliance to eradicate harmful gender stereotypes from advertising and media content.

Our industry has a responsibility to use its power for good – to influence minds and change behaviour. The environmental crisis is already here and the world needs action. We cannot wait for others: it is up to us to lead the way.

**"I BELIEVE WE ARE  
TRULY SETTING THE  
INDUSTRY STANDARD  
FOR INCLUSION AND  
SUSTAINABLE  
BUSINESS IN THIS  
COUNTRY."**